



**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
HELD ON APRIL 30, 2019 AT THE GRAND BALLROOM
UPPER LOBBY, CENTURY PARK HOTEL
599 PABLO OCAMPO SR., MALATE MANILA**

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, and thereafter the delivery of the invocation by EVP Chester Y. Luy. EVP Joven DB. Hernandez acted as the Master of Ceremonies.

Chairman Florencia G. Tarriela, who acted as Chairman of the meeting, then welcomed the stockholders and called the meeting to order.

Corporate Secretary Maila Katrina Y. Ilarde recorded the minutes of the proceedings.

II. SECRETARY'S PROOF OF NOTICE AND QUORUM

The Chairman requested the Corporate Secretary to show proof that the required notice of the meeting was duly sent to all the stockholders. In response, the Corporate Secretary said that in accordance with the requirements of the Securities Regulation Code, the New Disclosure Rules of the Securities and Exchange Commission, and SEC Memorandum Circular No. 19, series of 2016, written notice of the meeting was sent to all shareholders of record as of record date, on April 2, 2019, at least 28 days prior to the date of the meeting. She added that in accordance with Section 4.4, Article IV of the Bank's Amended By-Laws, the notice was likewise published daily for one week from April 13 to 22, 2019 in the Philippine Star, Business World, and Manila Bulletin. Supporting certifications were then submitted for the record.

The Chairman thereafter requested the Corporate Secretary to certify the existence of a quorum. The Corporate Secretary said that based on the attendance record and the proxies and powers of attorney on hand, there was present, in person a total of 24,176 shares or 0.00% of the Bank's total outstanding shares and, present by proxies and powers of attorney, a total of 971,277,043 shares or 77.76% of the total outstanding shares. The Corporate Secretary therefore certified that the total number of shares present in person and represented by proxies and powers of attorney was 971,301,219 shares or 77.76% of the Bank's total outstanding shares, and as such, a quorum existed for the valid transaction of business.

III. APPROVAL OF THE MINUTES OF THE 2018 ANNUAL STOCKHOLDERS' MEETING HELD ON APRIL 24, 2018

The next item in the Agenda was the approval of the Minutes of the 2018 Annual Stockholders Meeting held on April 24, 2018. Upon the inquiry of the Chairman as regards the stockholders' access to the Minutes, the Corporate Secretary said that copies of the Minutes were uploaded to the Bank's website on April 25, 2018. She also said that copies of the Minutes were made available at the registration table for all the stockholders. A summary of the matters discussed at the April 24, 2018 Annual Stockholders Meeting was then flashed on the screen for the examination of the stockholders. The Corporate Secretary said that the salient matters approved at the

2018 Annual Stockholders Meeting were likewise included in the Information Statement.

Mr. Stephen Anthony Ilaguison moved that the reading of the Minutes of the 2018 Annual Stockholders Meeting held on April 24, 2018 be dispensed with, and that the same as appearing in Bank records be approved. Ms. Pola Lia Celina Lamarca seconded the motion.

There being no objections, the Corporate Secretary was then instructed to reflect in the Minutes that the motion was unanimously approved:

Approving	971,301,219
Dissenting	0
Abstaining	0

IV. REPORT OF THE PRESIDENT ON THE RESULTS OF OPERATIONS FOR THE YEAR 2018

President Jose Arnulfo A. Veloso presented the results of operations for the year 2018.

Mr. Veloso then rendered the President's report, as follows:

Chairman Florencia Tarriela, Director Dr. Lucio Tan, other members of the PNB Board of Directors and Advisors, fellow stockholders and Philbankers, ladies and gentlemen: good morning. On behalf of the PNB Board of Directors, officers and staff, I welcome all of you to our Annual Stockholders Meeting.

I am pleased to report that 2018 was an excellent year for PNB. We marked milestones that would propel our Bank to new levels of growth and sustain our legacy of service excellence to our various stakeholders.

Our 2018 performance demonstrates PNB's commitment to adapt to the fast-changing business and financial landscapes both at the global and local fronts. PNB is determined to accelerate efforts for an aggressive but safe growth strategy, while keeping true to our brand promise of "You First". PNB sustained healthy financial results in 2018 and scored milestones in various areas of our business.

Our Bank registered a net profit of P9.6B, 17% higher than the earnings of P8.2B in 2017. The growth in net profit resulted from sustained efforts in strengthening the Bank's core business.

Total operating income improved by 20% to P38.9B from year-ago level of P32.3B on the back of increases in core revenues as well as gains from asset disposals.

