

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
ANNUAL CORPORATE GOVERNANCE REPORT
GENERAL INSTRUCTIONS

(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

(C) Signature and Filing of the Report

- A. Three (3) complete set of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is Filed for the Year: **2016**
2. Exact Name of Registrant as Specified in its Charter: **EAST WEST BANKING CORPORATION**
3. **The Beaufort, 5th Avenue Cor. 23rd St., Bonifacio Global City, Taguig**
Address of Principal Office [REDACTED] Postal Code **1634**
4. SEC Identification Number: **ASO94-002733**
5. **(SEC Use Only)**
Industry Classification Code
6. BIR Tax Identification Number: **003-921-057**
7. **(632) 575-3888**
Issuer's Telephone number, including area code
8.
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation

Actual number of Directors for the year

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
1.GOTIANUN, MERCEDES T.	NED		FDC	SINCE INCEPTION 1994	April 15, 2016	ASM April 15, 2016	22
2.GOTIANUN, JONATHAN T.	NED		FDC	SINCE INCEPTION 1994	April 15, 2016	ASM April 15, 2016	22
3.GOTIANUN-YAP, LOURDES JOSEPHINE	NED	NA	FDC FOREX	AUG. 15, 2000	April 15, 2016	ASM April 15, 2016	16
4.MONCUPA, JR. ANTONIO C.	ED		FDC FOREX	SEPT. 16, 2006	April 15, 2016	ASM April 15, 2016	10 years and 3 months
5. WILSON L. SY	NED		FDC	April 15, 2016	April 15, 2016	ASM April 15, 2016	1 year and 1 month
6. VALERIO, JR.	NED		FDC FOREX	JULY	April 15, 2016	ASM April 15, 2016	4 years

¹ Reckoned from the election immediately following January 2, 2012.

BENEDICTO M.				26, 2012			and 5 months
7. SANDEJAS, JOSE S.	ID		FDC (Rel. None)	APRIL 2012	April 15, 2016	ASM April 15, 2016	4 years and 8 months
8. ALINDADA, CARLOS R.	ID		FDC (Rel. None)	APRIL 2012	April 15, 2016	ASM April 15, 2016	4 years and 8 months
9. AQUINO, PAUL A.	ID		FDC FOREX (Rel. None)	OCT 10, 2012	April 15, 2016	ASM April 15, 2016	4 years and 2 months

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Corporate Governance Manual is the framework of rules, systems and processes in the corporation that governs the performance of the Board of Directors and Management. It establishes the structure by which the Bank executes and carries out its Corporate Governance.

The Bank's Board conducts its functions as a full board and through its committees. The Board established committees to assist it in discharging its responsibilities. Each committee has a mandate outlining the authority delegated to it by the board.

It shall be the Board's responsibility to foster the long-term success of the Bank and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Bank, its shareholders and other stakeholders, namely, its depositors and other creditors, its management and employees, the regulators and government, the community where it operates and the public in general. The Board shall conduct itself with utmost honesty, integrity and transparency in the discharge of its duties, functions and responsibilities.

The Board is committed to respect the rights of the stockholders such as but not limited to:

- a. Voting rights - Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Bank Code.
- b. Pre-emptive right - No stockholder shall, because of his ownership of stock, have preemptive right or right to purchase, subscribed for, or take any stock or any part of the notes, debentures, bonds or other securities convertible into a carrying option or warrant to purchase stock of the Bank issued, optioned or sold by it after its incorporation. Any part of the capital stock and any part of the notes, debentures, bonds or other securities convertible into carrying option or warrant to purchase stock of the Bank may be issued, optioned for sale and sold or dispose of by the Bank pursuant to the resolution of its Board of Directors for such person and upon terms as may to such Board seems proper without first offering such stock or securities or any part thereof to existing stockholders.
- c. Powers of inspection - All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.
 - a. Right to information - All shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information. If not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".
 1. Rights to dividends - Shareholders shall have the right to receive dividends subject to the discretion of the Board.
 - d. Appraisal right. - The shareholder shall have appraisal rights or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the

Philippines. Any stockholder who votes against a proposed corporate action may avail himself of the right of appraisal by making a written demand on the Bank within thirty (30) days after the meeting for the payment of the fair value of his shares. In order to perfect such right, the stockholder shall follow the procedures as described under Sections 81 to 86 of The Corporation Code.

How often does the Board review and approve the vision and mission?

This depends on the numbers of strategic meetings which are normally held at the beginning of the year during planning sessions and as often as needed to accommodate any revision.

(c) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Jonathan T. Gotianun	Filinvest Development Corp.	Chairman
	Davao Sugar Central co., Inc	Executive Director (ED) / President
	Filinvest Alabang, Inc.	Non - Director
	Filinvest Land, Inc.	Chairman
	Pacific Sugar Holdings	Executive Director (ED) Vice President
	EW Rural Bank	Chairman
	EW Ageas Life Insurance Corp.	Chairman
	EASTWEST LEASING AND FINANCE CORP.	Chairman
	Cotabato Sugar Central Co., Inc.	Chairman
	Countrywide Water Services, Inc.	Chairman
	FDC Misamis Power Corp.	Non - Director
	FDC Utilities, Inc.	Non - Director
	FDC Hotels Corp.	Non - Director
Mercedes T. Gotianun	Filinvest Development Corp.	Non - Director
	Filinvest Land, Inc	Non - Director
	Davao Sugar Central Corporation	Non - Director
	A.L. Gotianun, Inc.,	Non - Director
	Andremerc Holdings Corp.	Non - Director
	Pacific Sugar Holdings Corp.	Non - Director
	Cotabato Sugar Central Company Inc.	Non - Director
	High Yield Sugar Farm Corp.	Non - Director
	FDC Utilities, Inc	Non - Director
	Lourdes Josephine Gotianun	Filinvest Land Inc.

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Yap		and CEO
	Filinvest Alabang, Inc.	Executive Director/ President
	Filinvest Asia Corp.	Chairman
	Cyberzone Properties, Inc.	Chairman
	The Palms Country Club	Chairman / President
Paul A. Aquino	EW Ageas Life Insurance Corp.	Independent Director

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
None		

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Mercedes T. Gotianun	FDC	Shareholder/Director
Lourdes Josephine Gotianun Yap	FDC AND FDC FOREX	Shareholder/Director
Jonathan T. Gotianun	FDC AND FDC FOREX	Shareholder/Director

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

The Bank abides by the rules provided by the BSP on interlocking directorships in order to protect the Bank against the excessive concentration of economic power, unfair competitive advantage or conflict of interest.

(d) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Record date as of December 31, 2016

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jonathan T. Gotianun	13	10,575,797 Team Gladiola/ Berit holdings	0.7051%

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
		Inc	
Mercedes T. Gotianun	10	880,654 /Andremerc Holdings Corp.	0.0587
Lourdes Josephine Gotianun-Yap	359,753	11,077,098 /share in EW Trust Account & shares held by immediate family	0.7625%
Antonio C. Moncupa, Jr.	2,151,036	0	0.1434%
Wilson L. Sy	10,000	464,910/ share held by various Companies	0.0317%
Benedicto M. Valerio, Jr.	100,510	0	0.0067%
Carlos R. Alindada	10	0	0.00
Jose S. Sandejas	31,760	0	0.0021
Paul A. Aquino	40,010	0	0.0027
TOTAL	2,693,102	22,998,459	1.7128%

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes X No

Identify the Chair and CEO:

Chairman of the Board	Jonathan T. Gotianun
CEO/President	Antonio C. Moncupa

- (b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Roles, Accountabilities, Deliverables	The function of the Chairman is to preside at all meetings of the stockholders and the Board of Directors. He may also call special meetings of the stockholders and the Board of Directors pursuant to Section 3 of Article II and Section 4 of Article III of the Bank's By-laws.	The President, who shall be elected by the Board from among its members, shall be the Chief Executive Officer of the Bank. He shall, subject to the control of the Board, have direct and immediate supervision over the long term and daily operations and management of the Bank and shall execute and administer the administrative and operational

	Chairman	Chief Executive Officer
	<ol style="list-style-type: none"> 1. To provide leadership in the Board and ensures its effective functioning 2. To ensure that the Board takes an informed decision. 3. Ensures that Board meetings held in accordance with the Bank's By-laws or as he may deem necessary. 4. Supervises the preparation of the agenda of the meeting in coordination with Corporate Secretary. 5. Maintains qualitative and timely lines of communication and information between the Board and Management. 	<p>policies approved by the Board. He shall also exercise such powers as may be vested upon him by the Board not incompatible with law or these By-Laws. He may, at his discretion, delegate to a Chief Operating Officer some of his responsibilities subject to such rules and limitations as the Board may prescribe.</p> <p>Duties and Responsibilities include:</p> <ol style="list-style-type: none"> 1. Determines the Bank's strategic direction and formulates and implements the Board-approved strategic plan; 2. Communicates and implements the Bank's vision, mission, corporate values and over-all strategy; 3. Oversees the operations of the Bank and manages human and financial resources in accordance to the strategic plan; 4. Keeps abreast of developments which may significantly impact on the Bank's core business; 5. Directs, evaluates and guides the work of Senior Management; 6. Manages the Bank's resources prudently and ensures their proper balance; 7. Provides the Board with timely information and interfaces between the Board and management; and 8. Builds the Bank's culture that shall lead and motivate the Bank's employees.

3) Explain how the Board of Directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

I. EastWest Bank's Succession Planning Program is designed to identify and assess next-in-line individuals who can fill in critical positions, and to provide the necessary development plans to ensure readiness. The program initially covers Senior Officer positions.

Succession Planning in EastWest is limited to the most critical positions in the Bank such as the President / Chief Executive Officer (CEO), and the Heads who drive the various business units, whether operations, support or governance. It also tries to put in place a talent pool for other secondary yet equally important positions such as the department heads and area heads in the branches.

II. Methods used to Support Succession Planning

1. Job Evaluation

2. Career Planning and Development – preparation of career plan for identified High Potential Individuals (HiPos) to prepare them for bigger responsibilities in the future
3. Talent Management – identification of top talent and designing development plan for these key talents
4. Officer Development Programs

III. EastWest Succession Planning - The Succession Plan for key positions in EastWest is as follows:

1. The President – May be chosen from the Business Heads of critical units who are all members of the Senior Management Committee (MANCOM) and other operating committees. If, in the opinion of the Chairman of the Board, none of the present crop qualifies, external hires will be considered.
2. The Group Heads of key business units may be chosen from the Division Heads or external hires; The Division / Department Heads may be chosen from the Department / Section Heads, or external hires.

IV. The Corporate Governance and Compliance Committee vets the candidates for the Bank’s critical positions.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the Board? Please explain.

The Bank recognizes increasing diversity at the Board level as an essential element in maintaining a competitive advantage and achieving long-term growth and profitability. In determining the appropriate Board composition, Board diversity shall consider professional experience, skills, knowledge, background, moral standing in the community and other distinctions between Directors. All Board appointments are made on merit, in the context of the integrity and reputation, skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Bank does not discriminate against gender, age, and ethnic, political, religious, or cultural backgrounds.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. Through the Board’s Corporate Governance and Compliance Committee, the Bank ensures that all directors are qualified for election based on their integrity, physical fitness, competence, education, moral standing in the community, and relevant business or banking experience, among others.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	An Executive Director is one who is part of the day-to-day management of banking operations. The President and CEO is the only Executive Director of the Bank. He shall, subject to the control of the Board, have direct and immediate supervision over the long-term and daily operations and management of the Bank.	The Non-Executive Director is one who has no executive responsibility and does not perform any work related to banking operations. He/she is generally free from any business relationship that could hamper their objectivity or judgment on the business and activities of the Bank.	An Independent Director is one who is independent of management and the controlling shareholder, and is free from any business or other relationship which could or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his duties and responsibilities as a director.

	Executive	Non-Executive	Independent Director
Accountabilities, Deliverables	<p>The Board is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives and business plans, risk strategy, corporate governance and corporate values. It shall hold regular and special meetings to discuss senior management's performance vis a vis the Bank's strategic plan and annual budget, as well as policies and developments in the areas of risk management, corporate governance, compliance, and relevant operational functions.</p> <p>To ensure a high standard of best practice for the Bank, its stockholders and other stakeholders, the Board shall:</p> <ol style="list-style-type: none"> 1. Approve and monitor the implementation of business objectives, strategies and programs and assessing the performance of Senior Management vis-à-vis such strategic plans; 2. Approve and oversee the implementation of policies governing major areas of banking operations; 3. Approve and oversee the implementation of a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks; 4. Oversee selection and performance of Directors and Senior Management in accordance with set standards and adopt an effective succession planning program for its directors and key officers and management; 5. Consistently conduct the affairs of the institution with a high degree of integrity; 6. Define appropriate governance policies and practices for the Bank and for its own work and establish means to ensure that such are followed and periodically reviewed for ongoing improvement; 7. Constitute Board committees to increase efficiency and allow deeper focus in specific areas and approve all Board Committee Charters; 8. Effectively utilize the work conducted by the internal audit, risk management and compliance functions and the external auditors; 9. Establish and maintain an alternative dispute resolution system in the Bank that can amicably settle conflicts or differences between the Bank and its stockholders, and the Bank and third parties, including the regulatory authorities; 10. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Bank. 11. Formulate and implement group-wide policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Bank and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their close family members; 12. Ensure the consistent adoption of corporate governance policies and systems across the group and to disclose to the BSP all entities in the group as well as all significant transactions between entities in the group involving any BSP-regulated entity. 13. Identify the Bank's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them. 		

Provide the company's definition of "independence" and describe the company's compliance to the definition.

The Bank defines independence as having no business relationship with the Bank which could or could reasonably be perceived to materially interfere with the exercise of one's independent judgment in carrying out his responsibilities as a Director.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

In accordance with BSP Circular No. 749 series of 2012 and SEC Circular No. 9 series of 2011, the Bank's independent directors have a term limit of five (5) consecutive years. If after two years, the Bank decides to bring back an independent director who had served for five years, it shall limit the term for no more than four (4) additional years.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Andrew L. Gotianun, Sr.	Chairman Emeritus	March 10, 2016	Death

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	- The Board's Corporate Governance and Compliance Committee accepts nomination and vets qualified nominees based on the nominees' integrity, physical fitness, competence, education, moral standing in the community, and relevant business or banking experience, among others, for election/re-election at the Annual Stockholders Meeting.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors	See response to "a"	
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	- The Bank follows the rules on permanent disqualification outlined in its By-laws, MORB Section X143 of the Bangko Sentral ng Pilipinas, the Corporation Code and SEC issuances.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
d. Temporary Disqualification		
(i) Executive Directors	- The Bank follows the rules on temporary disqualification outlined in its By-laws, MORB Section X143 of the Bangko Sentral ng Pilipinas, the Corporation Code and SEC issuances.	
(ii) Non-Executive Directors		
(iii) Independent Directors		

Procedure	Process Adopted	Criteria
e. Removal		
(i) Executive Directors	-	The Bank follows the rules and procedures prescribed by the Bangko Sentral ng Pilipinas under MORB Section X143 for removal of its directors.
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	-	The Bank follows the rules and procedures prescribed by the Bangko Sentral ng Pilipinas under MORB Section X143 for reinstatement of its directors.
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	-	The Bank follows the rules and procedures prescribed by the Bangko Sentral ng Pilipinas under MORB Section X143 for suspension of its directors.
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Results of the last Annual General Meeting:

East West Bank Stockholder's Meeting was held on April 15, 2016.

Name of Director	Votes Received
JONATHAN T. GOTIANUN	The total votes received for the election of the Board of Directors were 85.53% or 1,282,987,470 voting shares of the total outstanding subscribed capital stock of the bank.
MERCEDES T. GOTIANUN	
LOURDES JOSEPHINE GOTIANUN YAP	
ANTONIO C. MONCUPA JR.	
WILSON L. SY	
ATTY. BENEDICTO M. VALERIO JR.	
JOSE S. SANDEJAS	
CARLOS R. ALINDADA	
PAUL A. AQUINO	

6) Orientation and Education Program

1. Disclose details of the company's orientation program for new directors, if any.

The Bank provides a seminar / training in corporate governance for new Directors in compliance with BSP regulation under MORB Section 141.2.

2. State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

In December 2014 and November 2015, the Institute of Corporate Directors (ICD), a SEC-accredited training provider, conducted an exclusive Corporate Governance Training Seminar for the Board and Senior Management of the Bank at Crimson Hotel, Alabang. In 2016, Directors and Senior Management attended the SEC-PSE Corporate Governance Forum at the Summit Hall C and D, Philippine International Convention Center (PICC),

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

PICC Complex, Pasay City.

EWB Academy, the Bank's training arm provides, in coordination with an accredited SEC training provider, offered Corporate Governance Courses for senior officers of the Bank with the rank of Assistant Vice President and up. There were a total of two (2) runs in 2014, three (3) in 2015 and one (1) in 2016.

- Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Board of Directors: 1. Jonathan T. Gotianun 2. Josephine L. Gotianun-Yap 3. Carlos R. Alindada 4. Paul A. Aquino 5. Jose S. Sandejas 6. Atty. Benedicto M. Valerio 7. Antonio C. Moncupa, Jr.	November 22, 2016; 8:30AM – 4:30PM	3 rd Annual SEC – PSE CORPORATE GOVERNANCE FORUM	SECURITIES AND EXCHANGE COMMISSION and PHILIPPINE STOCK EXCHANGE

B. CODE OF BUSINESS CONDUCT & ETHICS

- Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>Directors must never allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Bank. They must avoid any situation or activity that compromises, or may compromise, their judgment or ability to act in the best interest of the Company. The Bank's policy on Conflict of Interest is stated as follows.</p> <p>1. It is the duty of a Director to fully disclose to the Board of any conflict of interest or presumption thereof involving him/her which could materially impair his/her judgment, exercise of duties and responsibilities and loyalty to the Bank.</p>	<p>The Bank's Code of Ethics and Discipline provides that no employee may engage in any business or activity that, directly or indirectly, is in competition with that of the Bank or to the performance of his respective job or work assignments.</p> <p>The Bank also maintains a policy on Related Party Transactions and Conflict of Interest which provides guidance in –</p> <ol style="list-style-type: none"> 1. Identification of related party transactions and actual and potential conflicts of interest that may arise in the course of the Bank's business. 2. Establishment of transparency in related party transactions and personal dealings to promote operational integrity in the business. 3. The proper and restricted use of confidential, sensitive and/or material information not available to the public. 4. The establishment and maintenance of Chinese Walls. 	

Business Conduct & Ethics	Directors	Senior Management	Employees
	<p>2. It is the duty of a Director to report to the Board any conflict of interest or presumption thereof involving a Director which could materially impair the latter's judgment, exercise of duties and responsibilities and loyalty to the Bank.</p> <p>3. The director, who is in conflict of interest, should not vote and be counted in determining the existence of a quorum at the Board of Directors' meeting at which the matter is voted upon.</p> <p>4. If the conflict of interest is significant, ongoing and competing with the Bank's interest and if it impedes the ability of the director to carry out his/her duties, the Bank has the right to remove the director from his/her position.</p> <p>5. The Board of Directors shall be governed by the Bank's policy on acceptance of gifts to avoid conflict of interest contained in OMS Personnel-10-000 Policy Manual.</p> <p>Any transaction with conflict of interest requires prior approval of the members of the Board.</p>		
(b) Conduct of Business and Fair Dealings	<p>The Bank's Code of Ethics and Discipline describes the policies on Trust and Confidence / Honesty and Integrity.</p> <p>It is the obligation of every director, officer and employee to preserve and maintain the trust and confidence bestowed on him/her by the Bank when it entrusts to him/her records, documents, cash and other restricted and confidential matters pertinent to bank operations and business.</p> <p>1.1. Confidentiality of Bank Transactions – Bank transactions are confidential. Any information and /or data relative thereto should not be divulged.</p> <p>1.2. Accuracy and Completeness of Data and Records – The records, data and</p>		

Business Conduct & Ethics	Directors	Senior Management	Employees
	<p>information owned, used and managed by the Bank should be accurate, updated and complete at all times. Every employee is responsible for the integrity of information, records and reports under his/her control. Financial information provided to the Bank's shareholders, regulatory bodies and other must embody the highest standards of fairness and accuracy.</p> <p>1.3. Confidentiality of Bank Records – The Bank prohibits the unauthorized disclosure or reproduction of classified and confidential records, documents, correspondences and information pertaining to the Bank's business or affairs.</p> <p>1.4. Integrity of Bank Records – The integrity of the records of the Bank must be maintained at all times. Any willful action, which would affect the integrity of the said records, including falsification, misrepresentation or concealment of material and/or relevant facts, will not be tolerated and will be subjected to appropriate disciplinary action.</p> <p>1.5. Turnover of Bank Records and Documents upon Resignation/Separation – All Bank records and documents in the custody of an employee must be surrendered to the Bank upon the employee's resignation/separation from the Bank.</p> <p>1.6. Confidential Relationship between Employee and Customers – Employee must maintain the confidential relationship between the Bank and each of its customers. Likewise, those by virtue of their responsibilities are privy to employees' personal data should keep in strictest confidence such information unless required by Management or by court of law.</p> <p>1.7. Confidential Information – Confidential information is considered to be privileged and must be held in strictest confidence and must never be discussed outside the normal and necessary course of employment with the Bank for the purpose of furthering any personal interest or as a means of making any personal gain.</p>		
(c) Receipt of gifts from third parties	<p><u>Code of Ethics and Discipline</u></p> <p>Section 11. No employee shall accept gifts or lavish entertainment from customers or suppliers either for himself, his family or his dependents.</p> <p>Section 12. Receiving of gifts, percentage and commission in exchange for a favor to a client is strictly prohibited.</p>		
(d) Compliance with Laws & Regulations	<p>The Board of Directors shall:</p> <p>a. Oversee the implementation of the Compliance Program and ensure that compliance issues are resolved expeditiously;</p> <p>b. Constitute a Committee that will be responsible in coordinating, monitoring and facilitating compliance with existing laws, rules and regulations; and</p> <p>c. Act as the approver of the Compliance Manual and amendments thereto.</p>	<p>Compliance, which is essential to the Bank's continued growth and stability, is the responsibility of every East West Banker.</p> <p>The Compliance Division headed by the Chief Compliance Officer is vested with the role of overseeing the design of the Bank's Compliance Program and coordinating its effective implementation towards the sound management of Business and Compliance Risks. It is the Division's mandate to ensure that the Bank remains compliant with all rules, regulations and laws in a cost-effective and productive manner while propagating the right compliance culture while avoiding an overly risk-averse environment that inhibits business growth.</p> <p>In coordination with the Compliance Division and corollary to the Bank's Compliance Program, each Business and Support Unit shall develop and implement policies and procedures consistent with the BOD-</p>	

Business Conduct & Ethics	Directors	Senior Management	Employees
		approved Compliance Manual embodying the Bank's Compliance Program.	Each employee has the responsibility to have a working knowledge of all relevant laws, rules and regulations applicable to his assignment and is expected to fulfill his duties and responsibilities set forth in the Unit's/Group's Compliance Program.
(e) Respect for Trade Secrets/Use of Non-public Information	<p>The Bank's confidential information shall be adequately protected in its entire lifecycle. Creation, access, and usage of confidential information is on a need-to-know basis while transmission, storage, and disposal shall adopt secured handling.</p> <p>Authorized users must not distribute the Bank's confidential information to unauthorized internal and external parties. Management approval is required before anyone can distribute the Bank's confidential information. Any approved material that is to be distributed must contain all proper copyright, trademark and disclaimer notices.</p> <p><u>Code of Ethics and Discipline</u></p> <p>Section F 1. It is the obligation of every employee to preserve and maintain the trust and confidence bestowed on him by the Bank when it entrusts to him records, documents, cash and other restricted and confidential matters pertinent to Bank operations and business</p> <p>Section F 2. Bank transactions are confidential and any information and/or data relative thereto may not be divulged. Strict compliance to R.A. 1405, which prohibits the disclosure of deposits of any nature, should be observed at all times.</p> <p>Section F 3. The Bank prohibits the unauthorized disclosure or reproduction of classified and confidential records, documents, correspondence and information pertaining to the Bank business or affairs.</p> <p>Section F 5. All Bank records and documents in the custody of an employee must be surrendered to the Bank upon the employee's resignation/separation from the Bank.</p> <p>Section F 6. Employees must maintain the confidential relationship between the Bank and each of its customers.</p> <p>Section F 7. Likewise, those by virtue of their responsibilities are privy to employee's personal data should keep in strictest confidence such information, unless required by the Management or by court of law.</p>		
(f) Use of Company Funds, Assets and Information	<p><u>Code of Ethics and Discipline</u></p> <p>Section 15. Employees shall not use Bank stationery, office supplies and/or equipment for personal purposes, nor should any employee perform, during working hours or inside Bank premises, any work not related to his job or connected with the Bank's business.</p> <p>The Bank also has an Information Security Policy, and new hires are required to read it and sign the attached acknowledgment form.</p>		
(g) Employment & Labor Laws & Policies	The Employee Handbook, given out during the New Employees' Orientation Program (NEOP) and the Code of Ethics and Discipline contain Bank policies, and rules and regulations that are in accordance with existing Labor Laws.		
(h) Disciplinary	Consistent with the General Banking Act of 2000 and the fiduciary nature of the		

Business Conduct & Ethics	Directors	Senior Management	Employees
action	<p>relationship of banks with its depositors and because the banking business is impressed with public interest, the Bank adopts a policy to promote the highest standards of integrity and the highest degree of diligence and responsibility among its directors, officers and employees. In line with this, the directors, officers and employees must conduct themselves in a manner consistent with the Bank's core values and be instrumental in the promotion of the Bank's good name and reputation and in the achievement of its business goals and objectives.</p> <p>The Bank has thus set standards of discipline and work ethics for its officers and employees and shall, when circumstances so warrant, impose appropriate disciplinary action against employees who, by their acts or omissions, commit infractions and breach the work standards, policies and procedures, rules and regulations of the Bank.</p>		
(i) Whistle Blower	<p>Employees, directors, stakeholders, clients, service providers and other third parties are encouraged to report, in good faith, knowledge of any misconduct, irregularity or act detrimental to the interests of the Bank and its stakeholders.</p> <p>The reporting party or otherwise referred to as the "whistleblower" has a choice of communication channels to report any knowledge of misconduct or irregularity. The report may be through the normal channel of reporting bank concerns which is through the direct supervisor/manager of the personnel or officer involved in the reportable behavior. However, if the reported misconduct or irregularity is not acted upon by the direct supervisor or in the judgment of the whistleblower, the direct supervisor is not in a position to address his report, the whistleblower may email his/her report to the Whistle Blowing Committee or call any of the following designated officers:</p> <ol style="list-style-type: none"> 1. Head, Human Resources Division 2. Chief Audit Executive 3. Chief Risk Officer 4. Chief Compliance Officer <p>If the issue to be reported is serious and sensitive, the whistleblower may directly approach the President and CEO or the Chairman of the Board of Directors. A member of the Board of Directors reporting an activity under this policy may raise his concerns to the Chairman of the Audit Committee, Chairman of the Corporate Governance Committee or the Chairman of the Board of Directors.</p> <p>The whistleblower may disclose his/her identity or opt to remain anonymous. However, sufficient information must be provided to aid in the investigation of the reported misconduct, irregularity or improper activity. The whistleblower should refrain from obtaining evidence for which he/she does not have right of access but his/her cooperation in the investigation, if needed, is expected.</p> <p>Ample protection is accorded to a whistleblower which includes, among others: (i) Confidentiality of identity and of the information reported; (ii) Non-retaliation against the whistleblower; (iii) Protection and security of his/her person and his/her family; (iv) Transfer to another unit; and/or, (v) Reinstatement to the same or comparable position and back benefits and pay, if warranted by the circumstances.</p> <p>On the other hand, any person implicated in the reported act is accorded the right to be informed of the act he/she is alleged to have committed, its penalties or consequences, the right to counsel of his own choice, the right to be heard and present evidence on</p>		

Business Conduct & Ethics	Directors	Senior Management	Employees
	<p>his/her defense, and the right to be informed of the resolution of the investigation or action taken.</p> <p>This policy sets forth a reporting process beyond the normal reporting line to provide an alternative venue for reporting any irregularity, misconduct or suspicious activities to the Management but this is without prejudice to established procedures of the Bank in handling disciplinary cases under its Code of Ethics and Discipline.</p>		
(j) Conflict Resolution	<p>A Grievance Committee composed of officers and representatives of the Bank's Employee Relations Council was created with the following responsibilities.</p> <ol style="list-style-type: none"> 1. To uphold fairness, justice and cooperation in the investigation of issues involving any employee. 2. To ensure that both parties are given equal opportunities to present their sides. 3. To assist in the mediation of grievances at the earliest possible time. 4. To refer the grievance matter to the Human Resources Division (HRD) pursuant to established procedure of the Bank on handling administrative complaints <p>Once a complaint is referred to HRD through an incident report, appropriate investigation is conducted. If there is a violation of the Bank's policies, concerned employees are accorded due process and if sanction is warranted, appropriate sanctions are meted.</p>		

2) Has the Code of Ethics or Conduct been disseminated to all directors, senior management and employees?

Yes. As soon as they join the organization, directors, senior management and employees are provided a copy of the Code of Ethics and Discipline as well as the Employee Handbook.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Code of Ethics aims to enforce the Bank standards and ensure impartiality and fair treatment of all employees when disciplinary action is required. The Management, through its line managers, enforces the code of ethics but all employees are welcome to file reports/complaints when they find that offenses have been committed. Human Resources, along with Legal Department and Internal Audit Group, conduct a preliminary investigation.

If the findings indicate that there is basis, administrative proceedings are then conducted.

- Minor offenses would warrant a disciplinary action of oral reprimand, written warning, or suspension of not more than five (5) days, and may be decided on by the Line Manager/Group Head after taking into consideration the employee's reply and issuing a Notice of Disciplinary Action.
- Serious offenses would warrant a disciplinary action of more than five (5) days suspension up to termination and shall be decided on by the President after submitting a written reply and the conduct of a formal hearing with the Committee on Ethics and Discipline.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p>The Related Party Transaction (RPT) policy of East West Bank aims to ensure that all RPTs are conducted at arm's length and managed in a manner that will protect the Bank, its depositors, creditors and other stakeholders from conflicts of interest and possible material risks arising from exposures to such transactions; and all RPTs are appropriately reviewed, approved, ratified and disclosed as required in compliance with legal and regulatory requirements.</p> <p>All material RPTs shall be vetted by the RPT Committee, who in turns endorse the same to the Board for approval. The materiality criteria takes into consideration the nature of the transaction and the degree of risk associated with it and allows the Bank to undertake RPTs in a timely manner while ensuring that the review mandate of the RPT Committee shall be carried out judiciously and in accordance to the Bank's size, risk profile and risk management framework.</p> <p>Members of the Board of Directors, Stockholders or Management of the Bank shall immediately disclose to the Board of Directors if they or their close family members directly, indirectly or on behalf of third parties, have a financial interest or potential conflict of interest in any transaction, arrangement or relationship affecting the Bank. The duty to disclose shall include disclosure of relationships with clients, prospects, service providers, suppliers and vendors.</p> <p>Directors or officers with personal interest in the transaction shall abstain from the discussion, approval and management of the transaction, arrangement or relationship.</p> <p>All approved material RPTs are reported to the Bangko Sentral ng Pilipinas in accordance with the regulatory reporting requirements. Furthermore, the Bank shall ensure that its Annual Report and website appropriately disclose the policies and procedures for managing RPTs, including managing of conflicts of interest or potential conflicts of interest; responsibilities of the RPT Committee; nature, terms and conditions of material RPTs as well as their outstanding individual and aggregate balances.</p>
(2) Joint Ventures	
(3) Subsidiaries	
(4) Affiliates	
(5) Entities Under Common Control	
(6) Substantial Stockholders	
(7) Officers including their relatives within the first degree of consanguinity and affinity; For Key Officers, include their relatives within the second degree of consanguinity and affinity or by legal adoption, legitimate or common law	
(8) Directors including their relatives within the second degree of consanguinity and affinity or by legal adoption, legitimate or common law	
(9) Directors, Stockholders and Key Officers of Parent Company, Joint Ventures, Subsidiaries and Affiliates including relatives within the second degree of consanguinity and affinity or by legal adoption, legitimate or common law	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be

involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	None

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

The RPT Policy requires that members of the Board of Directors, Stockholders or Management of the Bank shall immediately disclose to the Board of Directors if they or their close family members directly, indirectly or on behalf of third parties, have a financial interest or potential conflict of interest in any transaction, arrangement or relationship affecting the Bank. The duty to disclose shall include disclosure of relationships with clients, prospects, service providers, suppliers and vendors.

Directors or officers with personal interest in the transaction shall abstain from the discussion, approval and management of the transaction, arrangement or relationship.

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None		

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
FDC Group	Borrowing Client	Subject to the rules of the BSP on DOSRI accommodations, shareholder has a credit facility with the company which it may avail from time to time

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None		

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

Alternative Dispute Resolution System	
Corporation & Stockholders	None
Corporation & Third Parties	The Bank, complies with applicable laws, rules and regulations on the matter of alternative dispute resolution and that, whenever circumstances warrant, the Bank expresses or manifests its willingness and openness to reasonable (extra-judicial) resolution of disputes with third parties. Further, the Bank complies with the provisions of Alternative Dispute Resolution whenever incorporated in contracts it enters into."
Corporation & Regulatory Authorities	There has been no dispute between regulatory authorities in the last three years.

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

Yes.

2) Attendance of Directors

There were twelve (12) regular board meetings from January to December 2016;, one (1) special board meeting held on April 15, 2016 and one (1) organizational meeting of the Board held on April 28, 2016 or a total of seventeen (14) Board Meetings.

The following are the attendance of the Directors of the Bank who attended the above-mentioned Board Meetings from January to December 2016;

Directors	No. of Meetings attended
Jonathan T. Gotianun	13
Andrew L. Gotianun Sr.	2 (January – February)
Mercedes T. Gotianun	12
L. Josephine Gotianun Yap	11
Antonio C. Moncupa Jr.	11
Jose S. Sandejas	14
Carlos R. Alindada	14
Paul A. Aquino	14
Wilson L. Sy	9 (April – December)
Benedicto M. Valerio Jr.	14

The above-named Directors have complied with the BSP and Corporate Governance requirements of at least 50% attendance in the meetings of the Board of Directors for this given period.

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how

many times?

None

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No. As prescribed by the Bylaws of the Bank, at least a majority of the members of the Board of Directors shall constitute a quorum to do business, except in those cases where the Corporation Code provides for a greater percentage.

- 5) Access to Information

- (a) How many days in advance are board papers³ for board of directors meetings provided to the board?

