



PNB

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
HELD ON MAY 27, 2014 AT THE GRAND BALLROOM
UPPER LOBBY, CENTURY PARK HOTEL
599 PABLO OCAMPO SR., MALATE MANILA**

I. CALL TO ORDER

The meeting commenced with the singing of the National Anthem and the delivery of the Invocation by Mr. Miguel Angel G. Gonzalez, FSVP and Chief Credit Officer. Ms. Carmela Leticia A. Pama, FSVP and Chief Risk Officer, acted as Master of Ceremonies.

Chairman Florencia G. Tarriela then welcomed the stockholders and called the meeting to order at 8:05 a.m.

Corporate Secretary Doris S. Te acted as Secretary of the meeting.

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 duly sent to all the stockholders. The Corporate Secretary stated that, in accordance with the requirements of the Securities Regulation Code and New Disclosure Rules of the Securities and Exchange Commission, written notice of the meeting was sent to all shareholders of record at least fifteen (15) business days prior to the date of the meeting based on a Certification to this effect executed by the bank's Stock and Transfer Agent. She added that, in accordance with Section 4.4, Article IV of the bank's Amended By-Laws, the notice was likewise published alternately in the "Philippine Daily Inquirer", "Philippine Star" and "Pilipino Star Ngayon" for one week, from May 10 to 16, 2014.

The Chairman, thereafter, requested the Corporate Secretary to certify to the existence of a quorum. The Corporate Secretary stated that based on the attendance record and the proxies and powers of attorney on hand, there was present, in person and represented by proxy, a total of 866,612,902 shares or 77.416% of the bank's total outstanding issued shares, hence, there was a quorum for the valid transaction for business.

III. APPROVAL OF THE MINUTES OF THE 2013 ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 28, 2013

The next item in the Agenda was the approval of the Minutes of the 2013 Annual Stockholders' Meeting held on May 28, 2013. Copies of the Minutes of said meeting were made available at the registration table for all stockholders desiring to inspect the same.

Ms. Maria Roceliza T. Ramirez, a stockholder, moved that the reading of the Minutes of the 2013 Annual Stockholders' Meeting held on May 28, 2013 be dispensed with and that the same as appearing in the books of the Corporate Secretary be approved. Ms. Michelle P. Manuel, another stockholder, seconded the motion.

There being no comments/objections, the Minutes of the 2013 Annual Stockholders' Meeting held on May 28, 2013 were duly approved.

IV. REPORT OF THE PRESIDENT ON THE RESULTS OF OPERATIONS FOR THE YEAR 2013

The Chairman called on the President and CEO, Mr. Omar Byron T. Mier, to present his report on the results of operations for the year 2013.

The President proceeded to render his report which is herein reproduced in full as follows:

Chairman Flor Tarriela, Dr. Lucio Tan, members of the Board of Directors of Philippine National Bank, fellow stockholders, Philnabankers, ladies and gentlemen, a pleasant good morning. On behalf of the PNB Board of Directors, officers and staff, I welcome all of you to our 2014 Annual Stockholders' Meeting.

It was only about 21 months ago, in July 2012, when as a former president and director of PNB, I was given a fresh mandate to once again serve this bank as a chief executive officer to oversee the merger of PNB and Allied Bank. It was both a privilege and a challenge to be given that enormous task. On February 9, 2013, the much-awaited merger of the PNB and Allied Bank came to fruition.

It was fulfilling to be with the Integration Task Force as we jointly steered these two banks through the integration process. Prior to Day One of the merger, we witnessed how hard our people worked hand in hand to align different functional groups of the new organization, integrate their duties and responsibilities and harmonize policies, systems and operations to ensure a smooth transition towards a better bank so we could serve our customers with utmost efficiency and care.

To date, we have fully integrated the operations of our business segments namely, Treasury, Institutional Banking, Consumer Finance, Life Insurance, Credit Cards, Remedial Management, Acquired Assets, Trust and Overseas Banking. Likewise, we have achieved 100% alignment in the policies and procedures pertaining to Risk, Internal Audit, Compliance, Human Resources, Credit Management and Legal, among others. We have also rationalized our overseas operations, notably merging PNB Europe and Allied Bank UK as one entity effective April 2, 2014. Only the area of automation and technology remains separate with two IT Groups, given the two existing core banking systems. Consequently, Retail Banking Group and Allied Savings Bank continue to run on the two core banking systems. The target is to enable PNB to operate on a single core banking platform within 30 months. To achieve that objective, we signed a letter of intent to purchase the latest in Systematics Core Banking System. We will be able to achieve integration of the two banking systems in the next 24 to 30 months.

