



**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
HELD ON APRIL 25, 2023  
via Microsoft Live Events**

**DIRECTORS/STOCKHOLDERS PRESENT**

Please refer to "Annex A"

**I. CALL TO ORDER**

The meeting commenced at 8:00 am with the singing of the National Anthem. The invocation was, thereafter, led by SVP Reynaldo C. Burgos.

Chairman Federico C. Pascual welcomed the stockholders to the Bank's third virtual Annual Stockholders' Meeting. He thereafter called the meeting to order.

The Corporate Secretary, Ms. Ruth Pamela E. Tanghal, recorded the minutes of the proceedings.

**II. SECRETARY'S PROOF OF NOTICE AND QUORUM**

The Chairman asked the Corporate Secretary to show proof that the required notice of the meeting was provided to all the stockholders of record. The Corporate Secretary explained that as per the requirements of the Securities and Exchange Commission (SEC) and the Bank's Amended By-Laws, Notice of the Meeting stating the date and time of the meeting and the link for attendance by way of remote communication was published, in print and online format, from 29 to 30 March 2023 in the Philippine Star and the BusinessWorld, and from 09 to 15 April 2023 in the Manila Bulletin, the Philippine Star and the BusinessWorld. The supporting Affidavits of Publication of the Notice were submitted for the record. Further, the Corporate Secretary said that the Notice of the meeting was posted in the Bank's website at [www.pnb.com.ph](http://www.pnb.com.ph) and in the Bank's PSE EDGE profile. Thereafter, the Corporate Secretary certified that Notice of the meeting was provided to all stockholders of record.

The Chairman requested the Corporate Secretary to certify the existence of a quorum. The Corporate Secretary reported that, according to the guidelines circulated to the stockholders, the last day for registration for the annual meeting was on April 18, 2023. She said that based on the tally of those who successfully registered for the virtual meeting and the validated Proxies and Powers of Attorney, a total of 1,203,682,341 shares or 78.89% of the Bank's total outstanding shares was present. Ms. Tanghal said that the validation of Proxies took place on April 20, 2023. The Corporate Secretary, thus, certified that a quorum existed for a valid transaction of business.

The Chairman said that with the health and safety of our stockholders in mind, this was the fourth year in a row that the Bank was holding its Annual Stockholders' Meeting virtually. He also said that despite the circumstances, the Bank endeavored to provide stockholders an avenue to participate in the Bank's stockholders' meeting as if the meeting is being held in person. He mentioned that the stockholders were notified of the mechanics to participate and vote on the matters to be discussed during the meeting and, thus, called on the Corporate Secretary to briefly present the rules of conduct and voting procedure for the 2023 Annual Stockholders' Meeting.

The Corporate Secretary explained that the voting rights of each stockholder were set out under Item 10 of the Bank's Information Statement, while the requirements and procedure for participation and voting through remote communication were set out under "Annex B" of the said Information Statement and were uploaded to the Bank's website and PSE Edge profile.

The Corporate Secretary briefly discussed the rules of the meeting, as follows:

1. Stockholders who completed the registration and verification procedure on or before April 18, 2023 could attend and participate in the meeting and be included in determining the quorum for the meeting;
2. Stockholders who had questions about the matters set out in the agenda were requested to send their questions to [pnb\\_asm@pnb.com.ph](mailto:pnb_asm@pnb.com.ph). Questions received via email would be addressed at the Q & A portion of the meeting. Further, stockholders also had the option to send in their questions through the MS Live Chatbox, which would be live and available during the Q & A portion. Questions which were not accommodated during the meeting due to time constraints or for any other reason would be replied to by the Bank through electronic mail messaging;
3. The five (5) items for approval or ratification of the stockholders during the meeting would be presented on the screen for reference of the stockholders;
4. Stockholders who completed the registration and verification procedure were given the opportunity to vote *in absentia* through the Bank's Voting Portal by no later than 5:00 p.m. of April 20, 2023. Stockholders were also given the opportunity to cast their votes by sending their proxy forms no later than 5:00 p.m. of April 20, 2023;
5. Votes received on or before 5:00 p.m. of April 20, 2023 were tabulated and would be presented throughout the meeting; and,
6. The Annual Stockholders' Meeting would be recorded in video and audio format in accordance with the requirements of the SEC.

### **III. APPROVAL OF THE MINUTES OF THE 2022 ANNUAL STOCKHOLDERS' MEETING HELD ON APRIL 26, 2022**

The next item in the Agenda was the approval of the Minutes of the 2022 Annual Stockholders' Meeting held on April 26, 2022. The Chairman inquired if the stockholders were apprised of the said item in the Agenda. In response thereto, the Corporate Secretary said that copies of the Minutes of the 2022 Annual Stockholders' Meeting held on April 26, 2022 were uploaded to the Bank's website on April 28, 2022 and were prepared in accordance with the Revised Corporation Code. A copy of the Minutes was likewise attached as Annex "C" of the Bank's Information Statement.

The Corporate Secretary then flashed on the screen a summary of the matters discussed during the 2022 Annual Stockholders' Meeting for the examination of the stockholders. The Corporate Secretary further advised that the salient matters approved in the 2022 Annual Stockholders' Meeting could also be found on Page 39, under Item 8 of the Bank's Information Statement. With this, the Corporate Secretary proposed that, in the interest of time, the reading of the Minutes of the 2022 Annual Stockholders' Meeting held on April 26, 2022 be dispensed with, and that the said Minutes as appearing in the Bank's records be approved.

The Corporate Secretary reported that based on the total votes received, a total of 1,188,634,113 shares voted in favor of approving the Minutes of the 2022 Annual Stockholders' Meeting held on April 26, 2022.

With the favorable vote of stockholders owning more than a majority of the outstanding shares, the Chairman declared that the Minutes of the 2022 Annual Stockholders' Meeting held on April 26, 2022 were approved.

The Corporate Secretary was then instructed to reflect the tally of votes in the Minutes.