3-7 days before the meeting

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines. He shall have a working knowledge of the Bank's operations and the appropriate administrative and interpersonal skills required of the position. Primarily responsible to the Bank and its shareholders, he shall be loyal to the vision, mission and objectives of the Bank.

Duties and Responsibilities

1. Assists the Board and the Executive Committee in the conduct of their meetings, including preparing an annual schedule of the Board and the Executive Committee and the annual Board calendar and assisting the Chairman of the Board and the Executive Committee to set agendas;
2. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Bank;
3. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, advises the Board and the Chairman on all relevant issues as they arise;
4. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
5. Advises on the establishment of Board Committees and their terms of reference;
6. Informs the Board, in accordance with the by-laws, of the agenda of their meetings at least three (3) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
7. Gathers and analyzes all documents, records and other information essential to the conduct of his duties and responsibilities to the Bank
8. Ensures that all Board procedures, rules and regulations are strictly followed by the Directors;
9. Attends all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;

³ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

10. Performs required administrative functions;
11. Oversees the drafting of the Bank's by-laws and ensures that they conform with regulatory requirements;
12. Submits to the Securities and Exchange Commission (SEC), at the end of every fiscal year, an annual sworn certification on the directors' record of attendance in Board meetings; and
13. Performs such other duties and responsibilities as are incident to his office and those which may be required of him by the Board, the CEO or provided by the SEC.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes. The Corporate Secretary is actively engaged in the practice of law and specializes in corporate work and litigation.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes

No

Committee	Details of the procedures
Executive	<p>As a matter of policy, materials for the meeting are disseminated to the committee members at least a day before the meeting date. Further information required by the committee member/s, if any, are made available within the meeting day or subsequently as agreed with the concerned committee member/s.</p> <p>All items for Executive Committee approval are sent to and maintained by the Corporate Secretary. All members of the Board have access to these records.</p>
Audit	<p>As a matter of policy, materials for the meeting are disseminated to the committee members at least a day before the meeting date. Further information required by the committee member/s, if any, are made available within the meeting day or subsequently as agreed with the concerned committee member/s.</p> <p>All records of the Audit Committee is maintained by the Committee and its Secretary and can be accessed by the members of the Board.</p>
Corporate Governance and Compliance which includes Nomination	<p>As a matter of policy, materials for the meeting are disseminated to the committee members at least 2 days before the meeting date. Further information required by the committee member/s, if any, are made available within the meeting day or subsequently as agreed with the concerned committee member/s.</p> <p>All records of the Corporate Governance and Compliance Committee is maintained by the Committee Secretary and can be accessed by the members of the Board.</p>
Compensation	As a matter of policy, materials for the meeting are

Committee	Details of the procedures
	<p>disseminated to the committee members at least a day before the meeting date. Further information required by the committee member/s, if any, are made available within the meeting day or subsequently as agreed with the concerned committee member/s.</p> <p>All records of the Remuneration Committee is maintained by the Committee and its Secretary and can be accessed by the members of the Board.</p>
Risk	<p>As a matter of policy, materials for the meeting are disseminated to the committee members at least a day before the meeting date. Further information required by the committee member/s, if any, are made available within the meeting day or subsequently as agreed with the concerned committee member/s.</p> <p>All records of the Risk Committee is maintained by the Committee Secretary and can be accessed by the members of the Board.</p>
Trust	<p>Materials for the regular meeting are distributed to the committee members at least 2 days before the meeting date. Additional information that may be required is provided during the meeting or afterward to the concerned Committee member(s). Special meetings may be requested / convened to discuss specific issues.</p> <p>All records of the Trust Committee is maintained by the Committee and its Secretary and can be accessed by the members of the Board.</p>
Related Party Transactions Committee	<p>As a matter of policy, materials for the meeting are disseminated to the committee members at least 2 days before the meeting date. Further information required by the committee member/s, if any, are made available within the meeting day or subsequently as agreed with the concerned committee member/s.</p> <p>All records of the Related Party Transactions Committee is maintained by the Committee Secretary and can be accessed by the members of the Board.</p>

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

There is no formal procedure. If the directors see the need, they are free to seek external advice.

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

All major policies and procedures, including revision and modifications thereto, are subject to periodic review and require approval of the Board of Directors. This is to ensure compliance to laws and regulations and alignment to Bank's strategy.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Human Resources Group recommends a proposed compensation package for the CEO and all Senior Management Officers to the Remuneration Committee. This Committee, composed of five members including the President and one independent director, evaluates and recommends to the Board incentives and other equity-based plans designed to attract and retain qualified and competent senior officers.

For the Internal Audit Executives, an annual report on the total remuneration is reported to the Board of Directors through the Audit Committee.

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	For the CEO, please see response to number 1.		
Non-Executive Directors	Please see response in number 3 below.		

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Stockholders do not approve the decision on total remuneration of the Board.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

The following are the Bank's CEO and four most highly compensated executive officers for the year ended 2016:

Name	Position
Antonio C. Moncupa, Jr	Chief Executive Officer
Jose Emmanuel U. Hilado	Chief Operating Officer
Gerardo Susmerano	Head, Retail Banking Cluster
Jacqueline S. Fernandez.....	Head, Consumer Lending Cluster
Renato K. De Borja, Jr.....	Chief Finance Officer

The following table identifies and summarizes the aggregate compensation of the Bank's CEO and the four most highly compensated executive officers of the Bank in 2013, 2014, 2015 and 2016 estimates:

	Year	Total(1) (P in millions)
CEO and the most highly compensated officers named above		
.....	2013	66.8
	2014	77.8
	2015	92.9
	2016	107.2
Aggregate compensation paid to all officers and Directors as a group unnamed		
.....	2013	449.1
	2014	524.3
	2015	627.3
	2016	681.1

The growth in aggregate compensation of the CEO and the four most highly compensated executive officers of the Bank for 2017 is estimated to be the same as that of the prior year.

There are no actions to be taken as regards any bonus, profit sharing, pension or retirement plan, granting of extension of any option warrant or right to purchase any securities between the Bank and its directors and officers.

Remunerations given to directors which were approved by the Board Remuneration Committee amounted to ₱12.0 million in 2016, ₱13.4 million in 2015, and ₱13.1 million in 2014.

4) Stock Rights, Options and Warrants

Not applicable. EW has no stock options and warrants for 2016.

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Not applicable. EW has no stock options and warrants for 2016.

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
None		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

The following are the Bank's CEO and four most highly compensated executive officers for the year ended 2015:

Name	Position
Antonio C. Moncupa, Jr	Chief Executive Officer
Jose Emmanuel U. Hilado	Chief Operating Officer
Gerardo Susmerano	Head, Retail Banking Cluster
Jacqueline S. Fernandez.....	Head, Consumer Lending Cluster
Renato K. De Borja, Jr.....	Chief Finance Officer

The total remuneration for the CEO and the most highly compensated officers named above is ₱107.2 million in 2016.

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	2	4	None	Please see attached Executive Committee Charter (Annex 1)			
Audit	None	None	3	Please see attached Audit Committee Charter (Annex 2)			
Corporate Governance and Compliance (also serves as Nomination Committee)	1	1	3	Corporate Governance and Compliance Committee Charter (Annex 3)			
Compensation	1	3	1	Ensures that the compensation policies and practices are consistent with the corporate culture, strategy and the business environment under which it operates. It evaluates and recommends to the board incentives and other equity-based plans designed to attract and retain qualified and competent individuals. The committee meets at least once a year and provides overall direction on the compensation and benefits strategy of the bank.			
Others : Trust Committee	2	3	None	Please see attached Trust Committee Charter (Annex 4)			
Others : Risk Committee	1	2	3	Please see attached Risk Committee Charter (Annex 5)			
Related Party Transactions		1	3	Please see attached Related Party Transactions Committee Charter (Annex 6)			

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment Re- election held on April 15, 2016)	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	JONATHAN T. GOTIANUN	April 15, 2016	37	34	94.44	22
Member (ED)	ANTONIO C. MONCUPA	April 15, 2016	37	35	97.22	10 years & 3 months
Member (NED)	MERCEDES T. GOTIANUN	April 15, 2016	37	28	77.77	22
Member (NED)	L.JOSEPHINE GOTIANUN YAP	April 15, 2016	37	33	91.67	16
Member (ED)	JOSE EMMANUEL U. HILADO	April 15, 2016	37	20 (May – December)	54.1	2 years & 4 months

(b) Audit Committee

Office	Name	Date of Appointment Re- election held on April 15, 2016)	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Carlos R. Alindada	April 15, 2016	12	12	100%	4 years and 8 months
Member (ID)	Jose S. Sandejas	April 15, 2016	12	12	100%	4 years and 8 months
Member (ID)	Paul A. Aquino	April 15, 2016	12	12	100%	4 years and 2 months

Disclose the profile or qualifications of the Audit Committee members.

1. Carlos R. Alindada –

- Tanduy Distillers, Inc. (Independent Director); Bahay Pari Solidaritas Fund (Independent Director) and Datem, Inc. (Independent Director) National Power Corporation (Director, 2001); Energy Regulation Commission (Commissioner, 2001-2004); SGV & Co. (Chairman and Managing Partner, (1996-1999)
- Education:
 - BBA Accounting, University of the East, 1954
 - Masters in Business Administration in Corporate Finance, New York University, 1959
 - Advance Management Program, Harvard University, 1975

2. Jose S. Sandejas

- Sun Oil, Inc. (Chairman & President); Diversified Holdings, Inc. (Chairman); Primegates Property, Inc., (Chairman); Radix Inc., (Chairman); Ostrea Mineral Laboratories Inc., (Chairman); PAREF School (Chairman); MFI Foundation (Chairman & President); Marubeni Scholarship Foundation Inc., (Vice Chairman); Philippine Cancer Society (Trustee); TCGI Engineers, Taikisha Phils., Inc., (Director); De La Salle University – Lipa (Director)
- Education:
 - BS Chemical Engineering (Cum Laude), De La Salle University, 1961
 - Ph.D in Materials Engineering, Rensselaer Polytechnic Institute, NY, USA, 1962

3. Paul A. Aquino

- East West Ageas Life Insurance Corporation (Director); Skycable Inc. (Director); Tanging Yaman Foundation (Trustee); Energy Development Corporation (Adviser); Government of Malta (Honorary Consul); KEI Tech (Kananga EDC Institute of Technology) (President)
- Education:
 - Bachelor of Arts , Ateneo De Manila University, 1963
 - BS Electrical Engineering, Santa Clara University, California, USA, 1965
 - Masters in Business Administration, Santa Clara University, California, USA, 1967

Describe the Audit Committee's responsibility relative to the external auditor.

As contained in the Audit Committee Charter

xxx B. Power and Authority,

- Oversee the resolution of disagreement between management and the external auditors, in the event they arise. xxx
- Meet with the company officers, external auditors, or outside counsel, as necessary.

E. Responsibilities

- The Audit Committee provides oversight of the institution's financial reporting and internal and external audit functions. It is responsible for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to the Audit Committee. xxx

Financial reporting, including disclosures

- Review with management and the external auditors, recent accounting, tax and regulatory pronouncements , and understand their impact on the financial statements
- Discuss with the external auditor the report that the auditor is required to make to the committee regarding:
 - All accounting policies and practices to be used that the independent auditor identifies as critical.
 - All alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor.
 - Other material written communications between the independent auditor and management of the bank, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor's engagement and independence letters, schedule of unadjusted audit differences and any listing of adjustments and reclassifications not recorded.
- Review and discuss with management and the external auditor the annual audited financial statements, including the bank's specific disclosures made in management's discussion and

analysis, and recommend to the Board whether the audited financial statements should be included in the bank's Annual Report.

- Review with management and the independent auditor: (1) major issues regarding accounting principles and financial statement presentation, including any significant changes in the bank's selection or application of accounting principles; and (2) major issues as to the adequacy of the bank's internal controls and any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; and (3) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the bank.

Internal Control

- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendation.

External Audit

- Approve a set of appropriate objective criteria for approving the external audit firm of the bank;
- Approve, or recommend to the board or stockholders for their approval, the appointment, re-appointment and removal of external audit firm;
- Approve the remuneration and terms of engagement of the external audit firm;
- Review and confirm the independence of the external auditors on relationships by obtaining statements from the auditors on the relationships between the auditors and the bank, including non-audit services, and discussing the relationships with the auditors.
- Ensure that senior management is taking necessary corrective actions to address the findings and recommendations of external auditors and regulatory authority in a timely manner.
- Review and confirm the independence of the external auditors on relationships by obtaining statements from the auditors on the relationships between the auditors and the bank, including non-audit services, and discussing the relationships with the auditors.
- Prior to publishing the year-end earnings, discuss the results of the audit with the external auditors.
- On an annual basis, the audit committee should review and discuss with the external auditors all significant relationships they have with the bank that could impair the auditors' independence.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

(c) Corporate Governance and Compliance Committee / Nomination Committee

The Corporate Governance and Compliance Committee (CGCC) shall assist the Board of Directors (the Board) in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank's Compliance Program, including its Money Laundering and Terrorist Financing Prevention Program (MLPP).

The CGCC shall serve as the Nomination Committee of the Bank. It shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board and assess the effectiveness of the Board's process and procedures in the election or replacement of directors.

Office	Name	Date of Appointment Re- election held on April 15, 2016)	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Paul A. Aquino	April 15, 2016	11	11	100%	4 years and 2 months
Member (NED)	Jonathan Gotianun	April 15, 2016	11	10	90%	22
Member (ID)	Carlos Alindada	April 15, 2016	11	11	100%	4 years and 8 months
Member (ID)	Jose Sandejas	April 15, 2016	11	11	100%	4 years and 8 months
Member (ED)	Antonio C. Moncupa Jr.	April 15, 2016	11	11	100%	8 months

(d) Remuneration Committee

Office	Name	Date of Appointment (Re- election held on April 15, 2016)	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Lourdes Josephine G. Yap	April 15, 2016	1 – June 22, 2016	1	100	16
Member (NED)	Mercedes T. Gotianun	April 15, 2016	1 – June 22, 2016	1	100	22
Member (NED)	Jonathan T. Gotianun	April 15, 2016	1 – June 22, 2016	1	100	22
Member (ID)	Jose S. Sandejas	April 15, 2016	1 – June 22, 2016	1	100	4 years and 8 months
Member (ED)	Antonio C. Moncupa	April 15, 2016	1 – June 22, 2016	1	100	10 years & 3 months

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Risk Management Committee

Office	Name	Date of Appointment (Re- election held on April 15, 2016)	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jose Sandejas	April 15, 2016	13	13	100	4 years and 8 months
Member (ID)	Paul Aquino	April 15, 2016	13	13	100	4 years

						and 2 months
Member (ID)	Wilson Sy	April 15, 2016	13	9	69	1 year and 1 month
Member (ED)	Antonio C. Moncupa, Jr.	April 15, 2016	13	11	85	1 year and 1 month
Member (ED)	Jonathan T. Gotianun	April 15, 2016	13	10	77	1 year and 1 month

Trust Committee

Office	Name	Date of Appointment (Re- election held on April 15, 2016)	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jonathan T. Gotianun	April 15, 2016	4	2	50	22
Member (ED)	Antonio C. Moncupa, Jr.	April 15, 2016	4	4	100	10 years & 3 months
Member (NED)	Lourdes Josephine T. Gotianun-Yap	April 15, 2016	4	2	50	16
Member (NED)	Atty. Benedicto M. Valerio	April 15, 2016	4	3	75	4 years and 5 months
Member	Angel Marie L. Pacis (Trust Officer)	April 15, 2016	4	4	100	1 year & 10 months

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	None	None
Audit	None	None
Nomination	None	None
Remuneration	None	None
Others (specify):		
Risk	Wilson Sy Antonio Moncupa, Jr. Jonathan Gotianun	Change in the Committee composition after the Annual Stockholders' Meeting
Trust	None	None

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	Oversight on the Bank's overall credit risk management	NONE
Audit	Oversight function over external and internal audit work plan and results. Reviews also BSP report on	Resolutions of significant audit issues noted during the regular audits were monitored monthly.

Name of Committee	Work Done	Issues Addressed
	examination.	
Corporate Governance and Compliance	<ul style="list-style-type: none"> • Oversight of the implementation of the Bank's Compliance Program including the Money Laundering Prevention Program. • Reviewed and evaluated the qualification of individuals nominated to the Board as well as those nominated to other management positions requiring appointment by the board to ensure alignment with the Bank's strategy. • Conducted the annual Board and Committee self-assessment. 	Significant issues addressed were those raised in the 2015 BSP Report on Examination of the Bank and 2016 BSP Advance Findings. Actions taken and planned resolutions were monitored monthly by the Compliance Division and reported to the Committee every other month.
Remuneration	Ensured that the compensation policies and practices are consistent with the corporate culture, strategy and the business environment under which it operates.	No significant issues.
Risk	<p>The highlights of the Committee's accomplishments include:</p> <ul style="list-style-type: none"> • Review and approval of frameworks for loss model development and setting risk limits • Review and approval of the various policies, risk appetite and loss limits • Expanded risk oversight on business continuity • Review and approval of the Bank's compliance self-assessment on new regulations 	<p>These initiatives aimed to:</p> <ul style="list-style-type: none"> • Keep the Bank's risk management practices appropriate amidst the changing internal and external environment • Strengthen risk oversight business continuity processes • Ensure the Bank's readiness with the new rules and regulations
Trust	<ul style="list-style-type: none"> • Instituted tighter documentary requirements such as mandatory letters of instructions • Instituted regular monitoring of documentary deficiencies of the branch network • Maintained tight approval control of one-off investment proposals. • Reviewed and approved managed accounts and discussed performance of key managed accounts and UITFs 	<ul style="list-style-type: none"> • Reduction of operational risks. • Improve investment discipline.
Related Party Transactions (RPT)	<ul style="list-style-type: none"> • Oversight of the implementation of the group-wide Related Party 	<ul style="list-style-type: none"> • Revised the RPT Policy to align with the revised BSP regulations.