By the end of December 2013, PNB's consolidated assets expanded to P618.1 billion, P287.9 billion or 87.2% higher compared to P330.2 billion in the previous year with the inclusion of Allied Bank's assets worth P197.8 billion. With the increase in its consolidated assets, PNB became the solid fourth largest private commercial bank in the Philippines.

In the same year, PNB posted a net income of P5.2 billion, up 10.6% over 2012's P4.7 billion. However, if we were to include the P1.1 billion net income generated by Allied Bank for the first 5-week period prior to the merger, PNB's consolidated net income should have been P6.3 billion. This may seem slightly lower than the combined P6.4 billion net income of PNB and Allied Bank for 2012. But PNB's profit in 2013 was weighed down by the one-off losses amounting to P866 million incurred by its non-life insurance subsidiary due to the calamities that struck the country in the last quarter of 2013, without which, your bank should have turned in a net income of P7.2 billion, translating to a Return on Equity (ROE) of 11.8% and Return on Assets (ROA) of 1.5%, as of December 31, 2013.

The adjusted 2013 net income of P7.2 billion is in fact in line with the target net income for the first year of the five-year roadmap laid out by the Board of Directors, senior management and heads of subsidiaries during the Executive Planning Workshop in March last year. In that workshop, we crafted the bank's Five-Year Business Plan which contains the blueprint of strategies and critical action plans to be undertaken in order to meet our corporate goal of becoming a bigger, better and stronger bank that could attain ROEs of 13% by 2017. Basically, the Five-Year Business Plan calls for (1) the disposal of the Real and Other Properties Acquired (ROPA) assets (2) a shift in the revenue mix to more recurrent revenues (3) a change in the lending portfolio mix, and (4) improvement of the operating efficiency of the bank. With the adoption of this four-pronged strategy, the bank will be able to attain an ROE of at least 13% by the year 2017.

Recognizing that the foreclosed assets continue to weigh down the bank's profitability, we will aggressively dispose of a substantial portion of foreclosed assets as well as maximize recoveries from these asset sales. Along this line, the bank has started to classify foreclosed properties into "asset pools" by region for organized selling campaigns. To date, PNB has already invited the public to bid for the pool of more than 200 real estate assets located in Mindanao and the National Capital Region worth P3.265 billion. Interested bidders may bid for the entire pool on July 25, 2014.

To improve profitability and minimize dependence on any specific revenue source, the bank will modify its revenue mix towards a more stable stream of income. Under the Five-Year Business Plan, half of the bank's revenues by 2017 will come from the lending operations, 30% from treasury operations and the remaining 20% from other fee-generating business. As of end-2013, loans already comprised 45% of total revenues while treasury and other income contributed 38% and 17%, respectively.

To ensure that the lending activities will contribute a substantial portion to the revenues, the bank will shift its marketing focus to the commercial, small and medium enterprises and the consumer business. By 2017, the bank's loan portfolio mix will consist of the following: large corporate loans, 40%; commercial banking/SMEs, 25%; government loans, 14%; and consumer loans, 21%.

We are happy to report that our consumer loan portfolio indeed grew to P26.4 billion in 2013, registering a Compound Annual Growth Rate (CAGR) of 17% over the last three years. This was achieved through enhanced products, new partnerships and marketing promotions. The bank also developed and modified two consumer lending programs – the Home Flexi Loan Program and the 2nd Hand Car Financing Program – for the convenience for our clients. Moreover, Allied Savings Bank, which will later be renamed as PNB Savings Bank, will be transformed to become the consumer lending arm of the bank. This initiative promises to be a big boost to the growth and profitability of the bank's consumer business. As part of this strategy, the bank approved to invest an additional P10 billion in ASB. Moreover, consumer loans amounting to P6.0 billion were transferred from PNB's Consumer Finance Group to ASB to jumpstart the latter's consumer lending business. With the additional P10B capital infusion to ASB, its capital of P11B will make it the fourth largest savings bank in terms of capital. To broaden its foothold in the market, ASB's branch network will be expanded from the current 27 to 100 branches by the end of 2016.