Thus:

	No. of Shares	%
Approving	1,188,634,113	77.90%
Dissenting	0	0.00%
Abstaining	15,243	0.00%

**IV. REPORT OF THE PRESIDENT ON THE RESULTS OF OPERATIONS FOR THE YEAR 2022**

Mr. Florido P. Casuela, Acting President of PNB, presented the results of operations for the year 2022. He provided the President’s Report to the Bank’s stockholders, as follows:

*“Philippine National Bank improved its efficiency and profitability amidst challenging conditions and economic headwinds. PNB’s performance in 2022 is a good indicator that the Bank continues to deliver real value to our customers, investors, and the overall economy.*

*Total resources of the Bank stood at ₱1.15 trillion pesos by end-2022. And despite the economic challenges caused by the pandemic, the Bank’s equity remained robust as it increased by 5% year-on-year, bringing the Bank’s Capital Adequacy Ratio to 15.38% and Common Equity Tier 1 Ratio to 14.58%.*

*PNB registered net income of ₱11.6B in 2022, with total operating income growing by 19% from 2021, coming from sustained growth in core income and supplemented by substantial gains on disposal of the Bank’s low-earning foreclosed properties.*

*PNB’s domestic branch network ended the year with 651 branches from the previous year’s 670 – of which 19 branches, especially those that are close to each other, were combined.*

*PNB’s ATM and Cash Accept Machine (CAM) network reached 1,720 units. This includes 45 Hybrid CAM terminals which can perform both cash deposits and withdrawals.*

*To make access to cash more convenient, PNB deployed “Bank On Wheels (BOW)” vehicles in selected areas, which were able to serve 100 communities during the Pandemic. This facility allowed our customers to withdraw cash, pay bills, and transfer funds.*

*PNB’s extensive overseas network remains the largest among Philippine banks, with 72 overseas offices and 92 agents and tie-up partners across Asia, Europe, Middle East and North America.*

*Our overseas offices provide overseas Filipinos access to a wide array of banking services such as remittances, overseas bills payment, deposits, corporate credit and trade, and consumer financing facility with the Own a Philippine Home Loan or O-P-H-L.*

*In 2022, our International Banking and Remittance business intensified efforts to acquire new customers through strategic partnerships. With the launch of the O-P-H-L Individual Referrer Program, significant housing*

*loan bookings were generated. The Bank also actively held collaborative roadshows with major real-estate developers.*

*PNB continued to innovate through partnerships with government institutions such as the Pag-IBIG Fund, which had recognized PNB as a Top Overseas Collection Partner.*

*In 2022, the consolidated consumer loan portfolio of the Bank stood at ₱38.6B. The Bank's consumer loans remain competitively priced and with varied tenors, making them one of the most affordable and flexible financing in the market.*

*Our credit cards business recorded another profitable year in 2022 – most notably a 44% increase in billings and 9% increase in credit card receivables. Gross revenues also grew by 24%. Moreover, around 70,000 new cards were generated during the year.*

*Our credit cards business saw strong growth especially now that traveling has resumed, and consumer spending continues to grow in a rebounding economy. We revitalized our partnership with PAL and Mabuhay Miles to offer more exciting perks. We launched acquisition promos with top-of-the-line prizes, and we partnered with one of the country's leading mall chains for an extensive acquisition campaign.*

*PNB's efforts to transition to paperless transactions bore fruit in 2022 as our Bank became the first local bank to offer AdobeSign - an e-signing platform which allows signatories to conveniently sign documents via personal computers or mobile devices.*

*PNB also introduced the PNB Cashnet Plus Mobile Application, which promises a more efficient method of conducting online business transactions. In 2022, PNB onboarded close to a thousand corporate clients to the mobile app.*

*In response to rising customer digital adoption and expectations, PNB expanded its digital app's payment and disbursement capabilities.*

*As a result, PNB saw a 77% growth year-on-year in total PNB Digital App users, with 41% of these users actively using the platform. This translated to significant growth in financial transaction count and volume, increasing by 118% and 160%, respectively.*

*In terms of income, the group achieved a substantial growth rate of over 200%, with InstaPay as the top transaction fee contributor.*

*We offered value-adding features that give customers more options to make online payment transactions. Customers can now make ATM cash withdrawal requests for their PNB deposit accounts without the need for debit cards or passbooks. We also further enhanced the security of our digital app by applying new features and functionalities, such as the PNB Digital Key.*

*Our thrust in digitalization is key to making our operations and service more sustainable and future-ready.*

*In connection with Sustainability, 2022 was our second year implementing PNB's Three-Year Sustainability Transition Plan. Under this Transition Plan, we updated our Board Committee charters to include sustainability*

*and sustainable financing clauses. This, as we proactively communicated our sustainability policy to all our external stakeholders.*

*Likewise, we reviewed our corporate accounts portfolio to assess and align with our clients' Environmental, Social, and Governance initiatives. Together with this, we started collaborating with external subject matter experts to build PNB's Environmental and Social Risk Management System or E-S-R-M-S.*

*Our efforts did not go unnoticed as we earned distinctions such as the Four Golden Arrow Award from the ASEAN Corporate Governance Scorecard Golden Arrow Awards.*

*We were also awarded as one of Asia's Most Influential Companies from the Asia Corporate Excellence and Sustainability Awards.*

*Likewise, we were recognized by the UN Women 2022 Philippines Women's Empowerment Principles Awards for Transparency and Reporting.*

*PNB was awarded for the second straight year by Asiamoney as its "Best Bank for Investment Research" during its Private Banking Awards. This recognition attests to the belief in PNB's capability to provide expert insights and guidance on finance and investment.*

*At the 17th PDS Annual Awards, PNB also scored a double win as "Top Fixed-Income Brokering Participant" and "Top Five Fixed-Income Cash Settlement Banks".*

*Meanwhile, the Social Security System named PNB as "Best Disbursement Partner" during its SSS Balikat ng Bayan Awards.*

*Lastly, our marketing and communications efforts earned us a distinction from the 19<sup>th</sup> Philippine Quill Awards when we were given an Excellence Award for the "The New PNB Digital App Launch Campaign".*

*As the economy regains its momentum, we will continue to connect with PNB's customers and focus on initiatives that will take advantage of the opportunities in a landscape that has been radically transformed by the pandemic. We assure our stakeholders that PNB will continue to be their steady financial partner as we journey towards recovery and progress.*