Name of Committee	Work Done	Issues Addressed
Committee	<p>Transactions Policy</p> <ul style="list-style-type: none"> Vetted material RPTs to ensure that these remain arms-length. 	

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	None	
Audit	Control Appreciation and Fraud Prevention Program	To promote and instill control awareness and appreciation among the bank's store officers to minimize occurrence of fraud and loss exposure due to fraud and other irregularities.
Corporate Governance and Compliance (Nomination)	Enhanced the Bank's Compliance Program and Money Laundering Prevention Program to strengthen the Bank's culture of compliance.	Raise awareness and understanding of the Bank's compliance risks and institute the right policies, systems and procedures to ensure strict adherence to rules and regulations.
Remuneration	None	
Risk	<p>The Enterprise Risk Management (ERM) Capability Maturity Model was introduced and adapted that provides clear risk management success attributes and milestones. With this in place, it's foreseen to realize the following:</p> <ul style="list-style-type: none"> Enhanced risk management strategic and tactical planning to improve effectiveness in actual risk management performance. More effective tracking of risk management progress and maturity. <p>Taken from the adoption of above model, risk management plans shall revolve around progressing the Bank's risk management practice maturity to the next higher level year-on-year. Specifically for the coming immediate year or so –</p> <ul style="list-style-type: none"> Risk policies are to be shifted from silo-based towards enterprise-wide perspective. Enhance, if not complete, procedural guidelines to allow efficient execution of risk 	The inherent need to adapt to changing demands of doing banking is the compelling reason for the Bank's risk management discipline to progress higher, and be adaptive to these demands.

Name of Committee	Planned Programs	Issues to be Addressed
	management practices. <ul style="list-style-type: none"> • Embed risk management discipline through awareness & training programs, as well as incorporation of risk management mandate in performance appraisal system. • Refine key risk indicators to be periodically monitored and reported. • Refine existing, if not develop new, risk models to improve risk measurement capability. Automate or upgrade risk management processes, and firm up data infrastructure.	
Trust	Offer investment solutions and portfolios utilizing a complete array of investment funds necessary for optimal portfolio construction within an operational framework that is in line with regulatory standards.	Increase competitiveness and differentiation of the business in the industry. Improve operational framework to ensure efficiency and internal controls over asset management and account administration.
Related Party Transactions	None	

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Bank's risk philosophy has been defined and outlined by its Board of Directors in order to provide clear directions and mandate in the conduct of risk management at all levels across the Bank. The underlying premise of the Bank's risk philosophy is that every entity in the Bank exists to provide value for the Bank's stakeholders, namely, its depositors and other creditors, its management and employees, the regulators and government, the community where it operates and the public in general. All units in the Bank face uncertainty and thus are challenged to determine how much uncertainty to accept in doing business. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value. Value is maximized when management sets strategy and objectives to achieve an optimal balance between growth and return goals and, its related risks, and efficiently and effectively deploys capital in pursuit of the Bank's objectives.

The Bank is broadly directed by the following guidelines:

- align risk appetite with its business plan and strategies
- proactive risk management
- reduce surprises of unexpected losses
- identify and manage all material risks

- optimize use of capital

- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The Board, through its Risk Management Committee oversees the effectiveness of the Bank's risk management system. The Committee convenes monthly and performs reviews of risk management frameworks, manuals, and limit systems. The Committee is likewise apprised about the Bank's overall risk profile through the regular risk management reports that includes various risk indicators, presented by RMD. This allows the Committee to perform its oversight function over the Bank's risk taking activities ensuring that aggregate risk exposures are within the Board approved levels at all times and deviations if any are accordingly dealt with.

In the course of performing its oversight function, the Committee did not pose any adverse observation, as it normally does whenever it finds any, on the effectiveness of the Bank's risk management system.

- (c) Period covered by the review;

The review covered the Group's risk and capital management performance for the year 2016, plus a 5-year forward looking view while the on-going review indicated above covers the year 2016 and similarly prospective 5-year period.

- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

The Bank's risk and capital management system, mainly its policies and processes, is constantly challenged and refined as stakeholder reliance on an effective risk management system becomes more pronounced for sound business decision-making purposes. At a minimum, the review is performed on an annual basis through its ICAAP exercise. This is without prejudice to the monthly RMC meetings diligently held to tackle and approve risk and capital management policies and limit structures, and where the results of the monitoring of the Bank's risk and capital management initiatives are comprehensively reported.

- (e) Where no review was conducted during the year, an explanation why not.

N/A

2) Risk Policy

- (a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit risk	Well-controlled underwriting process with appropriate levels of authority	To ensure that borrower accounts undergo a rigid credit evaluation process and authority commensurate to the risks the Bank will assume with the approval of said account.
	Employment of credit limits (at various levels), including management action triggers (MAT's)	To contain Bank credit exposures within borrowers' capacity to pay and Bank's risk tolerance.
	Minimum securitization and/or insurance	To have credit risk mitigant as an alternative source of collection by the

		Bank from its clients should a default occur.
	Maintain a minimum level of quality for its credit portfolio	To keep the Bank's credit portfolio quality within acceptable level whereby credit losses are still acceptable and within the Bank's credit risk appetite.
	Diversification	To reduce credit concentration risk in terms of industry sectors, and specific borrowers and/or group of related borrowers.
Operational risk	Segregation of duties and responsibilities, and dual control	To prevent unauthorized or invalid activities arising from monopoly of the whole process by one person or unit in the Bank.
	Hierarchy of approving authorities	To ensure that transactions entered into by the Bank is reviewed and authorized by the appropriate body/ies and level of authority/ies within the Bank.
	Four eye policy	To ensure that transactions are accurately done through verification or second look by another person.
	Independent validation	To ensure reliance on reported completeness and accuracy of records and estimates through a review by a party other than the one performing the task.
Market (includes interest rate) risk	Trading of liquid instruments	To ensure that price fluctuations are relatively contained (in contrast to price fluctuations in illiquid instruments).
	Employment of market risk limits (at various levels) including loss alert system	To cap the Bank's market risk exposure within its risk tolerance and sufficient leeway is allowed to appropriately dispose limit breaches without unnecessarily increasing the Bank's risk.
Liquidity risk	Maintenance of adequate liquidity reserves	To ensure that the Bank has sufficient liquidity to draw from to settle its obligations as and when it falls due.
	Employment of funding concentration limits	To ensure diversified sources of funding and minimize dependency from large fund providers
	Contain cash outflows within acceptable levels, as reflected in the liquidity risk limits	Ensure that there is adequate liquidity to meet expected and unexpected outflows.

	Contingency funding planning	To ensure that all available sources of funding are identified and procedures are set to address an event of severe liquidity requirement.
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(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

The same risk management policies at the Company level applies at the Group level.

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
The principal risk of the minority shareholders in controlling shareholders' exercise of its voting power is the risk of share value reduction due to corporate actions by the controlling shareholders that may be detrimental to the minority shareholders. This risk is considered by the Bank to have a remote possibility of happening to the minority shareholders given the Bank's controlling shareholders track record of prudent management. Since the Bank's public debut in 2012, there were no cited incidents that caused detrimental damage to the Bank's share value as a result of unsound corporate action/s by the Bank's controlling shareholders.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Operational risk (i.e. fraud activities)	<p>Results of the Bank's risk self - assessment (Phase 1 – Identification) shows that the Bank is exposed to operational risk such as business disruptions, process errors and failures, and fraudulent activities. Material operational risks are considered by the Bank's management as high risk exposures.</p> <p>The above self-assessment results were performed by the Bank's business and operating units. The results were collated by the Risk Management Division and were analyzed on a Bank-wide perspective and reported monthly to the Risk Management Committee of the Board.</p> <p>Operational risk is measured in both</p>	<p>Overall operational risk management is directed through Board-approved policies as embodied in the Bank's Operational Risk Management Manual. Self-assessment activities such as identification of operational risks were performed to understand risk exposures and its control environment at point of occurrence to be able to proactively mitigate unacceptable residual exposures.</p> <p>Material operational risk events, both near-miss and actual losses, are recorded, tracked, and monitored. Root causes of material operational risk events are determined to evaluate soundness of control design and effective execution of said control that is essential to surface control design issues or execution lapses.</p>

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
	financial and non-financial terms in accordance with the Board approved risk appetite and tolerances. It is performed by assessing the likelihood of an operational risk happening, and estimating the consequential business impact when the event happens having considered the effectiveness of controls in reducing operational risk.	<p>This facilitates actions that should prevent the recurrence of said risk event. Implementation of material key risk indicators are also monitored on a periodic basis to provide early-warnings on potential losses or control breakdowns.</p> <p>To ensure continuity of the Bank's operations the framework for business continuity and disaster recovery planning is in place.</p> <p>On the other hand, to mitigate losses, insurance coverage for various purposes is maintained by the Bank. Example, insurance coverage for its employee's health and safety, and for potential property loss or damage to its physical assets.</p>

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

The same control system set up at the Company level applies at the Group level.

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Executive Committee	Oversight on the Bank's overall credit risk management	<p>The Committee's functions include:</p> <ul style="list-style-type: none"> To review the bank-wide credit strategy, profile and performance. To approve the credit risk-taking activities based on the established approving authorities and likewise reviews and endorses credit-granting activities, including the Internal Credit Risk Rating System
Corporate Governance and Compliance Committee (CGCC)	Oversight on the Bank's overall corporate governance and business and compliance risks.	<p>The Committee's functions include:</p> <ul style="list-style-type: none"> Oversee the implementation of the compliance program and the Money Laundering Prevention Program and ensure compliance issues are resolved expeditiously.

Committee/Unit	Control Mechanism	Details of its Functions
		<ul style="list-style-type: none"> • Assists the Board in assessing the effectiveness of managing compliance risk and ensures regular review of the compliance program. • Review and evaluate the qualifications of all persons nominated to the Board and to other positions requiring appointment by the Board.
Risk Management Committee (RMC)	Oversight on the Bank's overall risk management system	<p>The Committee's functions include:</p> <ul style="list-style-type: none"> • Develop risk appetite and tolerances for the Bank and recommends them to the Board • Review and approve risk management principles, strategies, policies, and initiatives • Oversee the overall risk management, risk profile, and compliance with the Board approved risk appetite and tolerances
Audit Committee (AuditCom)	Independent Examination the Bank's internal control system	<p>The Committee's function includes:</p> <ul style="list-style-type: none"> • Examine the major risk exposures and ensures accountability on the part of management to monitor and control such exposures including the risk assessment and risk management policies • Examine the major issues regarding accounting principles and financial statement presentation, including any significant changes in selection or application of accounting principles • Examine the major issues as to the adequacy of internal controls; to examine the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements
Related Party Transactions Committee	Oversight on the implementation and execution of the group-wide Related Party Transaction Policy	<ul style="list-style-type: none"> • Review and vet all material related party transactions to ensure that these are arms-length.
Trust Committee	Oversight on the proper	The Committee's function includes:

Committee/Unit	Control Mechanism	Details of its Functions
	management of trust and other fiduciary business	<ul style="list-style-type: none"> • Acceptance and closing of trust and other fiduciary accounts • Initial review of assets placed under the trustee's fiduciary custody • Investment, re-investment and disposition of funds or property • Review and approval of transactions between trust and/or fiduciary accounts, and • Review of trust and other fiduciary accounts at least once every twelve (12) months to determine the advisability of retaining or disposing of the trust or fiduciary assets and/or whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship. • The TrustCom shall also preside over the proper conduct of the trust's business, reviewing on a periodic basis, business development initiatives as: <ul style="list-style-type: none"> a. Staffing and delineation of responsibility / accountability b. Proactive development and implementation of strategies for cultivating of revenue streams and cost management c. Application and monitoring of the proper performance benchmarks.

Committee/Unit	Control Mechanism	Details of its Functions
Executive Management Committee	Looks into broad organizational and operational issues, and approves major initiatives. Serves as the IT Steering Committee as well.	<p>The Committee's function includes:</p> <ul style="list-style-type: none"> • Reviews strategies and key execution plans and monitors performance vs plans and historical numbers. • Discusses employee, customer and competitive trends and formulates strategies and action plans in response to trends. • Evaluates, approves, prioritizes and monitors major projects and initiatives • Reviews and monitors broad organizational situation • As IT Steering Committee <ul style="list-style-type: none"> - Evaluates, approves, monitors and prioritizes IT projects - Monitors progress of IT Strategic Plan, regularly reviews the plan and identify opportunities that will align the plan to the Bank's business strategy. - Identifies business solutions that may leverage technology - Reviews IT policies, procedures and standards, when needed.
Loan and Investments Committee (LoanCom)	Oversight on credit risk control	<p>The Committee's function includes:</p> <ul style="list-style-type: none"> • To oversee the credit risk-taking activities and overall adherence to the credit risk management framework, • To review business/credit risk strategies, quality and profitability of the credit portfolio and recommend changes to the credit evaluation process, credit risk acceptance criteria and the minimum and target return per credit or investment transaction
Asset-Liability Management Committee (ALCO)	Oversight on market, liquidity, and other financial position related risk	<p>The Committee's function includes:</p> <ul style="list-style-type: none"> • Establish asset and liability pricing policies that are consistent with the strategies of the bank, • Recommend market and liquidity risk limits to the Risk Management Committee and BOD

Committee/Unit	Control Mechanism	Details of its Functions
		<ul style="list-style-type: none"> • Review regularly the liquidity position of the bank and implement asset and liability pricing guidelines as a result of the review, • Review regularly asset levels to ensure that income objectives are met, • Review regularly interest rate risk and liquidity risk to ensure that market and liquidity risk limits are complied with.
Risk Management Subcommittee (RMS)	Oversight on the implementation and execution of the Bank's risk management policies and procedures	<p>The Committee's function includes:</p> <ul style="list-style-type: none"> • To oversee and direct the management of the overall risk profile • To spearhead the implementation of the Bank's risk management initiatives • To lead the effective conduct of risk management • To oversee the overall risk incidents and control gaps or deficiencies and implementation of corresponding corrective actions

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

Internal control is broadly defined as a process, effected by the bank's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of its objectives.

The bank's internal control was designed to:

- Safeguard the bank's assets
- Ensure adherence to regulations, particularly those of the BSP, Anti-Money Laundering Council (AMLC), Philippine Deposit Insurance Corporation (PDIC) and SEC.
- Maintain reliability of accounting data
- Promote operational efficiency

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The Audit Committee prepares annually a self-assessment on their performance and an annual report to the Board of Directors with regards their assessment of the effectiveness and adequacy of the internal controls of the Bank, among others.

- (c) Period covered by the review;

Latest report was for the calendar year 2016.

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The Audit Committee reviews the effectiveness and efficiency of internal control every meeting. An assessment will be given to the Board, when appropriate and necessary. Annually, the Audit Committee prepares a formal report to the Board of Directors.

- (e) Where no review was conducted during the year, an explanation why not.

Not applicable

2) Internal Audit

- (a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Refer to the attached Internal Audit Charter	Refer to the attached Internal Audit Charter	In-house but certain functions may be outsourced, if the need arises.	Eloida F. Oquialda SVP & Chief Audit Executive	Refer to the attached Internal Audit Charter

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

Internal Audit is functionally reporting to the Audit Committee. Internal Audit reports to the Audit Committee at least 4 times per year. For 2016, the Audit Committee met 12 times.

The Chief Audit Executive (CAE) has direct access and unfettered access to the Board and the Audit Committee. Internal Audit has unrestricted access to all records, properties and personnel.

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

There were 28 Internal Audit staff who resigned due to various reasons such as career change, family circumstance, and better compensation offer of other companies / banks.

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Internal Audit monitors the accomplishment of the work plan quarterly and reports to the Audit Committee on a semi-annual basis. Also, status of corrective/remedial measures undertaken on high risk issues is reported to the Audit Committee during its regular meeting.

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.

3) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Description	Implementation
Internal Audit Manual, which includes the following, among others:		All established controls, policies and procedures have been implemented.
Audit Risk Assessment Model	Provides risk assessment measurement criteria based on key business risk variables to calculate the weighted risk rating and rank the auditable units/entities. The main purpose of the Risk Assessment Methodology is to enhance the objectivity and transparency and provide for a sound basis for the preparation of the Annual Audit Plan (audit frequency, intensity and timing).	
Risk-based Audit Methodology		
Audit Rating System	Guidelines to promote consistency and objectivity in the formulation of an overall assessment /rating for each audit engagement.	
Outsourcing Policies	Covers the process of obtaining external service providers to support or complement the Internal Audit Activity, in conformance with the Institute of Internal Auditor's Practice Advisory 1210.A1-1 and regulatory requirements of the Bangko Sentral ng Pilipinas, currently under Circular 765, and as may be amended in the future.	
Various Audit Program Guides	Audit Program Guides provide the audit steps / procedures for a particular audit engagement. These are reviewed and updated when deemed necessary, i.e. based on the results of walkthrough procedures there are changes in the process brought about by changes in the system, regulations, etc.	

4) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p>Internal Audit functionally reports to the Audit Committee composed of independent directors</p> <p>Internal Auditors' Declaration of Independence signed annually.</p> <p>External Auditors issue statement of their independence in compliance with regulation.</p>	Not Applicable	Not Applicable	The Bank has a signed agreement where the Rating Agencies commit to express an independent, objective and fair credit opinion, adhering to its credit rating standards and ensuring that the credit rating function shall be performed with utmost professional competence.

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

Jonathan T. Gotianun, Chairman
Antonio C. Moncupa, Jr., President and CEO
Ma. Bernadette T. Ratcliffe, Chief Compliance Officer

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	Under the vision and mission statement of the bank, the customer is treated equally with the shareholders and employees as major stakeholder of the bank.	<p>The Bank has put in place policies to safeguard the rights of our customers. These policies are:</p> <ul style="list-style-type: none"> • Consumer Protection Program • Treating Customers Fairly

	Policy	Activities
		Under the said programs, guidelines have been provided to ensure all business units align and adhere to the Bank's standards on transparency and disclosure, protection of customer information, fair treatment and effective recourse. In addition, regular monitoring of adherence to standards is undertaken and reported to the Board and Senior Management.
Supplier/contractor selection practice	Only pre-qualified bidders are allowed to bid and the bid is awarded to the lowest bidder.	<ol style="list-style-type: none"> 1. Notice of bidding; prequalification to bid. 2. Announcement of pre-qualified bidder. 3. Submission of bid documents/bond. 4. Bidding 5. Awarding. 6. Notice to proceed.
Environmentally friendly value-chain	Contribute to conservation of trees, water and energy thru adoption of paperless media transaction and other conservation programs we have put in place.	<ol style="list-style-type: none"> 1. Electronic instead of paper based communication. 2. Adoption of other electronic based banking products and transactions. 3. Regular advisory on tips to conserve energy.
Community interaction	Promotion of specific cause for improvement of the Community.	Sponsor community and school based social programs.
Anti-corruption programs and procedures	<p>Section I (Rules and Regulations) of the Bank's Code of Ethics and Discipline describes the policies covering the following:</p> <ol style="list-style-type: none"> A. Trust and Confidence/Honesty and Integrity B. Preservation of Bank Property C. Business and Personal Conduct D. Outside Activities E. Conflict of Interest 	<p>Section II (Employee Discipline) of the Bank's Code of Ethics and Discipline describes the policies covering the following:</p> <ol style="list-style-type: none"> A. Administrative Charges B. Schedule of Penalties
Safeguarding creditors' rights	Maintains accountability and transparency in all dealings with creditors by faithfully complying and observing any covenants with creditors.	Monitoring of all transactions to ensure that these are generally within the prescribed limits.

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

There is no separate CR section in the EastWest Annual Report.

At the heart of our CR initiatives are our employees and the communities where we operate. In 2016, our Employee Relations Council partnered with various charitable institutions on projects where our employees can volunteer and make a difference.

Here are some of those projects:

- Philippine Red Cross Blood Drive: EastWestbankers donate blood yearly and contribute to Red Cross' mission to save lives.
- DepEd's Brigada Eskwela: EastWest has been helping schools get ready for school opening. In 2016, volunteers from our Bank Operations Group donated paint and painting materials and helped restore the classrooms, cabinets, and chairs at the Ricardo P. Cruz Elementary School in Lower Bicutan.

- 3) Performance-enhancing mechanisms for employee participation.

- (a) What are the company's policy for its employees' safety, health, and welfare?

Caring for the health and well being, as well as for the safety and security of our employees, EastWest provides HMO and group life insurance coverage. Employees' financial security extends beyond retirement with a retirement benefit plan that helps them reap the benefits of long years of hard work and allows them to enjoy life after their tenure with EastWest.

As an organization, EastWest believes in providing a learning environment which gives our people all the opportunities for them to accumulate knowledge, continuously hone their skills and sharpen their competencies. EastWest Bank's Learning Academy mission is to provide the necessary training programs to all employees that will help them increase their level of awareness, improve their skills and develop the right attitude in performing their jobs.

- (b) Show data relating to health, safety and welfare of its employees.

HEALTH RELATED FRINGE BENEFITS	AVAILED
1. Annual Physical Examination (Head Offices and Branches)	4,107
2. Executive Check-up	113
3. Pre-employment Physical Examination	1,301
4. Medical Retainer onsite clinics Physician Nurses	4 5
5. Total Amount for emergency medicines and clinic supplies	P218,436
6. Monthly Medical Specialists Consultation	1,148
7. Monthly Health Advisories	10
8. Flu Vaccinations for employees & Dependents	368

9. Wellness Programs	1,345
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Safety & Security Programs:

Training Program	Frequency	Participants
Bank Safety and Security Orientation for New Employees Orientation Program (NEOP) <i>(Covers topics on Bank Emergency Preparedness and Response for fire, earthquake, bomb threat and robbery)</i>	Twice a month	New EWB Employees
Security Customer Service Program Modules: 1. Bank Security Operations 2. EW Customer Service Standards 3. Emergency Preparedness & Response 4. ATM-related Fraud- Identification and Prevention	Annual per Security Guard per Security Agency	All agency-deployed Security Guards
Safety and Security Seminar for Service Managers	As scheduled	Service Managers
Safety and Security Division (SSD) Quarterly In-House/Field Training	As scheduled	Safety and Security Division / Operations Center Officers
Safety and Security Seminar - Store Officers Development Program (SODP)	Semi-annual	Store Officers

(c) State the company's training and development program for its employees. Show the data.

EWB has various training programs such as Foundational Courses, Development Programs, Bank Development, Business Development, Governance, Risk and Compliance, Leadership and Personal Effectiveness. Please refer to Annex 7.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The Bank's Compensation programs will reflect the following beliefs and intentions:

- We are in the service industry. As such we recognized that the key factor to succeed is to build and retain an employee corps that could compete effectively.
- Having the right people is the first and most important step in achieving the Bank's vision of being a "world-class bank anchored on service excellence in our chosen markets".
- We will use compensation to attract and retain top performers, and provide base salary, incentives and rewards that direct behaviour & performance to achieve the Bank's goals & strategies as well as build and sustain the Bank's values and culture.

- We will keep our competitive positioning at or near the 50th percentile of identified competitor banks for annual base salary and total cash compensation (base plus bonus or incentives). Total cash compensation above the 50th percentile may be attained for core employees who hold critical positions and exceed performance expectations.
 - The general level of the variable component (bonus) of the compensation will be correlated to the Bank's performance. If the Bank achieves above average results, the bonus pool will correspondingly increase and possibly push the average total compensation higher than the 50th percentile level. In this way, the fortunes of the Bank and that of its workforce are tied tightly.
 - We will maintain a salary structure consistent with the aforementioned competitive positioning and at the same time ensures internal consistency whereby the salary is reflective of the employee's duties and responsibilities; competencies relevant to the job, performance and contributions to the business. The salary structure shall specify ranges (minimum, midpoint, and maximum) which are set to correspond to each of the corporate ranks or levels in the bank's job classification framework.
 - Similarly, we will provide a fringe benefits program that is competitive with the target market in terms of benefit mix and amounts. The program will complement our base compensation and pay incentives in attracting and retaining employees who meet or exceed performance standards.
 - The benefits program will be a mix of benefits that are mandated by law and those commonly given in the industry such as health and life insurances, employee loans, car benefits, retirement, etc. The specific benefit amounts shall be competitively positioned at median or average of the target market.
 - The Human Resources Group shall review and recommend changes to the compensation and benefits programs in order to maintain its competitiveness and responsiveness to the needs of the organization.
 - The Compensation Committee shall review and approve proposed changes in the compensation structure and benefits program of the Bank.
- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

Employees, directors, stakeholders, clients, service providers and other third parties are encouraged to report, in good faith, knowledge of any misconduct, irregularity or act detrimental to the interests of the Bank and its stakeholders.

The reporting party or otherwise referred to as the "whistleblower" has a choice of communication channels to report any knowledge of misconduct or irregularity. The report may be through the normal channel of reporting bank concerns which is through the direct supervisor/manager of the personnel or officer involved in the reportable behavior. However, if the reported misconduct or irregularity is not acted upon by the direct supervisor or in the judgment of the whistleblower, the direct supervisor is not in a position to address his report, the whistleblower may email his/her report to the Whistle Blowing Committee or call any of the following designated officers:

1. Head, Human Resources Division
2. Chief Audit Executive
3. Chief Risk Officer
4. Chief Compliance Officer

If the issue to be reported is serious and sensitive, the whistleblower may directly approach the President and CEO or the Chairman of the Board of Directors. A member of the Board of Directors reporting an activity under this policy may raise his concerns to the Chairman of the Audit Committee, Chairman of the Corporate Governance Committee or the Chairman of the Board of Directors.

The whistleblower may disclose his/her identity or opt to remain anonymous. However, sufficient information must be provided to aid in the investigation of the reported misconduct, irregularity or improper activity. The whistleblower should refrain from obtaining evidence for which he/she does not have right of access but his/her cooperation in the investigation, if needed, is expected.

Ample protection is accorded to a whistleblower which includes, among others: (i) Confidentiality of identity and of the information reported; (ii) Non-retaliation against the whistleblower; (iii) Protection and security of his/her person and his/her family; (iv) Transfer to another unit; and/or, (v) Reinstatement to the same or comparable position and back benefits and pay, if warranted by the circumstances.

On the other hand, any person implicated in the reported act is accorded the right to be informed of the act he/she is alleged to have committed, its penalties or consequences, the right to counsel of his own choice, the right to be heard and present evidence on his/her defense, and the right to be informed of the resolution of the investigation or action taken.

This policy sets forth a reporting process beyond the normal reporting line to provide an alternative venue for reporting any irregularity, misconduct or suspicious activities to the Management but this is without prejudice to established procedures of the Bank in handling disciplinary cases under its Code of Ethics and Discipline.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Filinvest Development Corporation	600,090,678	40.01%	ALG Holdings Corporation
Filinvest Development Corporation Forex Corporation	557,721,376	37.18%	Filinvest Development Corporation
PCD Nominee Corporation -Foreign	120,609,277	08.04%	Various stockholders/clients
PCD Nominee Corporation - Filipino	216,891,165	14.46% %	Various stockholders/clients

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Antonio C. Moncupa, Jr.	2,151,036		0.1434%
Jose Emmanuel U. Hilado	277,665		0.0185%
Gerardo Susmerano	425,372		0.0284%
Jacqueline S. Fernandez	39,637		0.0026%
Ernesto T. Uy	40,000		0.0027%
Ivy B. Uy	199,392		0.0133%
Bernadette T. Ratcliffe	13,292		0.0009%

Renato P. Peralta	61,546		0.0041%
Grace N. Ang	53,171	15,000	0.0045%

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo and Co.	PHP 3,835,000	PHP 2,400,000

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

1. Periodic submission of structured reports to the PSE and SEC
2. Immediate submission of unstructured reports to PSE and SEC in the event a material information occurs
3. Annual investor briefing participation locally and abroad
4. Accommodation of queries by various existing and potential investors through personal meetings, email, and tele-conference
5. Press releases to leading newspapers in circulation pertaining to significant developments happening in the Bank
6. Continuous update of the Bank's website (www.eastwestbanker.com) for all of the above information released to the public

5) Date of release of audited financial report: **March 15, 2016**

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
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Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

Not applicable

7) **Disclosure of RPT**

The amounts and the balances arising from the foregoing significant related party transactions of the Group and of the Parent Company are as follows:

Category	2016		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balance	
Significant investors:			
Loans receivable	P=	P5,621,850	Loans granted with a term of seven years, interest of 4.05%, secured, no impairment
Deposit liabilities	-	2,784,273	Earns interest at the respective bank deposit rates
Accrued interest receivable	-	65,296	Interest income accrued on outstanding loans receivable
Accrued expenses	-	5,941	Payable for management and professional fees paid by FDC (reimbursement for expenses)
Guarantees and commitments	-	1,378,150	Unused credit line (omnibus facility) with term of 10 months
Interest income	228,247	-	Interest income on loans receivable
Interest expense	8,479	-	Interest expense on deposit liabilities
Key management personnel:			
Deposit liabilities	-	107,786	Earns interest at the respective bank deposit rates
Interest expense	271	-	Interest expense on deposit liabilities

(Forward)

Category	2016		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balance	
Other related parties:			
Loans receivable	P=	P5,191,187	Loans granted with terms ranging from three months to thirteen and a half years, interest ranging from 4.0% to 11.52%, 97% secured by real estate and chattel mortgage, no impairment
Receivables purchased	-	371,504	Receivables purchased by the Parent Company from FLI
Deposit liabilities	-	6,417,226	Earns interest at the respective bank deposit rates
Guarantees and commitments	-	12,000	Unused credit lines
Accrued interest receivable	-	4,593	Interest income accrued on outstanding loans receivable
Accounts receivable	-	303,753	Receivable from FAI on the sale of land by the Parent Company, payable in 5 years, interest of 6.00% (Note 11) and reimbursement of expenses paid on behalf of EW Ageas Life
Interest income	323,445	-	Interest income on loans receivable
Interest expense	51,348	-	Interest expense on deposit liabilities
Commission fees	3,000	-	Commission fees received from EW Ageas Life
Service fee expense	1,518	-	Service fees paid to FLI for account servicing equivalent to 1.12% of loan amounts collected by FLI on behalf of the Parent Company (see Note 9)
Rent expense	40,505	-	Rent expenses paid for lease transactions with other related parties such as Filinvest Asia Corporation, FAI and FLI
Investment in Joint Venture	-	471,287	Equity Share of 50% in EWAL

The Group's significant investors are FDC, the immediate Parent Company of the Group, and FDC Forex Corporation (a company under common control of FDC).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group considers the members of the Senior Management Committee to constitute key management personnel for purposes of PAS 24. The Group provides banking services to its key management personnel.

Other related parties pertain to the Group's affiliates (subsidiaries of FDC).

The Group and the Parent Company had no outright purchases and outright sale of debt securities with significant shareholders and key management personnel in 2016 and 2015. In 2014, the Parent Company purchased peso-denominated debt securities issued by Filinvest Land, Inc., an affiliate, with market value amounting to P99.68 million as of December 31, 2014.

No provision and allowance for loan losses was recognized by the Group for loans to significant investors, key management personnel and other related parties in 2016, 2015, and 2014.

The Parent Company's subsidiaries have no transactions with related parties outside of the Group. The transactions disclosed above are the same for the Group and the Parent Company.

Parent Company Related Party Transactions

Transactions between the Parent Company and its subsidiaries meet the definition of related party transactions. Details of the Parent Company's subsidiaries are disclosed in Note 10.

In addition to the transactions discussed above, the following are the transactions between the Parent Company and its subsidiaries that are recognized in the Parent Company's statements of financial position and statements of income and eliminated in the consolidated financial statements:

Category	2016		Terms and Conditions/ Nature
	Amount/ Volume	Outstanding Balance	
Subsidiaries:			
Receivables purchased	₱22,743,646	₱17,439,621	Receivables purchased by the Parent Company from EWRB (see Note 9)
Receivable sold	392,195	-	Employee loans sold by the Parent Company to EWRB (see Note 9)
Accounts receivable	-	97,010	Amount collected by EWRB from borrowers on behalf of the Parent Company that remained unremitted and other related expenses shouldered by the Parent Company on behalf of the Subsidiaries
Deposit liabilities	-	375,589	Earns interest at the respective bank deposit rates
Accounts payable	-	12,246	Cash reloading transactions between EWRB and the Parent Company
Interest expense	678	-	Interest expense on deposits of EWRB and EWIB
Service fee expense	57,460	-	Service fees paid to EWRB for account servicing equivalent to 0.37% of loan amounts collected by EWRB on behalf of the Parent Company for the receivables purchased (see Note 9)
Service fee income	481	-	Service fees paid by EWRB for account servicing equivalent to 0.37% of loan amounts collected by the Parent Company on behalf of EWRB for the receivables sold (see Note 9)
Commission expense	316	-	Commission expense paid by the Parent Company to PSPI

Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company's retirement plan is in the form of a trust administered by the Parent Company's Trust Division under the supervision of the Retirement Committee. The values of the assets of the fund are as follows:

	2016	2015
Cash and cash equivalents	₱107,186	₱162,572
Equity instruments	332,730	242,398
Debt instruments	245,065	189,036
Others	2,644	2,554
	₱687,625	₱596,560

As of December 31, 2016 and 2015, cash and cash equivalents include the savings deposit with the Parent Company amounting to ₱6.20 million and ₱32.59 million, respectively, and debt instruments include investments in the Parent Company's LTNCD amounting to ₱65.03 million and ₱66.55 million, respectively. Equity instruments include investments in the Parent Company's PhilEquity Institutional Feeder Fund amounting to ₱19.42 million, equivalent to 21,656 shares with fair market value of ₱896.85 per share as of December 31, 2016, and ₱177.69 million, equivalent to 195,467 shares with fair market value of ₱909.07 per share as of December 31, 2015, the Parent Company's equity securities amounting to ₱80.43 million, equivalent to 4,338,337 common shares with fair market value of ₱18.54 per share as of December 31, 2016, and ₱48.73 million, equivalent to 2,572,637 common shares with fair market value of ₱18.94 per share as of December 31, 2015, and the Parent Company's PSEi Tracker Fund amounting to ₱186.31 million, equivalent to 1,946,857 shares with fair market value of ₱95.70 per share as of December 31, 2016.