In institutional banking, we continued to take part actively in big corporate finance deals in the power, infrastructure and real estate industries. We also participated in Public-Private Partnership Projects, such as the syndication for the Public School Infrastructure Projects in CALABARZON and the NAIA Expressway Project. Last year, IBG engaged in 13 big ticket deals with large institutions which generated a total loan booking of P140 billion.

In the area of consumer banking, we intend to grow our deposits by a CAGR of 10% and improve the deposit mix by generating more low cost deposits from our existing and growing customer base. For 2013, we have generated total deposits of P462.0 billion, reflecting a year-on-year increase of 19%. With CASA deposits comprising 58% of the total, we were able to surpass our Year One target in improving our CASA to high-cost deposit mix of 56:44 as we move towards our goal of a 60:40 deposit mix in 2017. This is a reversal of the bank's deposit mix in the previous years when CASA accounted for only 40% and high-cost deposits, 60%.

To support its goal of growing its CASA deposit base, PNB has expanded the depth and breadth of its corporate products and services, especially in corporate internet banking. Traditional banking channels through bank branches have been complemented with internet banking services for banking transactions that may be performed without the need to physically visit the branch. Through this channel synergy, the bank continues to create new and expanded customer relationships directly from cash management services. As of the end of 2013, there were 4,246 enrolled corporate customers in our cash management service. These relationships have contributed incremental low-cost deposits of more than P20.2 billion.

Likewise, the bank will leverage on the strength of its expanded branch network to generate the low-cost deposits. We improved the delivery of our services by opening three new PNB branches in Metro Manila and Visayas and strategically relocating selected PNB and former Allied Bank branches to more accessible locations. The bank now operates a total of 656 domestic branches. We have also deployed additional 34 ATMs, bringing the total to 875 ATMs nationwide.

To further improve the bank's net interest margin, we have embarked on long-term fund generating initiatives at comparatively lower cost rates to support our expansion plans. In August and October last year, we issued five-year peso-denominated Long-Term Negotiable Certificates of Deposit (LTNCDs) in the total amount of P9 billion at a blended cost rate of 3.1%, replacing the P10.5 billion Tier 2 notes that were redeemed last year with a blended cost of 7.9%.

Another strategy of the bank is to capitalize on our inherent strength in the remittance business where we can generate more CASA deposits and fees from a host of traditional and innovative remittance products. Having the widest global network among Philippine banks, we are confident that the bank can easily attain its 25% target share in the remittance market by 2017 inasmuch as we already have a 21% share or \$4.7 billion in 2013. Remittance fees and FX earnings contributed 6% of the total revenues of the bank. In addition, the remittance business contributed over P20 billion to the bank arising from the beneficiaries' deposits to PNB.

Meanwhile, other fee-generating activities that showed impressive growth in 2013 were: PNB's Money Market funds which grew to P8.9 billion; PNB Pinnacle Club, which provides exclusive perks and wealth management services to high net worth individuals, generated a total outstanding volume of P10.0 billion, 34% more than its year-ago level, and Trust Banking Group which ended the year with P56.3 billion in assets.

I am pleased to inform you that this early, the merger with Allied Bank has brought forth improvement in the bank's credit ratings. Last week, Moody's upgraded PNB's credit rating outlook from "stable" to "positive".

Likewise, the bank continued to receive major awards and recognitions from award-giving bodies, both domestic and abroad. For the second straight year, PNB was cited by the BSP as the *Top Commercial Bank in Generating Remittances from Overseas Filipinos*. Further, two of our products and services garnered recognition from industry peers, both local and overseas. The *ATMSafe* won the Best in Innovation Award in the 2013 Philippine Insurers and Reinsurance Association, Inc. (PIRA) Awards while the *Healthy Ka Pinoy* (HKP) Emergency Card emerged as a winner for Excellence in Business Model Innovation in the 2013 Asian Trailblazer Awards of Retail Banker International in Singapore.

With the joint commitment and efforts of our Board, Management and staff, you, our stockholders, can now have a glimpse of the shape of things to come. The success of your bank will rest on this deep commitment along with the continued and loyal patronage of our clients who continuously support our long-term goals. We are indeed most grateful for the trust they have bestowed on us.