*On behalf of the PNB Board of Directors, the Senior Management Team, and all Philnabankers, I would like to thank our shareholders, our customers, and our business partners for your continued trust and support to PNB. Maraming salamat!"*

After the President's Report, Mr. Aidell Amor R. Gregorio, Acting Chief Financial Officer of PNB, presented the Financial Report for the year 2022, thus:

*"PNB continued to post positive financial results in 2022 despite the macroeconomic challenges of elevated consumer prices and high interest rates that beset the country during the year.*

*For 2022, we report a total operating income of ₱52.1B, increasing by 19% from 2021, coming from sustained growth in income from the Bank's core business, and supplemented by substantial gains on disposal of the Bank's low-earning foreclosed properties.*

*Of the total core income, 87% represents the Bank's net interest income, which reached ₱37.3B in 2022, up by 7% year-on-year due to higher yield rates on interest-earning assets amid the rising interest rate environment in 2022. This translated to the Bank's net interest margin improving to 3.61% from 3.27% a year ago.*

*The Bank's net interest income was further boosted by the 5% growth on its fee-based revenues from ₱5.3B in 2021 to ₱5.6B in 2022, largely coming from fees on its deposits, bancassurance and underwriting transactions, which have shown growth in volumes, even exceeding the pre-pandemic levels.*

*On the Bank's non-core income, as part of its strategic initiatives to reduce low-earning assets, the Bank concluded several sale transactions involving high-value foreclosed properties in 2022, which generated net gains on sale and exchange of ₱7.8B during the year, almost 8 times higher than the gains recorded in 2021.*

*Furthermore, gains from foreign exchange transactions expanded to ₱1.6B, up by 116% year-on-year. These gains cushioned the impact of trading losses recorded in 2022 amounting to ₱1.3B with the uptrend in interest rates, brought about by the global monetary tightening during the year.*

*Operating expenses posted a moderate increase of 8% year-on-year on account of the taxes related to the property sales, as well as higher amortization costs for intangible assets and for the leased properties of the Bank where it is currently holding its operations (namely, PNB Financial Center and PNB Makati Center). These properties were the subject of the properties-for-shares swap, as we have reported in the previous year.*

*In 2021, the Bank reported a one-off gain coming from the properties-for-shares swap transaction implemented that year, which significantly increased the prior year net income by ₱33.3B. This caused the comparative net income in 2022 to be lower by 63%. However, taking out the effect of this one-off gain, the Bank's pre-tax income showed growth of 3.5 times year-on-year on the back of stronger core operating income in 2022.*

*Credit provisions on loan accounts are 44% lower than year-ago level arising from improvements in payment and credit status in 2022 of certain large exposures of the Bank. The Bank regularly performs an extensive review and assessment of the level of provisions considering the significant recent developments in the status of some of our borrowers.*

*Total resources of the Bank stood at ₱1.15 trillion by end-2022, 4% lower compared to previous year's balance, which is reflective of the Bank's lending stance, as discussed in the succeeding slide.*

*The Bank's gross loan portfolio settled at ₱614B as of end-December 2022, lower by 3% from prior year's level, resulting from the Bank's strategic initiative to fast-track collection of short-term loans with minimal profitability and re-direct new loan grants to essential sectors that thrive in the new norm.*

*In terms of funding, the Bank's deposit liabilities were lower by 3% from the previous year mainly due to the Bank's strategy to trim down higher-cost time deposits. However, this decline was tempered by the continued build-up of the Bank's current and savings deposits, which together grew by 4% year-on-year.*

*Finally, the Bank's equity increased by 5%, bringing the Common Equity Tier 1 Ratio to 14.58% and Capital Adequacy Ratio to 15.38%, well above the BSP regulatory requirement of 10%.*

*And on this positive note, I would like to conclude the financial report. I wish everyone a good day. Maraming salamat at mabuhay po tayong lahat!"*

Mr. Edgar A. Cua, Member of the Board of Directors and Vice Chairman of the Board Audit and Compliance Committee (BACC), thereafter presented pertinent regulatory matters for the year 2022, as follows:

*"In compliance with Sections 29 and 49 of the Revised Corporation Code, we are required to present to our stockholders a report on the total compensation received by the directors for the year. In the Bank's Information Statement, pages 37 and 38, the Bank has disclosed that the total per diem paid to the Board of Directors for 2021 amounted to approximately ₱62.650M. Flashed on the screen is the table showing the emoluments and compensation received by each director.*

*Further, Section 49 of the Revised Corporation Code requires disclosure of directors' self-dealings and related party transactions with the Bank. I would like to report that information on the Bank's transaction with related parties and certain directors, officers, stockholders and related interests (DOSRI) are shown under Note 41.5 of the Audited Financial Statements of the Bank and Subsidiaries and Part II, Schedules B and C of the Supplementary Code, Rule 68, Annex J.*

*In the aggregate, DOSRI loans generally should not exceed the Bank's equity or 15% of the Bank's total loan portfolio, whichever is lower. As of December 31, 2022, the Bank and its subsidiaries were compliant with regulations. The Bank's Audited Financial Statement had been uploaded to the Bank's website and PSE Edge profile."*

Chairman Pascual thanked Mr. Casuela, Mr. Gregorio and Mr. Cua for an extensive report on the overall performance of the Bank. He also acknowledged the invaluable service, contribution, and commitment to the Bank of the Board of Directors, the Board Advisors, the President, Senior Management, officers and all the employees of PNB.

## **V. APPROVAL OF THE 2022 ANNUAL REPORT**

The Corporate Secretary presented the proposed resolution regarding the notation and approval of the Bank's 2022 Annual Report, together with the Audited Financial Statement as of December 31, 2022. She further reported that copies of the Annual Report and the Audited Financial Statements were attached to the Information Statement and uploaded to the Bank's website.

The Corporate Secretary confirmed that based on the total votes received, a total of 1,188,075,823 shares voted in favor of approving the Bank's 2022 Annual Report, together with the Audited Financial Statement as of December 31, 2022; thus, with the shareholders owning more than a majority of the outstanding shares voting in favor of the

matter, the Bank's 2022 Annual Report, together with its Audited Financial Statement as of December 31, 2022, was noted and confirmed, as follows:

**STOCKHOLDERS' RESOLUTION NO. 01-23**

**RESOLVED**, AS IT IS HEREBY RESOLVED, that the Bank's 2022 Annual Report, together with the Audited Financial Statement for the year ended December 31, 2022, be noted and approved.