The following are the amounts recognized by the retirement plan arising from its transactions with the Parent Company for the years ended December 31, 2016, 2015 and 2014.

	2016	2015	2014
Trust fees	₱2,577	₱2,899	₱2,462
Interest income on savings deposit	726	146	136
Interest income on investments in LTNCD	2,921	2,936	2,942
Loss on investments in equity shares	(22,452)	(25,892)	(30)

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

In line with the Bank's thrust to promote transparency, any Related Party transaction shall be on an arms-length basis and no favorable or special treatment shall be afforded to such related party unless the same treatment shall be accorded to all parties similarly interested in such dealing.

The RPT Committee shall assist the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders and RPTs are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged.

The Committee shall be composed of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors and one of the independent directors is the Committee Chairman. The Committee shall at all times be entirely composed of independent and non-executive directors, with independent directors comprising majority of the members. The Chief Audit Executive shall sit as non-voting member of the Committee while the Chief Compliance Officer shall serve as the Secretary of the Committee.

J. RIGHTS OF STOCKHOLDERS

Except for pre-emptive right, the stockholders of the Bank possess all the rights of a stockholder under the Corporation Code of the Philippines, to wit:

- 1) Right to attend and vote in person or by proxy at stockholders' meeting.
- 2) Right to elect and remove directors.
- 3) Right to approve certain corporate acts.
- 4) Right to adopt and amend or repeal the by-laws or adopt new by-laws.
- 5) Right to compel the calling of meetings when for any cause there is no authorized person to call such a meeting.
- 6) Right to issuance of certificate or stocks or other evidence of stock ownership and be registered as a stockholder.
- 7) Right to receive dividends when declared.
- 8) Right to participate in the distribution of corporate assets upon dissolution.
- 9) Right to transfer of stocks in the corporate books.
- 10) Right to inspect corporate books and records.
- 11) Right to be furnished the most recent financial statements upon request and to receive financial report of the corporation's operations.
- 12) Right to bring individual and representative or derivative suits.
- 13) Right to recover stock unlawfully sold for delinquency.
- 14) Right to enter into voting trust agreements.
- 15) Right to demand payment for the value of his shares and withdraw from the corporation in certain cases.
- 16) Right to have the corporation voluntarily dissolved.

- 1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

- (a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	As prescribed in the bylaws of the Bank, the registered owners of at least a majority of the outstanding capital stock present in person or by proxy shall constitute a quorum to do business except in those case whether the corporate Code provides a greater percentage vis-à-vis the total outstanding capital stock.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	There is no specific system used. The bank complies with all laws and regulations for the approval of corporate acts.
Description	

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <i>not</i> in The Corporation Code
None	

Dividends

Declaration Date	Record Date	Payment Date
Not Applicable		

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

- Ensure the participation of the shareholders thru widespread dissemination of the notice of the shareholders' meeting including the use of newspaper publication and the service to each of the shareholder of the bank thru modes allowed in the By-laws.
- Encourage direct participation by providing relevant materials to the entire shareholder regardless o the number of their shares.
- Have a Question and Answer period to be participated by stockholders during the ASM.

Measures Adopted	Communication Procedure

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2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
- Amendments to the company's constitution
 - Authorization of additional shares
 - Transfer of all or substantially all assets, which in effect results in the sale of the company

All proposals for amendment of the corporate charters, issuance of additional shares and transfer of assets are sent to all the shareholders of record in order that the same could be considered by the shareholders in a meeting called for that purpose. The Chair will explain the rationale and after, questions are entertained from the floor. The vote required to adopt proposal is based on the number of votes prescribed by law.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? **Yes**
- Date of sending out notices: **January 29, 2016**
 - Date of the Annual/Special Stockholders' Meeting: **April 15, 2016**

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. **Refer to the attached minutes of the Annual Stockholder's Meeting (Annex 8)**

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Refer to the attached Minutes of the Annual Stockholders' Meeting on April 15, 2016. (Please see Annex 8)

Resolution	Approving	Dissenting	Abstaining

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

The Bank published the results of its Annual Stockholder's Meeting the day after the Annual Stockholder's meeting held on April 15, 2016.

- (e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None	

- (f) Stockholders' Attendance

- (i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Below is the attendance report provided by the bank's stock transfer agent, Stock Transfer Service Inc for those stockholders who were attended in person or in proxy during the Annual Stockholder's Meeting on April 15, 2016.

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	1. Mercedes T. Gotianun – NED 2. Jonathan T. Gotianun – NED/ Chairman 3. L. Josephine T. Gotianun Yap – NED / Chairman of the Compensation Committee 4. Antonio C. Moncupa Jr. – ED/ President and CEO 5. Wilson I. Sy – NED 6. Jose S. Sandejas – ID/ Chairman of Risk Management Committee 7. Carlos R. Alindada – ID/ Chairman of Audit Committee 8. Paul Aquino – ID/ Chairman of Corporate Governance and Compliance Committee 9. Benedicto M. Valerio Jr. – NED / Corporate Secretary	April 15, 2016	Voting by show of hands	.0	77.96	77.96

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Yes.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes, one vote for one share.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

Company's Policies	
Execution and acceptance of proxies	Form for proxy are sent to the stockholders of record as part of ASM with instructions on how to accomplish it,

	Company's Policies
	including the instruction of the shareholder on how to vote on specific matters in the agenda.
Notary	Proxies are required to be notarized.
Submission of Proxy	Proxies may be submitted to the office of the corporate secretary or to the office designated in the principal office of the Bank.
Several Proxies	Proxy may cover one or several shares at the option of the shareholder.
Validity of Proxy	Valid only for a specific meeting.
Proxies executed abroad	Uniform rules for proxies executed in the Philippines and abroad.
Invalidated Proxy	Shareholders of invalidated proxies are informed in writing at a date which would give them sufficient time to address noted deficiencies before the ASM.
Validation of Proxy	Cut-off date for validation of the proxy is indicated in the notice of meeting. Validation is done by the Corp Sec assisted by the stock and transfer agent.
Violation of Proxy	Proxies are voted strictly in accordance with its term.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Notices may be sent by registered mail, personal service or by publication.	Notice of ASM is published in a newspaper of general circulation. ASM kit, together with the notice, is also sent to all stockholders of record as of a pre-determined record date.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	21 days before scheduled meeting.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	21 days before scheduled meeting.
State whether CD format or hard copies were distributed	The CD format was distributed at initial distribution and the hard copies at actual stockholders' meeting.
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Not applicable
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
No discrimination.	All queries during the stockholders meeting are entertained regardless of the number of the shares the shareholder has in the Bank. No preference is given to any of the stockholders by virtue of the number of the shares that they hold.
Observance of right.	The rights of a shareholder under its by-laws and the law are respected by the Bank.

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes. Minority shareholders have the right to nominate and elect the members of the board of directors which is impliedly expressed in the rights of the shareholders prescribed in the Corporation Code of the Philippines.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Bank's communication frameworks are centralized through the following units:

a. Strategic Management Department (SMD)

SMD is responsible for the investor relations framework of the Bank. Thus, all structured public disclosure and announcement of material information shall be coursed through SMD. Likewise, all external announcements, i.e. press releases, newspaper ads, etc. that will be released by any of the Bank's units shall be coursed through SMD for clearance. SMD reviews and ensures the accuracy of all financial and non-financial external announcements prior to providing clearance. Likewise, if the announcement is material in nature, SMD shall ensure that it is properly disclosed to the PSE or SEC prior to release to the press or to external parties. SMD is

also responsible in informing all Bank Directors and Principal Officers of the blackout trading period prior to the disclosure of material information.

b. Bank Marketing and Corporate Communications (BMCC)

BMCC is responsible for the release of all external and internal communication to ensure that these comply with the Bank's communication standards. The approval process would depend on the nature of the announcement, such as:

- Product specific announcements (e.g. advertisements, promotions, branch opening, etc.) shall be endorsed by the project owner and approved by the head of the unit in charge of the product. The approval of the unit head signifies that the information to be released is accurate and has gone through the necessary approval process set forth by the Bank.
- Bank-wide related announcements (e.g. financial performance, branding, etc.) shall be endorsed by the project owner and approved by the President / CEO.
- SMD shall be informed by BMCC prior to release of announcement to ensure that there is no material information to be disclosed. SMD ensures that the public is informed ahead, through appropriate PSE / SEC disclosures, prior to BMCC's release of the announcement through the press or to other external party.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	The objective of EastWest's Investor Relations (IR) framework is to ensure that the investing public is fully informed at all times of significant developments and material information pertaining to the Bank, and no investor shall be disadvantaged by lack of access to these information.
(2) Principles	<p>The IR principle pertain to the strict adherence on the timely, accurate and credible reporting of all corporate information, business performance, and any material information of the Bank based on the disclosure standards set by the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC).</p> <p>As a listed company, IR is a critical function of EastWest Bank (EW) in order to ensure that all our clients and investors have access to the same level of information. Likewise, it is important that all officers and employees of EW provide same standard of information to the public to establish credibility to the public on the way we do business.</p> <p>All these are envisaged contribute to achieving fair valuation of our listed shares.</p>
(3) Modes of Communications	<p>The following are the modes of communication used in the Investor Relations framework:</p> <ul style="list-style-type: none"> a. Periodic submission of structured reports to the PSE and SEC b. Immediate submission of unstructured reports to PSE

	<p>and SEC in the event a material information occurs</p> <ul style="list-style-type: none"> c. Annual investor briefing participation locally and abroad d. Accommodation of queries by various existing and potential investors through personal meetings, email, and tele-conference e. Press releases to leading newspapers in circulation pertaining to significant developments happening in the Bank f. Continuous update of the Bank's website (www.eastwestbanker.com) for all of the above information released to the public
(4) Investors Relations Officer	<p>The Bank's Investor Relations is under Strategic Management Department with the following contact information:</p> <p>Address: 5th Fl., The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City, Philippines Email: ir@eastwestbanker.com Website: http://www.eastwestbanker.com/info/ir_main.asp</p> <p>The following are the official contact persons under EW Investor Relations:</p> <p>Ma. Alicia C. Arnaldo Chief Finance Officer MCArnaldo@eastwestbanker.com Tel. No. (631) 5753888 loc. 3390 Fax No. (632) 5753888 loc. 3623</p> <p>The following are the other Corporate Information Officers of EW, as submitted to the Philippine Stock Exchange (PSE):</p> <p>Atty. Benedicto M. Valerio, Jr. Corporate Secretary bmvalerio@eastwestbanker.com Tel. No. (632) 5753871 Fax No. (632) 8150619 / (632) 8184147</p> <p>Ma. Alicia C. Arnaldo Chief Finance Officer MCArnaldo@eastwestbanker.com Tel. No. (631) 5753888 loc. 3390 Fax No. (632) 5753888 loc. 3623</p>

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

Once a target company is identified, a memorandum of understanding (MOU) or a letter of intent (including nondisclosure agreement) will be executed prior to commencing preliminary transactions among parties to the acquisition.

The Management will then create a Due Diligence Team. At the outset, the Due Diligence Team will have to agree on the scope of the examination/investigation (i.e. Corporate, financial, legal, etc.).

Should the Bank decide to continue with the merger and acquisitions (M&A) after due diligence investigations, the legal documentations (i.e. Deed of Assignment, Articles and Plan of Merger) will be drafted.

All proposed M&A transactions are presented to the Board for approval. If the transaction received majority vote consent from the boards of directors, such M&A transaction must be approved by the shareholders.

The shareholders of all of the involved companies shall be given a notice. This notice should also inform them as to the purpose of the meeting and include a summary of the plan for the M&A. An affirmative vote of stockholders representing at least two-thirds of the outstanding capital stock of the Bank is needed to approve the plan.

After approval, any amendment to the plan for the M&A must similarly be approved by a majority vote from the board of directors and an affirmative vote from stockholders representing at least two thirds of the Bank's outstanding capital stock.

Bank acquisition, mergers and consolidations are subject to the approval of the Bangko Sentral ng Pilipinas (BSP). The Bank should consult with the BSP prior to the finalization of any M&A transaction.

The price/exchange ratio to be applied in the M&A shall be determined by the Board in consultation with a reputable independent auditor.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
The Bank is in the process of drafting a CSR charter.	Employees, Community, Regulators, Customers and Shareholders

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	A self-assessment form is accomplished by the members of the Board during the first quarter of the year to assess its performance and effectiveness as a body, the various committees, the CEO/President and the Individual Directors. The over-all result of the	Criteria used in the self-assessment are in accordance with the SEC Memorandum Circular No. 6, Series of 2009 (Revised Code of Corporate Governance) and Subsection X141.3 (Power/Duties and Responsibilities of Directors) of the Manual of Regulations for
Board Committees		
Individual Directors		
CEO/President		

	annual self-assessment is presented to the Board through the Corporate Governance and Compliance Committee (CGCC).	Banks (MORB). Each guide question is rated from 1-5, with 5 being the highest (the lowest being <i>not observed</i> and the highest being <i>largely observed</i>).
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N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees


Violations	Sanctions
First violation	Reprimand
Second violation	Suspension from office. The duration of the suspension shall depend on the gravity of the violation.
Third violation	Maximum penalty of removal from office shall be imposed.

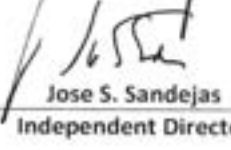
Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Taguig on May 2017.

SIGNATURES


 Jonathan T. Gotianun
 Chairman of the Board


 Antonio C. Moncupa, Jr.
 President and Chief Executive Officer


 Paul A. Aquino
 Independent Director


 Jose S. Sandejas
 Independent Director



 Atty. Benedicto M. Valerio
 Corporate Secretary


 Ma. Bernadette T. Ratcliffe
 Chief Compliance Officer

SUBSCRIBED AND SWORN to before me this day of MAY 31 2017 20 , affiant(s) exhibiting to me their as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
Jonathan T. Gotianun	Passport EB9194744 - Issued on 20 Sep 2013	Manila
Antonio C. Moncupa	Passport EC4231868 - Issued on 22 May 2015	Manila
Paul A. Aquino	Passport EC0067879 - Issued on 22 Jan 2014	Manila
Jose S. Sandejas	Passport EC1485358 - Issued on 27 June 2014	Manila
Atty. Benedicto M. Valerio	Passport EC1321279 - Issued on 05 Jun 2014	Manila
Ma. Bernadette T. Ratcliffe	SSS No. 33-0271881-9	

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NOTARY PUBLIC

 ADELBERT S. SANTOS, III
 Notary Public for and to Manila City
 Appointment No. 11-05 (renewed) for 31 2018
 17F Pasong Tama, Manila
 358 Sen. Edith N. Morsan Bldg., Pasig City
 PTR No. 42 (renewed) for Manila City
 IBP No. 1001 (renewed) for Manila City
 11-05 (renewed)
 MOLE Compliance No. V-001070014-15-19

EXECUTIVE COMMITTEE CHARTER

PURPOSE

The Executive Committee of the Bank shall have the power to direct the business of the Bank vested by law in the Board of Directors insofar as such powers and authority may be lawfully delegated to the Executive Committee, including the power to review and approve proposals and transactions related to credit in amounts within the limits of its delegated authority.

MEMBERSHIP

The Executive Committee shall have 5 regular members and an alternate member appointed by the Board for a term of one (1) year. The Board of Directors shall designate from among themselves the five regular members of the Committee and shall appoint an alternate member from its current or former members.

The Chairman of the Board shall serve as chair of the Committee. The members of the Executive Committee will serve until their resignation, retirement or removal by the Board or until successors or replacements shall have been appointed. The composition and functions of the Executive Committee will be reviewed by the Board on an annual basis.

If any vacancy shall occur in the Committee by reason of resignation, retirement, or removal, the remaining members of the Committee shall continue to act as if still constituting a quorum, and any such vacancy may be filled up by the Board.

MEETINGS

The Committee shall fix the time and place of its meetings. The Chair may call a meeting of the Committee at any time, and, in the absence of the Chair, the

President of the Bank may call a meeting of the Committee. In calling a meeting, the Chair or President shall endeavor to transmit reasonable notice thereof to all members of the Committee, and a meeting may be held provided a quorum can be assembled. Any three members of the Committee constitute a quorum for the transaction of business. Acts of the Committee are determined upon the vote of a majority of those present. In the event that the number of affirmative votes and negative votes on a certain proposal are equal, the proposal shall be submitted to a vote of the Board.

The business of the Committee also may be conducted by means of a conference, telephone call or via correspondence, provided reasonable efforts are made to have all members of the Committee participate and provided further that a quorum of the Committee participates.

Minutes of all meetings of the Executive Committee shall be kept by the Corporate Secretary. Such minutes, or a digest thereof, shall be submitted to the Board of Directors at the next succeeding meeting of the Board and shall be read at the meeting if requested by any members of the Board.

PROCEDURES

The Executive Committee will establish its own rules of procedure consistent with the mandate given to it by the Board.

RESPONSIBILITIES

The Executive Committee, by a majority vote of all its members, and subject to such limitations as the Board may prescribe, is empowered to perform the following actions:

1. Approve and/or implement any or all corporate acts within the competence of the board except those acts expressly reserved by the Corporation Code for the board of directors.

2. Review and approve bank-wide credit strategy, profile and performance.
3. Approve the credit risk taking-activities of the bank based on the regulations of established approving authorities and reviews and endorses credit-granting activities.
4. Review and assess, at least annually, the adequacy of this Charter and recommend any changes to the Board for approval.