On behalf of the Board of Directors, I wish to extend our heartfelt appreciation to all our stockholders, customers, and employees for your loyalty and support over the years. We have started to see the early fruits and benefits of the merger and the Five-Year Business Plan. We can now join hands to complete the vision and the mission we have set.

Please allow me to also thank the Board, particularly Dr. Lucio Tan for the trust and confidence he has given me to steer the bank in the last 12 years. I first started as Chief Credit Officer, then bank President from 2005 to 2010. I have been Chairman of Executive Committee and Director up to 2012, and took over as President again from 2012 up to the present. The bank had its weakest point in 2000 that necessitated the implementation of a five-year rehabilitation plan in 2003. It was able to stand on its own as a privatized bank starting in 2007 without need of further government support; and now, it is a bigger and stronger bank following its merger with Allied Bank in 2013. My stint in PNB has truly been a fruitful banking experience for me. Not all bankers are given this rare opportunity to be able to nurture a bank through its difficult years to emerge as a healthier bank with a lot of potential for higher growth. In a span of 12 years, we turned around the bank's net loss of P3.7 billion in 2002 to a profit of P5.2 billion in 2013. For the first quarter of 2014, the bank's net income already reached P1.3 billion. We also made substantial progress in improving the bank's asset quality. Coming from the rehab years of the bank where the gross non-performing loans reached a high of P45.0 billion in 2002, equivalent to an NPL ratio of 51%, non-performing loans declined to P10.7 billion in 2013, or an NPL ratio of 4.1%. I remember distinctly when I first joined the bank, a couple of my colleagues discouraged me from joining the bank because we did not know if the bank would survive. But I am glad to say that it is alive, strong and kicking.

The bank's foreclosed assets which amounted to more than P25.0 billion in the past was brought down to P15.5 billion in 2012 but stood at P21.4 billion in 2013. During the same period, the bank's total assets grew from P184.5 billion to P618.1 billion or a CAGR of 12%, while total capital expanded from P23.9 billion to P83.9 billion, or a CAGR of 12%. In February this year, the bank beefed up its capital through a Stock Rights Offering of 163 million common shares with a par value of P40.00 per share at a price of P71.00 each. The Offer was oversubscribed and raised gross proceeds of P11.6 billion. As a result, the bank's consolidated equity stood at P87.9 billion with capital adequacy ratio at 19.5%, and common equity tier 1 at 16.1%, exceeding the regulatory requirements of 10% and 8.5%. I'd like to point out that out of the actual capital generated of P11.6 billion, only P2 billion was reflected in the capital position of P88 billion. The P9 billion is still reflected in Other Liabilities and with the projected net income of P7 billion, our capital position by the end of the year will exceed P100 billion, making PNB among the top 4 banks in terms of capital position.

It is with pride and honor that I now hand over to the incoming president, new management team and the new board this highly revitalized financial institution. I am very confident that this new leadership will further build on the gains we have achieved as PNB continues to make history towards its 100th year of banking leadership, product innovations and excellent service.

Thank you everyone for being with us here today. May God bless us all. Maraming salamat po!

After the President's Report, the Chairman invited comments and questions from the floor.

Mr. Alejandro V. Villapando, a stockholder and an OFW, took the floor and asked if in view of the impressive figures presented by the report of the President, the stockholders will finally receive their much awaited dividends.

Mr. Mier replied that everyone who invests in the shares of a company has two sources of income, one is the price of the stock and the other is dividends. The price of the PNB stocks has gone up to about P92.00, so stockholders who acquired their shares at a lower price can sell at a profit. To be able to declare dividends, PNB will have to comply with certain regulatory conditions and have a certain amount of unrestrained retained earnings. Based on the plan and strategies that have been presented, the bank hopes to be able to declare dividends in the next 3 to 4 years or by the time the bank reaches its 100th anniversary. He said that PNB is a good and valuable stock.

Ms. Eugenia Socorro Gomez, a stockholder and former employee, took the floor and asked if there was truth to the rumored BPI-PNB merger.

Mr. Mier replied that the rumor came about two or three weeks ago, when a couple of investors accompanied by investment bankers came to PNB. They were impressed by the bank's three-year plan and said that PNB's stock price was undervalued. When these investors started to buy, the price of PNB shares shot up to as high as P94.50. A lot of reporters were speculating why the price was going up.