The Chairman instructed the Corporate Secretary to reflect the tally of votes in the Minutes, thus:

	<b>No. of Shares</b>	<b>%</b>
Approving	1,188,075,823	77.87%
Dissenting	0	0.00%
Abstaining	573,533	0.04%

**VI. RATIFICATION OF ALL THE LEGAL ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS SINCE THE 2022 ANNUAL STOCKHOLDERS' MEETING**

The next item in the Agenda was the confirmation and ratification of all the legal acts, resolutions and proceedings of the Board of Directors and Officers since the 2022 Annual Stockholders' Meeting held on April 26, 2022. A summary of the acts submitted for ratification was flashed on the screen for the examination of the stockholders. As explained by Acting President Casuela, these acts, resolutions and proceedings submitted for approval of the stockholders consisted of regular banking transactions and policy formulation undertaken in the regular course of business of the Bank. These acts were standard, if not customary, in the Banking industry.

The Corporate Secretary confirmed that, based on the total votes received, a total of 1,188,075,823 outstanding shares of the Bank voted in favor of approving all the legal acts, resolutions and proceedings of the Board of Directors and Corporate Officers of the Bank from the date of the Bank's last Annual Stockholders' Meeting on April 26, 2022 up to the present date.

The Chairman said that, with the shareholders owning more than a majority of the outstanding shares voting in favor of the matter, the legal acts, resolutions and proceedings of the Board of Directors and Corporate Officers of the Bank from the date of the Bank's last Annual Stockholders' Meeting on April 26, 2022 up to the present date were approved, confirmed and ratified. The proposed resolution was presented for approval and confirmation, thus:

**STOCKHOLDERS' RESOLUTION NO. 02-23**

**RESOLVED**, AS IT HEREBY RESOLVED that all legal acts, resolutions and proceedings of the Board of Directors and Corporate Officers of the Bank from the last Annual Stockholders' Meeting on April 26, 2022 up to the present, as reflected in the Minutes of the Meetings of the Board of Directors and the Board Committees be approved, confirmed and ratified.

The Chairman, thus, instructed the Corporate Secretary to reflect the following tally of votes in the Minutes, to wit:



	No. of Shares	%
Approving	1,188,075,823	77.87%
Dissenting	0	0.00%
Abstaining	573,533	0.04%

**VII. ELECTION OF DIRECTORS**

Mr. Wilfrido E. Sanchez, Vice Chairman of the Corporate Governance and Sustainability Committee, reported that the Bank's Corporate Governance and Sustainability Committee, acting as the Nomination Committee, approved the nomination of the following as Directors of the Bank for 2023-2024:

1. Mr. Felix Enrico R. Alfiler
2. Ms. Maria Almasara Cyd N. Tuaño-Amador
3. Mr. Florido P. Casuela
4. Mr. Leonilo G. Coronel
5. Mr. Edgar A. Cua
6. Mr. Estelito P. Mendoza
7. Ms. Isabelita M. Papa
8. Ms. Sheila T. Pascual
9. Mr. Wilfrido E. Sanchez
10. Ms. Carmen K. Tan
11. Mr. Lucio C. Tan
12. Mr. Lucio C. Tan III
13. Mr. Michael G. Tan
14. Ms. Vivienne K. Tan; and
15. Mr. Domingo H. Yap

Mr. Wilfrido Sanchez further reported that Mr. Edgar A. Cua, Ms. Isabelita M. Papa, Ms. Maria Almasara Cyd N. Tuaño-Amador, Mr. Wilfrido E. Sanchez and Mr. Domingo H. Yap were nominated as Independent Directors. He clarified that, as recommended by the Corporate Governance and Sustainability Committee, should any of the regulators not approve the independent directorship of any of the nominees, such nominee shall be deemed automatically elected as a regular director.

The Corporate Secretary further explained that the Revised Corporation Code of the Philippines required the presentation of a summary of the attendance report, the appraisal and performance reports of the members of the Board, and the criteria and procedure for assessing the performance of the directors, which could be found in the Bank's Amended Corporate Governance Manual provided in the Bank's website.

The Corporate Secretary proposed that, since there were only fifteen (15) nominees to the fifteen (15) available seats in the Board of Directors, and since each of the nominees received votes in their respective names, the fifteen (15) nominees be proclaimed as the duly elected Directors of the Bank, to serve as such until the election and qualification of their successors.

The Corporate Secretary presented the votes received by each of the nominees and the proposed resolution for the election of Directors for 2023-2024. Having received the requisite votes, the nominees were then declared as the duly elected Directors of the Bank for 2023–2024 to serve immediately as such until the election and qualification of their successors. The following resolution was, thus, proposed for approval and confirmation:

**STOCKHOLDERS RESOLUTION NO. 03-23**

**RESOLVED**, AS IT IS HEREBY RESOLVED, to approve and confirm the election of the following as members of the Board of Directors of the Bank for the year 2023-2024:

1. Mr. Felix Enrico R. Alfiler
2. Ms. Maria Almasara Cyd N. Tuaño-Amador (Independent Director)
3. Mr. Florido P. Casuela
4. Mr. Leonilo G. Coronel
5. Mr. Edgar A. Cua (Independent Director)
6. Mr. Estelito P. Mendoza
7. Ms. Isabelita M. Papa (Independent Director)
8. Ms. Sheila T. Pascual
9. Mr. Wilfrido E. Sanchez (Independent Director)
10. Ms. Carmen K. Tan
11. Mr. Lucio C. Tan
12. Mr. Lucio C. Tan III
13. Mr. Michael G. Tan
14. Ms. Vivienne K. Tan; and
15. Mr. Domingo H. Yap (Independent Director)

The Corporate Secretary was also instructed to reflect in the Minutes the votes received by each of the nominees, as follows:

<b>NOMINEE</b>	<b>NO. OF VOTES</b>
Mr. Felix Enrico R. Alfiler	1,188,557,829
Ms. Maria Almasara Cyd N. Tuaño-Amador	1,188,631,150
Mr. Florido P. Casuela	1,188,814,000
Mr. Leonilo G. Coronel	1,188,583,100
Mr. Edgar A. Cua	1,188,632,050
Mr. Estelito P. Mendoza	1,188,579,345
Ms. Isabelita M. Papa	1,188,493,557
Ms. Sheila T. Pascual	1,188,585,645
Mr. Wilfrido E. Sanchez	1,188,631,985
Ms. Carmen K. Tan	1,188,413,446
Mr. Lucio C. Tan	1,188,420,291
Mr. Lucio C. Tan III	1,188,413,776
Mr. Michael G. Tan	1,188,245,236
Ms. Vivienne K. Tan	1,188,413,486
Mr. Domingo H. Yap	1,188,630,855

Chairman Federico Pascual thanked the stockholders for their continuing support to the PNB Board of Directors. He also took the opportunity to express his gratitude for being able to serve the stockholders and the Bank as the Bank's Chairman for two (2) years and Director for nine (9) years. He said that it had been his honor and pleasure to have served in such capacity all these years. He wished the Board of Directors continuous success in leading the Bank to becoming the best bank in the Philippines.

**VIII. APPOINTMENT OF EXTERNAL AUDITOR**

Mr. Edgar A. Cua, Vice Chairman of the BACC, explained that the appointment of the Bank's External Auditor underwent a process mandated by the Bank's Amended Corporate Governance Manual, which was in compliance with the requirements of the SEC.

According to Mr. Cua, the BACC was responsible for the selection, evaluation, appointment, dismissal, replacement and reappointment of the External Auditor, which was endorsed to the Board of Directors and thereafter presented to the stockholders for approval. The Committee took into consideration the following factors in selecting an External Auditor for the Bank, viz.:

- size of the auditing firm;
- reputation and professionalism of the partners;
- track record;
- knowledge of current auditing and accounting practices;
- integrity and competencies of their staff;
- resources and facilities; and,
- the Bank's trust and confidence in their skills.

Mr. Cua reported that, after careful deliberations and compliance with the Bank's rules and procedures for the appointment of External Auditor, the BACC recommended and endorsed the appointment of SGV & Co. as External Auditor of the Bank. The partner-in-charge of the Bank's account, Ms. Vicky B. Lee-Salas, was appointed on September 1, 2020. As such, there was no need to request for a change in the partner-in-charge of the Bank's account. The appointment of SGV & Co. as External Auditor of the Bank was approved by the Board of Directors on February 27, 2023 and, thus, presented for the ratification of the stockholders.

Mr. Cua discussed that, in compliance with Section 49 of the Revised Corporation Code, the total engagement fees billed and paid for the professional services rendered by SGV & Co. in 2022 (inclusive of out-of-pocket expenses and value-added tax) amounted to ₱35.673M.

The Corporate Secretary reported that, based on the total votes received by proxy and via remote communication, a total of 1,188,648,616 shares of the Bank voted in favor of the appointment of SGV & Co. as External Auditor of the Bank.

The Chairman said that, with the shareholders voting in favor of the matter, SGV & Co. was appointed as External Auditor of the Bank for the ensuing year. Thus, the Corporate Secretary presented the proposed resolution for the appointment of the External Auditor for the ensuing year, as follows:

**STOCKHOLDERS' RESOLUTION NO. 04-23**

**RESOLVED**, AS IT IS HEREBY RESOLVED, to approve the appointment of SGV & Co. as the External Auditor of the Bank for the fiscal year 2023 to 2024.

The Corporate Secretary was then instructed to reflect in the Minutes the votes received, as follows:

	No. of Shares	%
Approving	1,188,648,616	77.91%

Dissenting	0	0.00%
Abstaining	376	0.00%

**IX. OTHER MATTERS**

The Chairman then requested Mr. Claro P. Fernandez, Public Affairs Group Head and OIC of the Investor Relations Unit, to read and relay the questions received from the stockholders, to be addressed by the PNB Management.

Mr. Fernandez read the first question sent via email by Mr. Ernest Uy, stockholder. Mr. Uy asked what the factors that contributed to the Bank's sustained net income in 2022 were. He further asked if the Bank would achieve better results this year.

In reply, Acting President Casuela said that, as reported by the Bank's Acting CFO, despite the challenging macroeconomic environment in 2022, the Bank's pre-tax income, without the impact of the one-off gain in 2021, increased by 3.5 times year-on-year. Acting President Casuela said that he was happy to report that this was a result of the sustained growth in the income from the Bank's core business, augmented by the Bank's success in monetizing its low-earning foreclosed properties.

Acting President Casuela also reported that Management expected the Bank's net income to be higher this year, boosted by the stronger core income with the continued economic expansion. The Bank's Net Interest Margin (NIM) would remain stable at above 3.5%, supported by higher yield rates on interest-earning assets coupled with well-managed cost rates on deposits. Likewise, the Bank would go on with its strategic initiative to sell foreclosed properties which was expected to bring in additional revenues.

Mr. Fernandez read the second question sent via email by Ms. Maria Soledad Cosuco, stockholder. Ms. Cosuco asked if the Bank had any significant update on the Bank's property distribution. She further asked if the Bank had any plans of declaring cash dividends this year.

Mr. Jonathan Uy, Strategy Division Head, answered that the Bank was closely coordinating with the remaining regulator involved in the subject transaction so that the Bank can distribute the PNB Holdings Corporation (PHC) shares to entitled PNB shareholders as of record date. He said that, through constant follow-up, the Bank was able to receive feedback from the regulator and thereafter the Bank provided the additional information requested by said regulator. Mr. Uy said that, as the Bank waited for the assessment and comments from the regulator, PNB was also working on the internal processes necessary for the distribution of the property dividend shares. He said that he wanted to assure the shareholders that the Bank would release disclosures and/or advisories through the Philippine Stock Exchange for any development on this transaction, including the approvals secured, guidance or steps on the distribution of the property dividend shares and other relevant information for the shareholders' reference.