COMMITTEE SELF-ASSESSMENT

The Committee shall conduct a self-assessment of its performance, at least once a year, as prescribed and in accordance with the Corporate Governance Manual.



AUDIT COMMITTEE CHARTER

A. Purpose

- To assist the board of directors in fulfilling its oversight responsibilities:
 - for the financial reporting process,
 - the system of internal control, and
 - the bank's process for monitoring compliance with laws and regulations and the code of conduct.
- To provide reasonable assurance to the board on the overall management of credit, market, liquidity, operational, legal and other risks of the bank.

B. Power and Authority

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
- Oversee the resolution of disagreement between management and the external auditors, in the event they arise.
- Pre-approve all auditing and permitted non-audit services.
- Retain and compensate independent counsel, consultants and other experts and advisors (accounting, financial or otherwise) and also may use the services of the corporation's regular counsel or other advisors to the bank. The bank will provide appropriate funding, as determined by the committee, for payment of compensation to the independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any experts or advisors retained by the committee and for payment of ordinary administrative expenses of the committee.
- Seek any information it requires from employees (all of whom are directed to cooperate with the committee's request) or external parties.
- Meet with the company officers, external auditors, or outside counsel, as necessary.
- The powers and responsibilities delegated to the committee may be exercised in any manner the committee deems appropriate (including delegation to subcommittees) and without any requirement for board approval except as otherwise specified in this charter or the board's delegation. Any decision by the committee, including any decision to exercise or refrain from exercising any of its delegated powers, is at the committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the committee may exercise all the powers and authority of the board and, to the fullest extent permitted by law, has the authority to determine which matters are within the scope of its delegated authority.

C. Membership

The Board of Directors shall determine the number of Audit Committee members in accordance with SEC and BSP regulations. The committee shall consist of members of the board of directors, at least two (2) of whom shall be independent directors, including the chairperson. The committee's members, including its chair, preferably with accounting, auditing or related financial management expertise or experience, are appointed by the board upon the recommendation of the board's Corporate Governance Committee. The board, upon such recommendation, also may appoint one

or more additional members of the board as alternate members of the committee to replace any absent member at any committee meeting.

D. Meetings

- The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. To the extent practicable, each of the Audit Committee members shall attend each of the regularly scheduled meetings in person.
- A majority of the Audit Committee members currently holding office constitutes a quorum for the transaction of business. The Audit Committee shall take action by the affirmative vote of a majority of the Audit Committee members present at a duly held meeting.
- The Audit Committee shall meet periodically in separate executive sessions with management (including the chief executive officer, chief operating officer and chief finance officer), the internal auditors and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the members of the Audit Committee deem appropriate.
- The Audit Committee may request any officer or employee of the bank or the bank's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

E. Responsibilities

The committee will carry out the following responsibilities.

1. Financial reporting, including disclosures

- Monitor the financial reporting process and its quarterly output;
- Oversee the establishment of accounting policies and practices by the bank and review the significant qualitative aspects of the bank's accounting practices, including accounting estimates and financial disclosures
- Monitor the integrity of the bank's financial statements and any formal announcements relating to the bank's financial performance;
- Review significant financial reporting judgments contained in the financial statements;
- Review with management and the external auditors, recent accounting, tax and regulatory pronouncements, and understand their impact on the financial statements
- Discuss with the external auditor the report that the auditor is required to make to the committee regarding:
 - All accounting policies and practices to be used that the independent auditor identifies as critical.
 - All alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor.
 - Other material written communications between the independent auditor and management of the bank, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor's engagement and independence letters, schedule of unadjusted audit differences and any listing of adjustments and reclassifications not recorded.
- Review and discuss with management and the external auditor the annual audited financial statements, including the bank's specific disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the bank's Annual Report.
- Review with management and the independent auditor: (1) major issues regarding accounting principles and financial statement presentation, including any significant changes in the bank's selection or application of accounting principles; and (2) major issues

as to the adequacy of the bank's internal controls and any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; and (3) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the bank.

- Discuss with management the bank's major risk exposures and the steps management has taken to monitor and control such exposures including the bank's risk assessment and risk management policies.
- Review disclosures made to the Audit Committee by the bank's CEO and CFO about any significant deficiencies in the design or operations of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the bank's internal controls.
- Review procedures by which bank employees and other concerned parties may confidentially raise concerns or complaints about possible improprieties in matters of financial reporting.

2. Internal Control

- Ensure that senior management establishes and maintains an adequate and effective internal control system and processes. The system and processes should be designed to provide assurance in areas including reporting (financial, operational, Risk), monitoring compliance to laws, regulations and internal policies, efficiency and effectiveness of operations and safeguarding of assets.
- Consider the effectiveness of the bank's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendation.

3. Internal Audit

- Monitor and review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.
- Review and approve the charter, plans, activities, staffing, budget and organizational structure of the internal audit function annually.
- Report to the board of directors on the status of accomplishments of the outsourced internal audit activities, including significant findings noted during the conduct of the internal audit;
- Review significant findings contained in reports prepared by the internal audit together with management's response and follow-up for corrective action.
- Ensure that the internal audit function maintains open communication with senior management, external auditors, the supervisory authority, and the audit committee.
- Ensure there are no unjustified restrictions or limitations in the performance of the internal audit function.
- On a regular basis, meet separately with the chief executive to discuss any matters that the committee or internal audit believes warrant audit committee attention that should be discussed privately.
- Review all reports concerning significant fraud or regulatory noncompliance that occurred at the bank considering internal controls that should be strengthened to reduce the risk of a similar event in the future;
- Assess and report to the board the annual performance appraisal of the Chief Audit Executive (CAE);
- Approve, or recommend to the board for its approval, the annual remuneration of the Chief Audit Executive (CAE) and personnel of internal audit function;
- Review and approve the appointment, reappointment and replacement of the Chief Audit Executive (CAE) and key internal auditors.

4. External Audit

- Approve a set of appropriate objective criteria for approving the external audit firm of the bank;
- Approve, or recommend to the board or stockholders for their approval, the appointment, re-appointment and removal of external audit firm;
- Approve the remuneration and terms of engagement of the external audit firm;
- Review the independent auditors audit plan – discuss scope, staffing, reliance upon management and the internal audit, general audit approach, and coverage provided to any significant areas of concern that the Committee may have.
- Ensure that senior management is taking necessary corrective actions to address the findings and recommendations of external auditors and regulatory authority in a timely manner.
- Review and confirm the independence of the external auditors on relationships by obtaining statements from the auditors on the relationships between the auditors and the bank, including non-audit services, and discussing the relationships with the auditors.
- Prior to publishing the year-end earnings, discuss the results of the audit with the external auditors.
- On an annual basis, the audit committee should review and discuss with the external auditors all significant relationships they have with the bank that could impair the auditors' independence.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

5. Compliance

- On at least an annual basis, review with the bank's counsel, any legal/regulatory matters that could have a significant impact on the bank's financial statements, compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

6. Remedial Actions

- Ensure the senior management is taking necessary corrective actions to address the findings and recommendations of internal auditors and external auditors in a timely manner.
- Addressing control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors and external auditors, and;
- Ensuring the deficiencies identified by supervisory authorities related to the internal audit function are remedied within appropriate time frame and that progress of necessary corrective actions are reported to the board of directors.

F. Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

G. Other Responsibilities

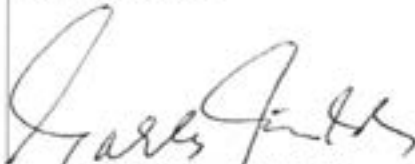
- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.

- Monitor results of internal audit activities provided to EastWest Rural Bank (EWRB) through quarterly reports on completion of internal audit plan and significant audit exceptions.
- Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Conduct performance self-assessment as prescribed under and in accordance with the Corporate Governance Manual.

H. Functional Support

The Internal Audit of EastWest Bank shall ensure and provide functional support to the Audit Committee in the rendition of its function.

APPROVED BY:


CARLOS R. ALINDADA
Audit Committee Chairman


PAUL A. AQUINO
Member


JOSE S. SANDEJAS
Member

CORPORATE GOVERNANCE AND COMPLIANCE COMMITTEE CHARTER

I. PURPOSE

The Corporate Governance and Compliance Committee (CGCC) shall assist the Board of Directors (the Board) in fulfilling its corporate governance responsibilities and in providing oversight in the implementation of the Bank's Compliance Program, including its Money Laundering and Terrorist Financing Prevention Program (MLPP).

II. MEMBERSHIP

The Corporate Governance and Compliance Committee shall be composed of the Chairman of the Board and at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors including the Chairman of the Committee. The Compliance Division shall serve as the Committee Secretariat.

A quorum shall comprise the majority of the Committee.

III. DUTIES AND RESPONSIBILITIES

On Corporate Governance:

1. Review and evaluate the qualifications of all persons nominated to the Board, all direct reports of the President and CEO, regardless of rank, heads of Governance Units and other positions of the Bank requiring appointment by the Board of Directors.
2. Ensure the Board's effectiveness and due observance of corporate governance principles and guidelines.
3. Recommend to the Board a continuing education program on corporate governance for the directors and key officers of the Bank
4. Ensure that there is an appropriate succession plan for Board members and the Bank's Senior Officers.
5. Decide whether or not a Director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation).
6. Adopt internal guidelines that address the competing time commitments that are faced when directors serve on multiple boards.
7. Decide the manner by which the Board's performance may be evaluated and propose an objective performance criteria approved by the Board.

Such performance indicators shall address how the Board has enhanced long term shareholders' value.

8. Oversee the annual performance evaluation of the Board, its committees, and individual directors and shall also conduct an annual self-evaluation of its performance as prescribed under and in accordance with the Corporate Governance Manual.
9. Review and assess the adequacy of this Charter, the Corporate Governance Manual and recommend changes for the approval of the Board at least annually.

On Compliance:

1. Oversee the implementation of the Bank's Compliance Program, including its MLPP, ensuring that the Bank complies with all applicable laws, regulations, codes of conduct and standards of good practice. The Committee shall also ensure that compliance issues are resolved expeditiously.
2. Ensure the regular review and updating, at least annually, of the Compliance Program and the MLPP to incorporate changes in laws, rules and regulations for approval by the Board.
3. Endorse the appointment of a Chief Compliance Officer to the Board with a rank of at least Vice President and who a) directly reports to the Board, through the CGCC, and b) be responsible for coordinating, monitoring and facilitating compliance with applicable laws, rules and regulations.
4. Vest the Compliance Officer and the Compliance Division with the appropriate authority and provide the necessary support and resources to effectively perform his or her responsibilities
5. Assist the Board in making an informed assessment on how the Bank is managing its compliance risk. The Committee shall review with senior management and the Chief Compliance Officer the actions taken by the Bank to address any findings/directives in report of examinations by regulatory agencies.
6. Evaluate the performance of the Chief Compliance Officer at least on an annual basis.

IV. MEMBERS' DUTIES AND RESPONSIBILITIES

The individual members of the Committee shall have and accordingly observe the specific duties and responsibilities of a director contained in the Manual of Regulations and the SEC Code of Corporate Governance.

V. MEETINGS

The Corporate Governance and Compliance Committee shall meet bi-monthly/every other month or whenever necessary to discuss, agree and prepare reports on its recommendations.

The Committee Secretary shall prepare the agenda for each meeting and send out notice at least two (2) days before the meeting date. He shall likewise

prepare/distribute minutes of the meetings and make other regular reports to the Board, as needed.

Committee members may attend meetings in person or by electronic or tele/video communication means, provided that reasonable efforts are made to have all members of the Committee participate.



Trust Committee Charter

A. Objective

The Trust Committee shall assist the Board of Directors (BOD) in fulfilling its responsibilities to oversee the proper management and administration of trust and other fiduciary business.

B. Composition of the Trust Committee

1. The Trust Committee (TrustCom) shall be composed of at least five (5) members, to include the following:
 - The President
 - The Trust Officer
 - At least three (3) Directors appointed by the Board on a regular rotation basis
2. The members of the TrustCom shall be designated as follows:
 - Director - Chairman of the Committee
 - President - Member
 - Trust Officer - Member
 - Director - Member
 - Director - Member
3. The TrustCom Chairman shall be appointed by the Board and shall remain as Chairman until such time the Board appoints another Director to chair the TrustCom.
4. Members of the TrustCom shall, in addition to meeting the qualification standards prescribed for directors and officers of financial institutions, possess the necessary technical expertise in trust and fiduciary business (MORB, Subsections X406.3/4406Q.3). The Trust Officer, on the other hand, shall have at least two (2) years of actual experience or training in trust operations (MORB, Subsection 1406.3)
5. Except for the President/CEO, a Director who is also an officer of the Bank shall not be qualified to be a member of the TrustCom. In case, however, that the TrustCom shall be composed of more than five (5) members, the appointment therein of an operating officer may be allowed only if required balance in the membership of at least (3) members of the Board for every operating officer shall be maintained.
6. In lieu of or in addition to the three Directors, the Board may appoint "independent professionals" to the Trust Committee subject to confirmation by the Monetary Board, provided that such independent professionals meet the prescribed minimum requirements (MORB Subsections X406.3/4406Q.3).

C. Meetings

1. The TrustCom shall meet at least once every quarter (or three months), or more frequently as circumstances may warrant. Members may participate via electronic mail, teleconference or videoconference.
2. A simple majority shall constitute a quorum for the TrustCom, provided the Chairman or his designated alternate, shall always be present. An officer of the Trust Division, other than the Trust Officer, shall act as Secretary of TrustCom and shall record the minutes of the meeting.
3. The Committee Secretary shall develop and prepare the agenda for each meeting and notice will be sent out at least three (3) days before the meeting date.
4. The Committee Secretary shall prepare the Minutes of the meetings and shall subsequently summarize and present them to the Board of Directors for approval /notation.
5. The Committee Secretary shall ensure that copies of the Minutes of the TrustCom as well as all recommendations /proposals approved by the TrustCom are duly filed and kept within the premises of the office and shall be made available at any time upon request by any one of the TrustCom members, the Bank's Compliance Officer, Audit Division or by any regulatory body.

D. Responsibilities and Administration

The Trust Committee, duly constituted and authorized by the Board, shall act within the sphere of authority as provided in the Bank's By-Laws and/or as may be delegated by the Board. It shall undertake such responsibilities, but not limited to the following:

1. Acceptance and closing of trust and other fiduciary accounts;
2. Initial review of assets placed under the trustee's fiduciary custody;
3. Investment, re-investment and disposition of funds or property;
4. Review and approval of transactions between trust and/or fiduciary accounts;
5. Review of trust and other fiduciary accounts at least once every twelve (12) months to determine the advisability of retaining or disposing of the trust or fiduciary assets and/or whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship;
6. Review all internally and externally prepared audits and examinations of the Trust Division and take whatever actions are required to rectify any problems reported in such audits or examination;
7. Review the Disaster Recovery Plan of the Trust Division;

8. The TrustCom shall also preside over the proper conduct of the trust's business, reviewing on a periodic basis, business development initiatives as:
 - Staffing and delineation of responsibility / accountability,
 - Review operating budget for the division and its annual goals,
 - Proactive development and implementation of strategies for cultivating of revenue streams and cost management,
 - Application and monitoring of the proper performance benchmarks, and
 - Performance appraisal of the Trust Officer;
9. Establish such rules and policies from time to time as it may consider proper;
10. Self-assessment of the Trust Committee shall be conducted by the CGCC; and
11. Review and reassess the adequacy of this Charter at least annually and recommend to the Board any proposed changes to the Charter.

APPROVAL SHEET / SIGNOFF

MEMBER	SIGNATURE	DATE
Jonathan T. Gotianun – Chairman		
Lourdes Josephine G. Yap		
Antonio C. Moncupa, Jr.		
Atty. Benedicto M. Valerio, Jr.		
Angel Marie L. Pacis		

RISK MANAGEMENT COMMITTEE CHARTER
EAST WEST BANKING CORPORATION
15 December 2016

1. PURPOSE

- 1.1. The purpose of the Risk Management Committee (RMC) is to assist the Board of Directors (Board) in fulfilling its responsibilities in managing the Bank's risk taking activities.
- 1.2. The nature of the Risk Management Committee's responsibilities is one of development and oversight. The responsibility for executing the Bank's risk management policy and framework lies with Senior Management led by the Chief Risk Officer (CRO).

2. AUTHORITY

- 2.1. To aid in fulfilling its duties and responsibilities, the Board of Directors has bestowed upon the Risk Management Committee the authority to:
 - 2.1.1. Review and approve principles, policies, strategies, processes and control frameworks pertaining to risk management recommended by the Chief Risk Officer.
 - 2.1.2. Form and delegate authority to sub-committees.
 - 2.1.3. Have direct and unrestricted access to management and auditors (internal and external), and receive regular reports.
 - 2.1.4. Obtain advice and assistance from independent professional advisors.
 - 2.1.5. Conduct or direct any investigation when the need arises.

3. MEMBERSHIP

- 3.1. The Committee shall have no less than three (3) members, including at least one independent director.
- 3.2. The Risk Management Committee is composed of a majority of non-executive directors.
- 3.3. The Chairperson shall be a non-executive director.
- 3.4. Each member shall be appointed by the Board of Directors.
- 3.5. Members must possess adequate knowledge and understanding of the institution's risk exposures as well as the expertise to develop appropriate risk policy and strategy.