He said that there was no truth to the rumors of a BPI-PNB merger. This was a story of the past. He assured Ms. Gomez that the plan is to grow PNB as a stronger and more profitable, independent bank.

Ms. Gomez then expressed her gratitude to the Board of Directors, all senior officers, her former colleagues and friends in the bank for looking into the retirement program of the bank for the employees.

The Chairman expressed her gratitude to the Board of Directors, the President, Management, officers and staff and all the employees of the bank for their respective contributions to the positive performance of the bank for the year 2013. She thanked the stockholders for their invaluable support and understanding.

Thereafter, the President's Report and the foregoing exchanges were duly noted by those present at the meeting.

V. APPROVAL OF THE 2013 ANNUAL REPORT

The Chairman then proceeded to the next item in the Agenda which was the approval of the Annual Report containing the audited financial statements of the bank for the year 2013. She said that the body had just heard the report of the President explaining the results of operations as reflected in the bank's audited financial statements. The Chairman said that she would entertain queries from the floor.

Since there was none, Ms. Janice M. Adaoag, a stockholder, took the floor and moved that the audited financial statements of PNB as contained in the 2013 Annual Report be duly noted and approved. Ms. Winlove Esperanza, another stockholder, duly seconded the motion. There being no objections, the stockholders approved thus:

STOCKHOLDERS RESOLUTION NO. 01-14

RESOLVED, AS IT IS HEREBY RESOLVED, that the stockholders hereby confirm and ratify PNB's 2013 Annual Report together with the Audited Financial Statements for the year ended December 31, 2013.

VI. A. APPROVAL OF THE AMENDMENT TO ARTICLE II OF THE BANK'S ARTICLES OF INCORPORATION

The next item in the Agenda was the approval of the amendment to Article II of the bank's Articles of Incorporation in compliance with SEC Memorandum Circular No. 6, Series of 2014, to state the specific address of the principal office of the bank.

Ms. Marla Sison-Balaquiot, a stockholder, took the floor and moved that the amendment to Article II of the bank's amended Articles of Incorporation in compliance with SEC Memorandum Circular No. 6, Series of 2014, to state the specific address of the principal office of the bank be approved. Upon motion which was duly seconded by another stockholder, Ms. Rochelle S. Ardiente, the stockholders approved the following resolution:

STOCKHOLDERS RESOLUTION NO. 02-14

RESOLVED, AS IT HEREBY RESOLVED to approve the amendment to Article II of the bank's Articles of Incorporation in compliance with SEC Memorandum Circular No. 6, Series of 2014, to state the specific address of the principal office of the bank, as follows:

SECOND. Its principal office and place of business shall be at **PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City, Metro Manila**. It may open and/or maintain other branches, agencies or other offices at such places in the Philippines or abroad as its Board of Directors may deem available, with the prior approval of the Monetary Board of the Bangko Sentral ng Pilipinas.

B. APPROVAL OF THE AMENDMENT TO THE BANK'S AMENDED BY-LAWS.

The next item in the Agenda was the approval of the amendment to the bank's By-Laws particularly Section 1.1, Article 1, in compliance with SEC Memorandum Circular No. 6 to state the specific address of the bank and Section 4.1, Article IV, to clarify that the annual meeting of the stockholders may be held anywhere in Metro Manila as allowed by the Corporation Code.

After due discussion, Ms. Maila Kathryn Y. Ilarde, a stockholder, took the floor and moved that the amendment to the bank's By-Laws be approved. Ms. Sherleen R. Macatangay, another stockholder, duly seconded the motion. The stockholders approved thus:

STOCKHOLDERS RESOLUTION NO. 03-14

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the amendment of Section 1.1, Article 1 of the By-Laws of the bank in compliance with SEC Memorandum Circular No. 6, to state the specific address of the bank, and Section 4.1, Article IV, to clarify that the annual meeting of the stockholders may be held anywhere in Metro Manila as allowed by the Corporation Code, as follows:

Article I – Office

Section 1.1 Domicile and Place of Business. The principal office and place of business of the Philippine National Bank (hereinafter called the "Bank") shall be at **PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City, Metro Manila**.