In response to the query on cash dividends, Mr. Aidell Amor Gregorio, Acting Chief Financial Officer, said that since PNB was a publicly listed company, the Bank was unable to provide definitive, forward-looking statements. He said that it was to be noted that in declaring cash dividends, the Bank must take into consideration the Bank's compliance with regulations on capital adequacy as well as capital build up necessary for the Bank's business growth, while taking into account the shareholders' interest. Nonetheless, the Bank would like to assure the shareholders that PNB's Senior Management and its Board of Directors recognize shareholders' interests and concerns and had been working very hard to sustain the growth in the Bank's profitability which would eventually allow declaration of cash dividends on a regular and sustainable basis without compromising its growth trajectory.

For the third question, Mr. Fernandez said that it was from Ms. Ma. Socorro Unas, stockholder, sent via the MS Live Chatbox. Ms. Unas asked what the Bank did to improve its Digital Application so that customers like her were assured that their transactions were safe.

Mr. Damasen Cid, Digital Innovations Group Head, said that the Bank had focused all the Bank's funds transfer transactions into the PNB Digital App. With the device linking of PNB Digital key and biometrics capability of the mobile phone, it was more secure to transact through the PNB Digital App compared to a web-based internet banking channel. Moreover, he said that financial transactions could only be conducted on the registered mobile device of legitimate clients, making it nearly impossible for fraudsters to make unauthorized transfers even if the username and password of the client were captured through phishing.

According to Mr. Cid, the digital security feature would be further strengthened once the Bank would launch the Enterprise Fraud Management System. This system would detect and prevent anomalous transactions being attempted in the PNB Digital App, based on rules and the historical behavior of the legitimate account holders.

For the next question, Mr. Fernandez mentioned that this was stockholder Mr. Danny Ponay. Mr. Ponay asked what the latest NPL Ratio of the Bank in 2022 and what its outlook on NPL Ratio this year were. Mr. Aidell Amor Gregorio, Acting Chief Financial Officer, replied that the gross NPL Ratio declined to 6.19% as of end-December 2022 from 9.97% a year ago, as gross NPLs decreased by ₱23.9B or down by 36% due to improvement in accounts previously affected by the pandemic. For this year, the Bank's gross NPL ratio was projected to remain at single digit, supported by the continued efforts to reduce the NPL level combined with the anticipated increase in loan portfolio.

Mr. Gregorio commented that the Bank had an NPL stabilization strategy that focused on restructuring accounts, including follow-through on observation period for those with approved and implemented restructuring plans. For those that would be restructured, repayment plans were aligned with borrower's cash flows and industry recovery. The Bank expected that NPLs would be reduced over time as several loan accounts were expected for stage upgrade with the reopening of the Philippine economy. While the rising interest rates pose a challenge to the borrowers, the Bank was proactive in identifying accounts with potential payment risk with its periodic rapid portfolio review and addressing these.

According to Mr. Fernandez, the next question was from Ms. Emma See, stockholder, via MS Live Chatbox. Ms. See asked if the Bank had a sustainability policy in place.

Ms. Mariamel Cordova, PNB Sustainability Officer, replied in the affirmative. She said that PNB had a sustainability policy that was approved by the Board of Directors and submitted to the *Bangko Sentral ng Pilipinas* in December 2020. It was the Bank's aspiration to make sustainability "business as usual" for the Bank as the Bank focused on helping improve the quality of life of the stakeholders, protecting the planet, and ensuring that by 2030, PNB would have made a significant contribution to building a sustainable world. Ms. Cordova said that the Bank's sustainability policy statement, which basically highlighted the Bank's sustainability agenda, was accessible through the Bank's website.

The last question, according to Mr. Fernandez, was sent in via the Chatbox by Ms. Judie Recuenco, a stockholder, who asked what actions were being undertaken by the Bank considering that, in the newspapers, it was said that other banks were competing aggressively against PNB. Acting President Casuela replied that faced with fierce competition from peer banks amidst the challenging operating environment, the Bank's focus would be on the following strategic initiatives which would fortify PNB's position as one of the leading banks in the Philippines. Thus, according to Acting President Casuela:

*"We will shift our marketing focus from large institutional accounts to small- and medium-sized enterprises (SMEs) and retail customers to ensure that our lending activities will contribute a substantial portion to the Bank's revenues as these market segments have relatively higher yield rates. We will tap PNB's extensive customer base and branch network to expand and strengthen the Bank's foothold on the SME and retail segments.*

*We will also capitalize on PNB's strong nationwide branch network to generate low-cost CASA deposits from its existing and growing customer base. Under the Bank's ecosystem of co-branded cash management and credit product offerings, deposits on operating accounts are expected to increase.*

*Likewise, we intend to maximize the potential of PNB's strong franchise to increase fee-based income. We will intensify our cross-selling efforts to existing customers, including our OFW customers. Marketing efforts will be focused on offering a wide array of products and services in the enhanced PNB Digital App, cash management solutions and bancassurance products, among others.*

*Digital banking will be a cornerstone of PNB's long-term strategy. The Bank's digital transformation is aimed at offering a complete end-to-end online products and services for all consumer and corporate clients. Along this line, we will leverage on the use of technology to provide better products and be more efficient in terms of how we deliver these products to our customers."*

Moreover, President Casuela said that, overall, the Bank would be dynamic in meeting evolving customer needs in an ever-changing operating environment to attain top of mind status among Philippine banks.

To conclude the Q&A segment of the meeting, Mr. Fernandez said that questions submitted during the live Q&A portion but were not answered due to time constraints would be answered by Management via email. He thanked the stockholders for their questions and for the opportunity given to the PNB Management Team to answer them.

## **X. ADJOURNMENT**

After discussion of all the items in the Agenda, the Chairman, on behalf of PNB's Board of Directors, Advisors, and Senior Management, thanked everyone who joined the virtual meeting – especially those who had been joining the Bank's annual meetings.

Chairman Federico Pascual congratulated the Board of Directors, Advisors, Senior Management, and staff who made this Stockholders' Meeting a success. Chairman Pascual said that, on behalf of the aforementioned, he was again extending his heartfelt appreciation to all PNB stockholders and others who joined the annual meeting. He said that he hoped the shareholders found the gathering truly worth their time.