4. MEETINGS

- 4.1. The Risk Management Committee may conduct meetings only when a majority of the Committee members are present.
- 4.2. Although not members of the Committee, the Chief Risk Officer and a representative from the Risk Management Division to act as Committee Secretary shall regularly attend the meetings.
- 4.3. Meetings shall be held on a quarterly basis, as a minimum.
- 4.4. The Risk Management Committee may request non-members to join the meetings when deemed necessary to address the Committee's objectives.
- 4.5. Non-members may be asked by the Committee to withdraw for all or any part of any meeting.

- 4.6. The agenda shall be prepared by the CRO prior to the meetings. At a minimum, the agenda should include reports on limits compliance, as well as the profile of the Bank's risk exposures. Minutes of the meeting shall be prepared by the Committee Secretary and noted by the CRO.

5. DUTIES AND RESPONSIBILITIES

- 5.1. Identifies and evaluates the Bank's risk exposures. The Committee assesses the likelihood of each risk identified and estimates its impact to the Bank. Further attention shall be given to those risks that are more likely to happen and bear more costly impact to the Bank.
- 5.2. Ensures that all risk management strategies and policies for all types of risks are developed, properly documented, and effectively communicated to the organization. The Committee also ensures that the concerned units follow the loss mitigating strategies and procedures laid out in the risk management policies.
- 5.3. Evaluates and approves all types of recommended risk tolerances including portfolio credit tolerances, market and liquidity risk limits, and operational risk parameters that includes business continuity and information security risks; taking into consideration the overall risk appetite of the Board.
- 5.4. Ensures that relevant risks are measured and monitored for all portfolios and business activities.
- 5.5. Evaluates the magnitude, direction and distribution of risks across the Bank. Provides direction to the Bank on how to control or mitigate these risks through its developed risk management strategies and policies.
- 5.6. Evaluates and reports to the Board the Bank's over-all risk exposures and the effectiveness of its over-all risk management practices and processes and recommends further action or policy revisions, if necessary.

- 5.7. Ensures that timely corrective actions are carried out whenever limits are breached.
- 5.8. Recommends the allocation of capital in order to manage risk and corresponding earnings.
- 5.9. On Internal audit –
 - 5.9.1. Ensures that the Bank's risk management framework is evaluated regularly by Internal Audit.
 - 5.9.2. Reviews issues raised by Internal and External Auditors regarding the Bank's risk management framework.
 - 5.9.3. Relays to the Audit Committee any issues that the Committee sees as relevant.
- 5.10. Examines other matters referred by the Board.
- 5.11. Evaluates the performance of the Chief Risk Officer, at least, on an annual basis.
- 5.12. Conduct performance self-assessment as prescribed under and in accordance with the Corporate Governance Manual.
- 5.13. Reviews, at least annually, the Committee's charter and recommend any proposed changes to the Board for approval.

Sign-off Sheet

Action	Name	Designation	Signature	Date
Prepared by	Grace N. Ang	Chief Risk Officer		
Reviewed by	Jose S. Sandejas	RMC Chairman		
Approved by	Jonathan T. Gotianun	BOD Chairman		

RPT (RELATED PARTY TRANSACTION) COMMITTEE CHARTER

PURPOSE

The RPT Committee shall assist the Board in ensuring that ---

1. Transactions with related parties are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders; and
2. RPTs are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged.

MEMBERSHIP

The RPT Committee shall be composed of at least 3 members of the Board of Directors, 2 of whom shall be independent directors, including the chairperson. The Committee shall at all times be entirely composed of independent and non-executive directors, with independent directors comprising majority of the members.

The Chief Audit Executive shall sit as non-voting member of the Committee while the Chief Compliance Officer shall serve as the Secretary of the Committee.

FREQUENCY AND CONDUCT OF MEETINGS

The RPT Committee shall meet bi-monthly/once every other month or whenever necessary to discuss and agree on matters to be endorsed to the Board of Directors for approval and confirmation. The Committee Secretary shall prepare the agenda for each meeting and send out notice at least two (2) days before the meeting date. The Committee Secretary shall also prepare and distribute minutes of the meetings and make other regular reports to the Board, as required by the RPT Committee or by regulation.

If the member of the Committee has a personal interest in the transaction to be reviewed, the concerned Board member shall abstain from the discussion and endorsement to the Board of such transaction.

Committee members may attend meetings in person or by electronic or tele/video communication means, provided that reasonable efforts are made to have all members of the Committee participate.

COMMITTEE RESPONSIBILITIES

1. Evaluates on an ongoing basis existing relations between and among the Bank's businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships shall be reflected in the relevant reports to the Board and regulators/supervisors.

2. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the bank are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
 - a. The related party's relationship to the bank and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the Bank of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and
 - e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.

Based on its assessment, the RPT Committee shall endorse acceptable material RPTs as defined in the Bank's Policy on Related Party Transactions to the Board of Directors for approval.

3. Reviews and endorses to the Board for confirmation non-material RPTs approved by the Board-delegated approving officer or Management Committee.
4. Ensures that appropriate public disclosure is made, and/or information is provided to supervisors, relating to the Bank's RPT exposures, policies on conflicts of interest and potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies; and conflicts that could arise as a result of the Bank's affiliation or transactions with other related parties.
5. Reports to the Board of Directors on bimonthly/every other month, the status and aggregate exposures to each related party and the total amount of exposures to all related parties.
6. Evaluates any breach in the internal limits set for RPTs and recommends actions to be taken on the breach to the Board of Directors.
7. Ensures that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
8. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs.
9. Conducts a periodic review of RPT policies and procedures, including materiality thresholds and internal limits for individual and aggregate exposures and endorse revisions for Board approval, if necessary based on updates in banking laws and regulations, recommendations of Senior Management and actions taken by the Board of Directors.
10. Review and assess, at least annually, the adequacy of this Charter and recommend any changes to the Board for approval.

COMMITTEE SELF-ASSESSMENT

The Committee shall conduct a self-assessment of its performance, at least once a year, as prescribed and in accordance with the Corporate Governance Manual.

2016 TRAINING CALENDAR

2016 TRAINING CALENDAR												
LEADERSHIP TRAININGS	Target Participant	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
<u>Becoming an Executive Leader (Situational Leadership)</u>	Officers (JO to SM)		16-17			24-25				22-23	20-21	14-15
<u>Creating Leaders Through People Management</u>	Officers with one-downs				21-22		1-2		25-26		18-19	24-25
<u>Leadership Essentials Training (PLOC)</u>	Officers (JO to SM)			8-9		17-18		12-13	10-11		6-7	
<u>Managing the Self</u>	Newly promoted Officers			17-18						15-16	27-28	
<u>Parallel Thinking</u>	Officers (AVPs and up)					19-20				15-16		
<u>Performance Coaching</u>	Officers with one-downs		9		13				23		4	11
<u>Positive Leaders in the Workplace</u>	Officers (JO to SM)		2		5		22			27		
<u>Strategic Systems Thinking: Creating Competitive Advantage</u>	Officers (AVPs and up)				14-15				25-26			
PERSONAL EFFECTIVENESS TRAININGS	Target Participant	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
<u>Effective Business Writing</u>	Relevant positions		3-4			5-6				8-9 3 & 10	15 & 22 20-21	
<u>Effective Oral Communication Workshop</u>	Relevant positions		23-24			12-13		21-22	11-12			10-11
<u>Handling Negotiation with Confidence</u>	Officers			10-11		10-11 27-28		12-13		14-15		
<u>M.A.D. in Customer Service (Making A Difference in CS) - HQ</u>	Relevant positions		12		12		29		19			

<u>M.A.D. in Customer Service (Making A Difference in CS) - Stores</u>	Relevant positions		27	12		21	25				8	
<u>Presenting with Impact</u>	Personnel who regularly conducts presentations		26-27		15-16		17-18		12-13			
<u>Problem Solving & Decision Making</u>	Officers		18-19		19-20				15-16		13-14	
<u>WAVE - Work Attitude and Values Enrichment Workshop</u>	Staff				26			27		9		
<u>Winning Cooperation & Influence Workshop</u>	Staff				1	24	25 (Cebu)		26			3
TECHNICAL TRAININGS	Target Participant	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
<u>Accounting for Non-Accountants</u>	Non-accountants who use accounting on the job			8-9						23-24		
<u>Basic Course in ID Cards & Check Fraud Detection</u>	Processors of customer requirements (e.g IDs, etc) and Checks							30	20			
<u>Basic Course on Corporate Governance for Senior Officers</u>	Newly Regularized / Promoted AVPs up											
<u>Control Appreciation & Fraud Prevention</u>	Relevant positions					12		9		3	1	
<u>Empowering Business Process Managers</u>	Div/Dept Heads/Officers who oversee their processes		11-12									
<u>Essentials of Effective Project Management</u>	Project Managers or those who manage projects on the job						14-15				18-19	

<u>Instructional Systems Design Workshop</u>	Subject Matter Experts who teach and/or develop learning materials				14-16 & 22-23							9,11&16
<u>MS Excel 1 (Basic)</u>	Newly Regularized / Staff		18				17		16	28		
<u>MS Excel 2 (Intermediate)</u>	Supervisors / MIS / Trainers		23-24		7-8				4-5		7-Jun	
<u>MS Excel 3 (Expert)</u>	MIS / Trainers					17-18					13-14	
<u>MS PowerPoint: Tips & Tricks</u>	Personnel who regularly present using powerpoint				21				9			
<u>Signature Verification and Forgery Detection</u>	Processors of customer requirements and legal documents							2	6	10		
<u>Train the Trainer</u>	Subject Matter Experts who teach and regular Faculty of the Academy			3-4 & 12						18, 19 & 26		
RETAIL BANKING TRAININGS	Target Participant	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
<u>Basic Store Operations Program (for Service Associates/Sales Associates)</u>	Service/Sales Associates	4-22 26-Feb 12	15-Mar 4	7-23 30-Apr 19	21-May 12	14-June 4	6-30 27-July 22	12-Aug 4	8-Sept 2 24-Sept 21	19-Oct 14	6-26 24-Nov 21	23-Dec 20
<u>Business Development Sales Officers Development Program</u>	Service/Sales Associates				April 20- Oct 2016				August 22- Feb 2017			
<u>Service Managers Development Program</u>	Service / Sales Associates					May 3- Sep 2016			August 22- Jan 2017			

<u>Start-up Training for Service Managers</u>	Service Managers	18-22	2-9	1-8 29-April 5	19-26	16-24	16-24	18-26	15-27 Aug 30- Sept 12	September 19-30	October 3-14	
<u>Store Managers Development Program</u>	BDSO/Service Manager/ Relationship Officer				April 20- Oct/Nov 2016				August 22- Feb 2017			

**MINUTES OF THE 2016 ANNUAL STOCKHOLDERS MEETING
OF
EAST WEST BANKING CORPORATION**

April 15, 2016, 9:30 a.m.

Ballroom, Crimson Hotel, Filinvest Corporate City, Alabang, Muntinlupa City

I. NATIONAL ANTHEM

Mr. Allan Tumbaga was called to lead the National Anthem 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 the notice of the meeting together with the copies of the Information Statement and Audited Financial Statement of the Bank were sent to each stockholder of record as of February 29, 2016 either by personal service or by mail, in compliance with the By-Laws as certified to by the stock and transfer agent of the Bank.

The Chairman directed the Corporate Secretary to attach the proof of service of the notice of meeting to the records of the meeting which the latter did.

3. DETERMINATION OF QUORUM

The Corporate Secretary reported to the shareholders in attendance that a quorum exists for the business at hand after determining that:

(a) As of record date of this meeting or **February 29, 2016**, there were **1,499,983,610** common shares of stock outstanding.

(b) **1,282,987,470** common shares of stock are represented in the meeting either in person or by proxy.

(c) That represents **EIGHTY FIVE AND 53/100 percent (85.53%)** of the Bank's total issued and outstanding capital stock.

4. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING ON APRIL 17, 2015

The first item of the Agenda is the approval of the minutes of the April 17, 2015 Annual Stockholders' Meeting. The Corporate Secretary certified that a copy of the aforesaid minutes was duly sent to each of the stockholders as part of the materials for the April 15, 2016 Annual Stockholders Meeting.

Upon motion was duly made and seconded there being no objections that was registered during the discussions, the Minutes of the Annual Stockholders' Meeting held on April 17, 2016 was approved.

5. PRESENTATION OF THE CHAIRMAN'S REPORT AND APPROVAL OF 2012 AUDITED FINANCIAL STATEMENTS

The next item in the Agenda was the approval of the Financial Statement of the Bank and the report of 2015 Financial and Operational Highlights.

The Corporate Secretary certified that copies of the Chairman's Report and Audited Financial Statement were furnished to the shareholders as part of the materials for the stockholders' meeting.

Upon motion duly made and seconded, there being no objection raised in the ensuing discussions, the 2015 Chairman's Report and the Audited Financial Statements were duly noted and approved by the Stockholders.

The President, Mr. Antonio C. Moncupa, Jr was called by the Chairman to present the 2015 Financial & Operational Highlights of the Bank. A copy of the power point presentation of the aforesaid presentation is attached as Annex "A" hereof.

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

The next item in the Agenda was the approval of all acts of the Board and Corporate Officers of the Bank for 2015. The Corporate Secretary certified that a summary of these actions were given to the shareholders as part of the materials for the meeting.

Upon motion duly made and seconded, there being no objections raised during the discussions that ensued, all acts and resolutions and proceedings of the Board of Directors and Officers of the Bank for the year 2015 were approved, confirmed and ratified.

7. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR 2016-2017.

The Chairman informed the shareholders that 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
ANTONIO C. MONCUPA, JR.
WILSON L. SY
ATTY. BENEDICTO M. VALERIO, JR.
JOSE S. SANDEJAS
CARLOS R. ALINDADA, and
PAUL A. AQUINO

That Messrs. Jose S. Sandejas, Carlos R. Alindada and Paul A. Aquino 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.

Upon motion was duly made and seconded and no objections being rendered during the discussions, the following persons were therefore declared elected Directors of the Bank for the fiscal year 2016 to 2017 and until their successors have been elected and qualified:

MERCEDES T. GOTIANUN	
JONATHAN T. GOTIANUN	
L. JOSEPHINE GOTIANUN YAP	
ANTONIO C. MONCUPA, JR.	
WILSON L. SY	
ATTY. BENEDICTO M. VALERIO, JR.	
JOSE S. SANDEJAS,	Independent Director
CARLOS R. ALINDADA,	Independent Director
PAUL A. AQUINO,	Independent Director

8. APPOINTMENT OF EXTERNAL AUDITORS

The appointment by the stockholders of the Company's External Auditors was the next item of the Agenda. The Chairman reported that the management upon recommendation of the Company's Audit Committee, is endorsing the re-appointment of the auditing firm of Sycip Gorres Velayo and Company as external auditor for the Company for the year 2016.

Upon motion was duly made and seconded and no objections being rendered during the discussion, the re-appointment of the auditing firm of Sycip Gorres Velayo and Company as external auditors for the year 2016 was approved.

9. OTHER MATTERS

Declaration of Dividends

The Chairman informed the body that in the Special Meeting of the Board of Directors which was held earlier in the day, the Board approved the declaration of a P400 million cash dividend or Php0.26667 dividend/share to be paid to all stockholders as of a record and payment date to be fixed by the President upon receipt of approval from the Bangko Sentral ng Pilipinas. The dividends represent 20% of 2015 net income of Php 2.0 Billion.

10. OPEN FORUM

The board of directors was asked whether it approved the Joint Venture Agreement of the Bank with Ageas Life Insurance; which country is Ageas Life domiciled; and, whether it is a bona fide or a well established company abroad. The Board informed the shareholders that Ageas Life is a very well established and experienced insurance company with a credible history and standing in Europe. It is currently operating in 15 countries across Europe and Asia, and has shown successful operations in areas such as Thailand, China, Portugal and the UK. It is very organized, thorough and detailed which is why the board is very confident that the insurance company will become one of the better insurance companies in the Philippines.

Ms. Nora Barajas, a shareholder of the Bank, inquired if the Bank has a buyback program for its shares. She said that it would help stabilize the price of the shares whenever it goes lower than its IPO price. The Board explained that the regulation does not allow banks to buyback their shares except in exceptional cases for which purpose, the Bank would need the approval of the Bangko Sentral ng Pilipinas. It is unlikely however that the Bank would request for an exemption because the money that would be use to buy the shares would have to be funded from its capital which the Bank needs to support its growth. Rather than price buys back, the shareholders should look at the Bank's price earning ratio. It was explained that compared to bigger banks abroad, the price earning ratio of the Bank is better. Moreover, the Bank is poised to do better than in the previous years due to the inflow of revenues from earlier investments in the expansion of its branch network. That although future events cannot be predicted, the management will exert effort so that the Bank could meet the expectations of its shareholders.

Mr. Alexis Gotegas who is also a shareholder of the Bank commented that the Bank has been showing signs of confidence and progress after many years. However, expansion would be in vain if clients are disappointed with its service. He explained that a small amount of additional revenue from each client would translate, if taken together, to a large amount. He brought this up when he shared his experience with the Bank's credit cards which did not approve his

request to reverse his penalties after he updated his account which made him decide to cancel his card and shift to another credit card provider. The Board replied that service excellence is a work in progress and although there are and will be more issues on service quality, management is actively addressing them.

11. 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.

The Chairman also invited all the Stockholders who were present and participated in the said meeting to join in the refreshments served by the Bank for this occasion.

CERTIFIED CORRECT:



ATTY. BENEDICTO M. VALERIO, JR.
Corporate Secretary

ATTESTED TO:



JONATHAN T. GOTIANUN
Chairman of the Board