

Ms. Ida Tiongson, a former employee of the Bank also congratulated the Bank, its Board, Management and staff for the very good performance and for the centennial celebration. According to Ms. Tiongson, the Bank reached its 100th year through good times and bad times.

Ms. Socorro Gomez, a former employee of the Bank, thanked everyone including the ex-Philnabankers and most especially Chairman Tarriela for making the former employees' stay in PNB more meaningful.

Mr. Ishmael Canua, a stockholder, asked when the Bank will PNB launch its debit card. He also inquired on the Bank's action plans with respect to cyber crimes. In response, Mr. Martin Reyes said that the debit cards of PNB will be released in July. With respect to cyber crimes, Mr. Reyes said that Management ensured that the Bank's system was tested by third parties. Further, aside from the security of the systems, the Bank also ensured conformity to global and local standards. Mr. Reyes said that PNB will continue to make sure that its systems will be protected to ensure the safety of clients' funds.

Mr. Alejandro Villapando, a retiree and stockholder of the Bank, had queries about the Bank's income. He asked why the Bank's net income in 2015 was bigger than 2014's when the Gross Income for 2015 was smaller than 2014's. He also took note of the drop in the Bank's share price and asked when he will receive returns on his investments in the Bank. He said that he has not received dividends from the Bank.

Mr. Maclang confirmed that the performance of the Bank was better in 2015 than in 2014. Mr. Nelson Reyes remarked that he understood the sentiments of Mr. Villapando, and explained that while the Bank posted revenues, it also incurred expenses. As such, the bigger net income in 2015 was likewise a result of a decline in expenses. On dividends, he said that the financials are currently being assessed by Management, which will then be subject to audit-to determine the propriety of declaring dividends. Mr. Reyes said that the Bank needs to have sufficient capital to sustain its growth. On the share price, he explained that this is determined by the market but he assured the stockholders of Management's hard work to increase the market price of PNB shares. Mr. Maclang added that Management shared the stockholders' desire to see the Bank in a position where it can declare dividends.

After further discussion, Ms. Tarriela thanked the stockholders for their comments. The President's Report and the foregoing exchanges were duly noted by those present at the meeting.

V. APPROVAL OF THE 2015 ANNUAL REPORT

The next item in the Agenda was the approval of the Annual Report containing the audited financial statements of the Bank as of December 31, 2015.

Ms. Valerie D. Gonzales moved for the notation and approval of the Annual Report, including the audited financial statements of PNB as of December 31, 2015.