Net interest income reached P27B, 23% higher compared to the previous year, driven by a 19% expansion in gross loans and the widening of net interest margin to 3.3% from 3.1%. Funding efficiencies were achieved behind a 22% increase in low-cost demand deposits which fueled growth in deposit liabilities.

Net service fees and commission income grew by 9%, driven by improvements in deposit, trade, and credit card-related fees as well as bancassurance income, which were partly offset by the decline in underwriting fees.

Meanwhile, net gains from sale of acquired assets increased to Php5.9 billion compared to last year's P3.9B, in line with the Bank's ongoing strategy of reducing its non-earning assets.

Operating expenses grew by 13% over the same period last year as strong revenue growth translated to higher business taxes and other business-related expenses. Without taxes and licenses, core operating expenses grew by 8%.

PNB's total consolidated resources stood at Php983.6 billion, up P147.3B or 18% from year-ago level, funded primarily by deposits, consisting mostly of CASA deposits, as the Bank continued to focus on generating low-cost funds and other stable sources of funding.

Our asset quality remained strong with non-performing loan (NPL) ratios of 0.34% net of valuation reserves and 1.76% at gross.

PNB's consolidated risk-based capital adequacy ratio (CAR) continued to exceed the minimum regulatory requirement of 10%, with CAR at 14.35% and Common Equity Tier (CET) 1 ratio at 13.55% by end-2018.

Overall, PNB's 2018 financial performance is indicative of the Bank's resilience amidst challenges to the economy and the banking industry.

Strategic Initiatives and Operational Highlights

Apart from our financial results, let me share with you the key strategic initiatives and operational highlights of 2018. PNB took full advantage of opportunities to strengthen services to keep up with the customer's financial needs.

PNB ended 2018 with a domestic branch network of 644 branches. In support of the Bangko Sentral ng Pilipinas' objective of financial inclusion, PNB opened branch-lite units in far-flung areas to reach out to the unbanked, unserved and underserved communities.

On the other hand, PNB Savings Bank concluded 2018 with a network of 67 branches.

We made a pivotal move as the integration of PNB Savings Bank into PNB was approved by the Board of Directors, pending regulatory and other necessary approvals. Upon full integration, PNB will be able to serve a wider customer base, while the customers of PNB Savings Bank will have access to PNB's diverse line-up of financial solutions. We are confident that this strategic move puts PNB in a better position to compete in the consumer and SME business segments. When combined, PNB and PNB Savings Bank will have total of 711 domestic branches.

Meanwhile, PNB's overseas network remains the largest among Philippine universal banks, with 72 overseas branches and offices, 196 partners and agents, and 545 correspondent banks world-wide. We serve more than 10 million of our kababayans+ across Asia, the Middle East, North America and Europe.

Serving Diverse Markets

As for our investment business, PNB marked another first as we debuted in the international bond market for medium term dollar funding. The Bank successfully issued US\$300 million of 5-Year Fixed Rate Senior Notes out of its US\$1 billion Medium Term Note (MTN) Program in Singapore and Hong Kong. The offering was oversubscribed 4 times -- proof of the international investors' strong confidence in PNB.

Likewise, PNB participated in large domestic funding projects support the government's thrust for national development.

Awards & Recognitions

At this point, allow me to mention some of the awards and recognitions PNB received in 2018.

PNB knows the importance of having a strong corporate governance framework to sustain our business for the long term. Our Bank was recognized by the Institute of Corporate Directors (ICD) as among the top-performing publicly-listed companies that ranked high under the ASEAN Corporate Governance Scorecard. Our Bank was also among the Top 5 publicly-listed companies in the Financial Sector cited for exemplary corporate governance practices.

On the business side, the Philippine Dealing System Group recognized PNB for taking the number one spot in the list of Top Fixed-Income Brokering Participants. Meanwhile, PNB Savings Bank bagged two awards from the Asian Banking and Finance Retail Banking Awards: the Consumer Finance Product of the Year Award for its Smart Personal Loan, and the Service Innovation of the Year Award for its Smart Auto Loan and Home Loan Plus products.

Meanwhile, Corporate Social Responsibility remained an integral part of good corporate governance in PNB. Our CSR programs are anchored on three pillars: Livelihood, Financial Literacy, and Environment.

Before I end my presentation, let me talk about our strongest asset: OUR PEOPLE.

PNB hired 635 new employees in 2018. We ended the year with 8,266 employees. We made substantial investments to upskill our employees so they can contribute more to the overall competitiveness of the bank. We also held various activities to promote our people's overall well-being.

To all my fellow Philnabankers, thank you for the hard work and the staunch dedication you have shown. You are a big reason why 2018 was a great year for PNB.