Chairman Pascual said that the Bank's theme for this year was "*Magkaisa sa Pagsulong Ng Bayan*" which was all about being united to drive the nation's progress. He said that this theme resonated well with PNB, as the Bank needed the support of everyone in the community to be able to fulfill the Bank's mission to be the banking institution that Filipinos could truly lean on. Chairman Pascual said that, through the Bank and its clients' success, the Bank enabled the country's progress. He said that he also hoped the shareholders would continue to support the Bank the same way the latter supported the nation's progress.

Chairman Pascual also took the opportunity to inform the shareholders that this year's annual meeting was his last stockholders' meeting as Chairman as he had reached his term limit as Independent Director. He said that he was elected as PNB Chairman in

2021, during a time full of uncertainties due to the COVID-19 pandemic, but it was also a time that tested PNB's ability to adapt and innovate. He said that he was proud of the way the Bank rose to the challenges and succeeded to be "Stronger, Better, and Younger".

With that, Chairman Pascual adjourned the meeting.

The 2023 Annual Stockholders' Meeting adjourned at 9:09 a.m.

**CERTIFIED CORRECT:**

(original signed)

**RUTH PAMELA E. TANGHAL**

Corporate Secretary

**ATTESTED BY:**

(original signed)

**FEDERICO C. PASCUAL**

Chairman of the Meeting



**ANNUAL STOCKHOLDERS’ MEETING**  
**Held on April 25, 2023**  
**via Microsoft Live Events**

**NUMBER OF SHARES HELD BY SHAREHOLDERS:**

Total Outstanding Shares	-	1,525,764,850
Total No. of Shares Represented by Proxy and Present Remotely or via Voting in Absentia	-	1,203,682,341
Percentage of the Total Shares Represented by Proxies and Present Remotely or via Voting in Absentia	-	78.89%

**DIRECTORS PRESENT:**

FELIX ENRICO R. ALFILER, Director  
 FLORIDO P. CASUELA, Director  
 LEONILLO G. CORONEL, Director  
 EDGAR A. CUA, Independent Director  
 ESTELITO P. MENDOZA, Director  
 ISABELITA M. PAPA, Independent Director  
 FEDERICO C. PASCUAL, Independent Director  
 SHEILA T. PASCUAL, Director  
 WILFRIDO E. SANCHEZ, Independent Director  
 CARMEN K. TAN, Director  
 LUCIO C. TAN, Director  
 LUCIO C. TAN III, Director  
 MICHAEL G. TAN, Director  
 VIVIENNE K. TAN, Director  
 DOMINGO H. YAP, Independent Director

**ALSO PRESENT:**

WILLIAM T. LIM, Board Advisor	HUMILDAD M. SANTELICES, Senior Vice President
CHESTER Y. LUY, Board Advisor	JOY JASMIN R. SANTOS, Senior Vice President
CHRISTOPHER J. NELSON, Board Advisor	TERESITA U. SEBASTIAN, Senior Vice President
FLORENCIA G. TARRIELA, Board Advisor	DON A. TAMAYO, Senior Vice President
RUTH PAMELA E. TANGHAL, Corporate Secretary	MARIA TERESA C. VELASCO, Senior Vice President
MICHELLE A. PAHATI-MANUEL, Asst. Corporate Secretary	KELVIN S. AQUILINO, First Vice President
ROBERTO D. BALTAZAR, Executive Vice President	NEIL B. CAMPOS, First Vice President
ISAGANI A. CORTES, Executive Vice President	DAMASEN PAUL C. CID, First Vice President
AIDA M. PADILLA, Executive Vice President	THERESA DEL ROSARIO, First Vice President
ALLAN L. ANG, First Senior Vice President	JOY H. LALICON, First Vice President
MANUEL C. BAHENA, JR., First Senior Vice President	MA. THERESA E. LIAO, First Vice President
ZACARIAS E. GALLARDO, JR., First Senior Vice President	MARIE GRACE P. MARCELO, First Vice President
MARIA ADELIA A. JOSON, First Senior Vice President	GERALDINE S. PUNZALAN, First Vice President
JOSE GERMAN M. LICUP, First Senior Vice President	RODERICK SORIANO, First Vice President
MARIA PAZ D. LIM, First Senior Vice President	ROBINA S. SY, First Vice President
NOEL C. MALABAG, First Senior Vice President	MARY LOURDES T. TENG, First Vice President
ROLAND V. OSCURO, First Senior Vice President	JONATHAN L. UY, First Vice President
MARIZA L. TIBURCIO, First Senior Vice President	ARLENE S. VIERNES, First Vice President
SOCORRO D. CORPUS, Officer-in-Charge of HRG	MELVAR C. BENEDICTO, Vice President
REYNALDO C. BURGOS, Senior Vice President	JOCELYN R. BRONIOLA, Vice President
CARLO S. DIMAALA, Senior Vice President	ANNA LIZA S. CALAYAN, Vice President
CLARO P. FERNANDEZ, Senior Vice President	RALPH BENEDICT B. CENTENO, Vice President
AIDELL AMOR R. GREGORIO, Senior Vice President & Acting CFO	SHIRLEY T. CHING, Vice President
ANA ROSE T. KWAN, Senior Vice President	JULIET S. DYTOC, Vice President
MA. LOURDES S. LIWAG, Senior Vice President	MA. CECILIA C. LACHICA, Vice President
JENNIFER Y. NG, Senior Vice President	ANALISA I. SAN PEDRO, Vice President
NIXON S. NGO, Senior Vice President	
BERNABE R. PUNSALAN, Senior Vice President	