Beyond 2018

For all our milestones, we are grateful for the untiring support of the Board of Directors and Advisors, the Management Committee, our dedicated employees, our loyal customers, and YOU . our shareholders. Thank you very much for standing by PNB throughout the years.

As we march forward, we remain committed to our partnership. Rest assured that PNB will always be that one bank you can lean on.

Thereafter, the Chairman invited comments and questions from the stockholders.

Mr. Elvin Salindo took note that other banks had been migrating to digital banking. In this regard, he asked if PNB had its own digital strategy. In response, Mr. Veloso said that while the Bank had a good digital strategy, the same cannot be disclosed yet because Management was still finalizing the details. He assured the stockholders, however, that once this is out, the same will be a disruptor in the market. According to Mr. Veloso, the Bank is conscious that digital banking is the wave of the future. He added that the Bank's digital strategy was something that will surely excite the shareholders.

Mr. Mariano Soria, a retiree and a stockholder, thanked the President for the good gesture he received from the President. He also expressed gratitude to members of Management for their continuous support to the PNB Cooperative. He then inquired on when the shareholders can expect a dividend declaration. Mr. Veloso said that while the Bank desired to declare dividends in favor of its shareholders, the Bank was not in a position to do so, considering its safe aggressive growth strategy. Be that as it may, Mr. Veloso remained optimistic that in the succeeding years, the Bank will be able to provide the shareholders dividends as part of the Bank's strategy of serving its stakeholders.

Mr. Alfredo Abueg said that it had been a while since the shareholders last received dividends from PNB. He said that the shareholders hoped to receive their share in the good performance of the Bank through dividends. Mr. Veloso explained that while Management was cognizant of the wishes of the stockholders, the Bank still needed the capital to pursue its safe aggressive growth strategy. Mr. Abueg mentioned that PNB had not declared dividends for quite some time compared to other banks. He said that there may be a need to review the Bank's operations. Mr. Soria then remarked that he believed in President Veloso, and that the stockholders will soon receive dividends.

Mr. Stephen Soliven had a query regarding the balance sheet entries of the Bank. In response, the Chief Financial Officer, Mr. Nelson Reyes, that the implementation of the new accounting standard, PFRS9, resulted to the reclassification of certain assets. In this regard, balances of 1 account were reclassified to another account.

After further discussions, Ms. Tarriela thanked the stockholders for their comments and questions. She also gave due recognition to the Board of Directors and Advisors, the President, Management, the officers, staff and all the employees of the Bank for their service, valuable contribution and commitment to PNB.

V. APPROVAL OF THE 2018 ANNUAL REPORT

Ms. Sherleen Lourds Macatangay moved for the notation and approval of the Annual Report, including the audited financial statements of PNB as of December 31, 2018. Mr. Francis Marion Edel Monfort duly seconded the motion. There being no objections, the motion was approved, as follows:

STOCKHOLDERS' RESOLUTION NO. 01-19

RESOLVED, AS IT IS HEREBY RESOLVED, that the Bank's 2018 Annual Report, together with the Audited Financial Statements for the year ended December 31, 2018, be noted and approved.

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

Approving	970,574,180
Dissenting	0
Abstaining	727,039

VI. RATIFICATION OF ALL THE LEGAL ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS SINCE THE 2018 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 2018 Annual Stockholders Meeting. A summary of the acts submitted for ratification was flashed on the screen for the examination of the stockholders. As explained by the President, all the said acts, resolutions and proceedings consisted of regular banking transactions and policy formulation which were undertaken in the regular course of business of the Bank. He also said that the Bank did not undertake any extraordinary projects for 2018.

Ms. Lamarca then moved for the approval, confirmation and ratification of all the acts, resolutions and proceedings of the Board of Directors and Corporate Officers since the 2018 Annual Stockholders Meeting up to the date of the 2019 Annual Stockholders Meeting. Ms. Bernalyne Repoyo duly seconded motion.

There being no objection, the motion was approved, as follows:

STOCKHOLDERS' RESOLUTION NO. 02-19

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 24, 2018 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 Corporate Secretary was then instructed to reflect in the Minutes the votes cast, as follows:

Approving	970,574,180
Dissenting	0
Abstaining	727,039

VIII. ELECTION OF DIRECTORS

The Corporate Secretary reported that the Bank's Corporate Governance Committee, acting as the Nomination Committee, approved the nomination of the following for election as members of the Board of Directors for the year 2019-2020:

1. Mr. Felix Enrico R. Alfiler
2. Mr. Florido P. Casuela
3. Mr. Leonilo G. Coronel
4. Mr. Edgar A. Cua
5. Mr. Estelito P. Mendoza
6. Mr. Christopher J. Nelson
7. Mr. Federico C. Pascual
8. Mr. Cecilio K. Pedro
9. Mr. Carmen K. Tan
10. Mr. Lucio C. Tan
11. Mr. Lucio K. Tan, Jr.
12. Mr. Michael G. Tan
13. Ms. Vivienne K. Tan

14. Ms. Florencia G. Tarriela
15. Mr. Jose Arnulfo A. Veloso

The Corporate Secretary further reported that Mr. Felix Enrico R. Alfiler, Mr. Edgar A. Cua, Mr. Federico C. Pascual, Mr. Cecilio K. Pedro and Ms. Florencia G. Tarriela were nominated as Independent Directors. The Corporate Secretary explained that as per the endorsement of the Corporate Governance Committee, should any of the regulators not approve the independent directorship of any of the nominees, any such nominee shall be deemed automatically elected as a regular director.

Ms. Karen Dialino moved that since there were only 15 nominees to the 15 available seats in the Board of Directors, the Corporate Secretary be instructed to cast all votes present during the meeting equally among the 15 nominees in addition to the votes cast by way of proxy, and that the 15 nominees be proclaimed as duly elected directors of the Bank, to serve as such until the election and qualifications of their successors. The motion was then seconded by Ms. Krisha Villanueva.

There being no objection to the motion, the Chairman instructed the Corporate Secretary to cast all votes present during the meeting equally among the nominees in addition to the votes cast by way of proxy. The Corporate Secretary was also instructed to reflect in the Minutes the votes received by each of the nominees, as follows:

Nominee	No. of Votes
Felix Enrico R. Alfiler	971,216,549
Florido P. Casuela	971,216,549
Leonilo G. Coronel	971,216,549
Edgar A. Cua	971,216,549
Estelito P. Mendoza	971,216,549
Christopher J. Nelson	971,216,549
Federico C. Pascual	971,216,549
Cecilio K. Pedro	971,216,549
Carmen K. Tan	968,023,073
Lucio C. Tan	967,480,253
Lucio K. Tan, Jr.	955,714,789
Michael G. Tan	967,480,253
Vivienne K. Tan	971,216,549
Florencia G. Tarriela	967,276,223
Jose Arnulfo A. Veloso	971,216,549

The Chairman then declared the nominees as duly elected directors of the Bank, to serve immediately as such until the election and qualification of their successors.

STOCKHOLDERS RESOLUTION NO. 03-19

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 2019-2020:

1. Mr. Felix Enrico R. Alfiler (Independent Director)
2. Mr. Florido P. Casuela
3. Mr. Leonilo G. Coronel
4. Mr. Edgar A. Cua (Independent Director)
5. Mr. Estelito P. Mendoza
6. Mr. Christopher J. Nelson
7. Mr. Federico C. Pascual (Independent Director)

8. Mr. Cecilio K. Pedro (Independent Director)
9. Mrs. Mr. Carmen K. Tan
10. Mr. Lucio C. Tan
11. Mr. Lucio K. Tan, Jr.
12. Mr. Michael G. Tan
13. Ms. Vivienne K. Tan
14. Ms. Florencia G. Tarriela (Independent Director)
15. Mr. Jose Arnulfo A. Veloso

The Chairman, thereafter, congratulated the newly-elected members of the Board of Directors.

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman requested Mr. Felix Enrico R. Alfiler, Vice Chairman of the Board and member of the Board Audit and Compliance Committee (BACC), to report on the appointment of the External Auditor. Mr. Alfiler explained that the appointment of the Bank's External Auditor underwent a process mandated by the Bank's Manual of Corporate Governance, which was in compliance with the requirements of the Securities and Exchange Commission.

As provided in the Bank's Manual, the BACC was responsible for the selection, evaluation, appointment, dismissal, replacement and reappointment of the External Auditor, which is thereafter endorsed to the Board of Directors and presented to the stockholders for approval. Mr. Alfiler said that the Committee took into consideration many factors in selecting an External Auditor for the Bank such as:

- 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
- the Bank's trust and confidence in their skills

Mr. Alfiler reported that after careful deliberation 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. Janeth Nunez Javier, was appointed only on April 20, 2017. As such, there was no need to request for a change in the partner-in-charge of the Bank's account.

Mr. Salindo then nominated the auditing firm of SGV & Co. as the External Auditor of the Bank for the ensuing year. Ms. Lamarca moved that the nomination be closed, after which Mr. Benjamin Fernando seconded the motion.

Upon the inquiry of the Chairman, the Corporate Secretary reported that while there were objections received through proxy, the tally of votes showed that more than a majority of the stockholders voted in favor of the appointment of SGV & Co. as External Auditor of the Bank.