**SHAREHOLDERS/OTHER ATTENDEES:**

VICKY L. SALAS, SGV & Co.  
WILSON P. TAN, SGV & Co.  
LESLIE ANNE G. HUANG, SGV & Co.  
DANA DANIELLE U. SAMSON, SGV & Co.  
MELISSA LICHAYTOO, Roxas de los Reyes  
Laurel Rosario & Gonzales Law Offices  
SHERLEEN MACATANGAY, Roxas de los  
Reyes Laurel Rosario & Gonzales Law  
Offices  
BYRON FRANCIS YAO, Roxas de los Reyes  
Laurel Rosario & Gonzales Law Offices  
GERRY B. VALENCIANO, PNB Capital and  
Investment Corporation  
YOLANDA M. ALBANO, Allied Integrated  
Holdings, Inc.  
PERFECTO M. DOMINGO, Alliedbankers  
Insurance Corporation  
LIMWEL M. CAPARROS, PNB-Mizuho  
Leasing and Finance Corporation  
JUANITA TAN-LEE, LT Group, Inc.  
ANABELLE D. ARCEO, LT Group, Inc.  
JOSE GABRIEL OLIVES, LT Group, Inc.  
DIOSCORO TEODORICO L. LIM, LT Group,  
Inc.  
MA. CORAZON CRESENCIA L. CONTRERAS  
MAYVEL A. SINO  
ALAIN ALFRED I. ABELEDA  
DEREINA LISSA R. ABIOG  
CYNTHIA DOROTHY I. ACORDA  
ARMIE MELLANY B. ACUISA  
JANETTE Q. ADAMOS  
JESSICA A. ADIAO  
MA. CRISTINA M. ADVINCULA  
VALERY S. AGAPITO  
JUANA M. AGUINALDO  
RICHARD V. ALBERTO  
NANETTE M. ALCALDE  
MARY MAE D. ARBOSO  
RIZIEL GRACE R. ARCILLA  
JENNIFER T. ASI  
ANTHONY A. ASUNCION  
EMYLYN P. AUDEMARD  
JOANNA MARIE L. AVILES  
MARILA S. BALAQUIOT  
PAULO LORENZO G. BERNARDO  
MARIVETH F. BORJA  
GRACE C. BUMANLAG  
ANALIN B. BUSTAMANTE  
JESUS F. CACACHO  
ANNE MICHELLE A. CANAPI  
JASPER BRYAN S. CANERO  
CARISSA S. CAPARAS  
MARILOU CASUELA  
SHARON N. CATA CUTAN  
ERIC M. MATUBAY  
KRITHSAN G. CHOI  
RINA AZEL C. CINCO  
WREN EMIL F. CINCO  
MA. AGNES CRUZ  
JOSENIA R. DE GUZMAN  
LOUDY ANN M. DELA CRUZ  
ANGELO S. DELA PAZ  
LEILA A. DELOS REYES  
ROSELA P. DEL ROSARIO  
AGNES A. DIMATULAC  
CHERRY N. DOMINGO  
MARIA EMILY R. DOON  
NICODEMUS C. ECLIPSE  
JANET D. ANTONIO  
GIRLIE L. ERIA  
ERIKA ARMENTIA  
VANESSA O. ESPINO  
ILUMINADA M. ESPINOZA  
DIGNA C. FERNANDEZ  
JAIME B. FERNANDEZ  
LITA VICTORIA C. FERNANDEZ  
MANNY C. FERNANDEZ  
CHERRY C. FORTUS  
TRISTAN L. FRANCISCO  
ELSIE E. GARCIA  
DENNIS F. GASCON  
MICHAEL D. UY  
EZELLE THERESA A. GASCON  
SHERYL JOY D. GENAVIA  
JANICE R. GONZALES  
MARY GERALDINE S. ANG  
SHIENA B. JEREMIAS  
JENNY LACRO  
MARY ANN L. LABANDA  
AMELIA R. LAUS  
DONNABEL B. LEAL  
GEMMA S. LIM  
MARRITA G. LIM  
LUDETTE R. LORETE  
MARY GRACE B. LUMONGSOD  
ANA MELISSA S. MAGPILI  
LUZVIMINDA V. MAGSINO  
MILANI T. MAMALAYAN  
RANIEL T. MANIQUIZ  
RHONA N. MANJARRES  
MICHELLE E. MARCELINO  
MARIANITO AMBAT  
MICHAEL M. MARIANO  
JAIME Q. MARISCAL  
ARCHIE CEASAR C. MATULOY  
MA. IRMA S. MAXINO  
LIZA R. MEJIA  
MARIA VICTORIA C. MENDOZA  
ELIZABETH P. MILLAR  
MYRNA L. VILLEGA  
MARIA MERCEDITA T. NAKPIL  
JOCELYN GRACE N. NAVATO  
ROXANNE L. NIVERA  
MONIQUE A. OCADO  
JULIAN MIGUEL P. OCAMPO  
MADELEINE PATRICIA LEAH M.  
ONG  
MICHELLE D. OROSCO  
NIKKI ANGELA I. ORSOLINO  
CLARENCE J. ORTIZ  
CHRISTINA V. OSIAS  
GRACE BEATRIX C. PANDES  
MARIGOLD O. PASQUIN  
PATRICIA SAN JOSE  
CLARE C. PERDITO  
REALYN M. POSTRADO-DELA  
CRUZ  
ROWENA V. PRADO  
AMI T. PUA  
JASON JOHN RAMOS  
EDGIE P. RANES  
JUDIE E. RECUENCO  
EDUARDO JOSEPH F. REYES  
MARIA SOLEDAD P. REYES  
HILDA P. RIVADELO  
RHONDO R. ROBERTO  
WILLISON I. ROCES  
LILIAN RUGA  
CANDLE JOY D. RUGAS  
MELISSA M. SALCEDO  
ANNA MARIA RAYMUNDA A. SAN  
JUAN  
JOMER P. SANTOS  
BELEN B. SAUCO  
CESAR C. SEVILLAR  
KAREN M. SEVILLA  
CATHERINE T. SOLOMON  
JESSIE Z. SUMAYA  
HAROLD T. TAGUBA  
RINA BLANCH W. TAN  
EMMA SEE  
SHIELLA S. TIANCHON  
CHRISTINE JOY TOC  
GENEVLN M. TORRANO  
JOSE FERNANDO C. TORRES  
CLARINDA B. ULOG  
DANNY PONAY  
MA. SOCORRO UNAS  
ERNEST T. UY  
MICHELLE ANNE B. VELAZCO  
MARIA CARMEL M. VERGARA  
MARIAMEL V. CORDOVA  
NAOMI FE R. VICTORIA  
MA. EDNA A. VIVAR  
GENEVIEVE AMOR B. EDRADA  
ROGELIO C. ESTRELLA, JR.  
MARIA SOLEDAD A. COSUCO  
RICHARD HERMOGENO  
MARY VIANNEY B. JOCSON  
SHEELA MAY ANN A. MALIMUTIN  
APRIL ROSE D. UMADHAY