The motion was then approved, as follows:

STOCKHOLDERS' RESOLUTION NO. 04-19

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the appointment of

SGV & Co. as the External Auditor of the Bank for the fiscal year 2019 to 2020.

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

Approving	971,230,249
Dissenting	70,970
Abstaining	0

X. ADJOURNMENT

After a discussion of all the items included in the Agenda, the Chairman, on behalf of the PNB Board of Directors, Advisors, and Management Committee thanked the shareholders for taking time to attend the 2019 Annual Stockholders Meeting. She said that PNB was able to sustain its status as one of the country's leading banks because of the untiring support of the stockholders.

She said that 2019 will be another exciting year for PNB, and assured the stockholders that the Bank remained steadfast in its commitment to put forth the Bank's utmost efforts to enhance shareholder value. According to the Chairman, the new leadership manifested the Bank's determination to rise to challenges and to continuously transform as a responsive and dynamic bank . a financial partner that Filipinos can lean on. The Bank's legacy with the nation, along with its notable global presence, made PNB "*ang Pangmatagalan Na Bangko ng Pilipino*". She assured the stockholders that PNB, *PiNaka best Bank*, is here to stay and we uphold our commitment to serve You First.

Mr. Fernando then moved for the adjournment of the Annual Stockholders Meeting, which motion was duly seconded by Ms. Lesly Bries.

The 2019 Annual Stockholders Meeting was adjourned at 8:45 a.m.

CERTIFIED CORRECT:

(original signed)
MAILA KATRINA Y. ILARDE
Corporate Secretary

ATTESTED BY:

(original signed)
FLORENCIA G. TARRIELA
Chairman of the Meeting



**ANNUAL STOCKHOLDERS' MEETING
HELD ON APRIL 30, 2019 AT THE GRAND BALLROOM
UPPER LOBBY, CENTURY PARK HOTEL
599 PABLO OCAMPO SR., MALATE MANILA**

NUMBER OF SHARES HELD BY SHAREHOLDERS:

Total Outstanding Shares	-	1,249,139,678
Present in Person and Represented by Proxy and Participant Brokers	-	971,301,219
Percentage of the Total Shares Represented by Proxies & in Person	-	77.76%

DIRECTORS PRESENT:

FELIX ENRICO R. ALFILER, Independent Director
FLORIDO P. CASUELA, Director
LEONILLO G. CORONEL, Director
EDGAR A. CUA, Independent Director
CHRISTOPHER J. NELSON, Director
FEDERICO C. PASCUAL, Independent Director
LUCIO C. TAN, Director
MICHAEL G. TAN, Director
VIVIENNE K. TAN, Director
FLORENCIA G. TARRIELA, Independent Director
JOSE ARNULFO A. VELOSO, Director

DIRECTORS ABSENT:

ESTELITO P. MENDOZA, Director
CECILIO K. PEDRO, Independent Director
CARMEN K. TAN, Director
LUCIO K. TAN JR., Director

ALSO PRESENT:

WILLIAM T. LIM, Board Advisor
MANUEL T. GONZALES, Board Advisor
MAILA KATRINA Y. ILARDE, Corporate Secretary
RUTH PAMELA E. TANGHAL, Assistant Corporate Secretary
CENON C. AUDENCIAL, JR., Executive Vice President
JOVENCIO DB. HERNANDEZ, Executive Vice President
CHESTER C. LUY, Executive Vice President
NELSON C. REYES, Executive Vice President
YOLANDA M. ALBANO, First Senior Vice President
ISAGANI A. CORTES, First Senior Vice President
ZACARIAS E. GALLARDO, JR., First Senior Vice President
AIDA M. PADILLA, First Senior Vice President
ALLAN L. ANG, Senior Vice President
SHUBERT CAESAR C. AUSTERO, Senior Vice President

MARIANA F. CACULITAN, Senior Vice President
EMELINE C. CENTENO, Senior Vice President
MA. PAZ D. LIM, Senior Vice President
ADELIA A. JOSON, Senior Vice President
ANA ROSE T. KWAN, Senior Vice President
ROLAND S. OSCURO, Senior Vice President
NORMAN MARTIN C. REYES, Senior Vice President
TERESITA U. SEBASTIAN, Senior Vice President
LEE ENG Y. SO, Senior Vice President
MARIZA L. TIBURCIO, Senior Vice President
NANETTE O. VERGARA, Senior Vice President
SIMEON T. YAP, First Vice President
NIXON S. NGO, First Vice President
CHRISTIAN EUGENE S. QUIROS, First Vice President