Article IV – Stockholders

Section 4.2 Annual Meetings. The annual meeting of the stockholders shall be held at the principal office of the Bank **or any other place within Metro Manila as may be determined by the majority of the Board of Directors**, on the last Tuesday of May of each year unless such day is a legal holiday, in which case, the business day next following shall be the meeting day for the particular year.

VII. RATIFICATION OF ALL LEGAL ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS SINCE THE 2013 ANNUAL STOCKHOLDERS' MEETING

The next item in the Agenda was the ratification of all legal acts, resolutions and proceedings of the Board of Directors and Corporate Officers since the 2013 Annual Stockholders' Meeting. The Chairman stated that the Minutes of all Board meetings were on file with the Office of the Corporate Secretary and were available for inspection upon the request of any shareholder.

Mr. Darwin P. Abadilla., a stockholder, took the floor and moved that all the legal acts, resolutions and proceedings of the Board of Directors and the Corporate Officers of the bank since the 2013 Annual Stockholders' Meeting as reflected in the Minutes of the Meetings of the Board and the corresponding Board Committees be approved, confirmed and ratified. Ms. Anna Mae E. Amaro, another stockholder, seconded the motion.

There being no objection, the Chairman declared the motion approved and all the legal acts, resolutions and proceedings of the Board of Directors and Corporate Officers since the 2013 Annual Stockholders' Meeting were thereby considered duly approved, confirmed and ratified. The stockholders approved the following resolution:

STOCKHOLDERS RESOLUTION NO. 04-14

RESOLVED, AS IT IS HEREBY RESOLVED, to ratify and confirm all legal acts, resolutions, and proceedings of the Board of Directors and of Management/Corporate Officers during the year 2013.

VIII. ELECTION OF DIRECTORS

The Chairman proceeded to the next item in the Agenda which was the election of the bank's Board of Directors. She asked the Corporate Secretary to read out the names of the nominees for the Board of Directors as approved by the Corporate Governance Committee acting as the bank's Nominations Committee.

The undersigned Corporate Secretary informed the shareholders that the Corporate Governance Committee, acting as the Nominations Committee of the bank under its Manual on Corporate Governance, had approved the nomination of the following for election as members of the Board of Directors for the year 2014-2015:

1. Ms. Florencia G. Tarriela
2. Mr. Felix Enrico R. Alfiler
3. Mr. Florido P. Casuela
4. Mr. Joseph T. Chua
5. Mr. Leonilo G. Coronel
6. Mr. Reynaldo A. Maclang
7. Mr. Estelito P. Mendoza
8. Mr. Federico C. Pascual
9. Mr. Cecilio K. Pedro
10. Mr. Washington Z. SyCip
11. Mr. Harry C. Tan
12. Mr. Lucio C. Tan
13. Mr. Lucio K. Tan, Jr.
14. Mr. Michael G. Tan
15. Mr. Deogracias N. Vistan

The Corporate Secretary stated that Ms. Florencia G. Tarriela, Mr. Felix Enrico R. Alfiler and Mr. Deogracias N. Vistan were nominated for re-election as Independent Directors. Mr. Federico C. Pascual and Mr. Cecilio K. Pedro were also nominated as Independent Directors, subject to regulatory approval.

Should any of the regulators not approve the independent directorship of any of the nominees, the nominee shall be deemed automatically elected as a regular director.

Ms. Karen L. Dialino, a stockholder, moved that since there were only fifteen (15) available seats in the Board of Directors, the Corporate Secretary be instructed to cast all votes equally among them and that the fifteen (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 properly seconded by Ms. Adrienne Marie C. Alazas.

There being no objection, the Chairman instructed the Corporate Secretary to cast due votes in favor of the nominated directors and declare them as duly elected directors of the bank, to serve immediately as such until the election and qualification of their successors.

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

STOCKHOLDERS RESOLUTION NO. 05-14

RESOLVED, AS IT IS HEREBY RESOLVED, to approve and confirm the election of members of the Board of Directors of the bank for the year 2014-2015.

1. Ms. Florencia G. Tarriela (Independent Director)
2. Mr. Felix Enrico R. Alfiler (Independent Director)
3. Mr. Florido P. Casuela
4. Mr. Joseph T. Chua
5. Mr. Leonilo G. Coronel
6. Mr. Reynaldo A. Maclang
7. Mr. Estelito P. Mendoza
8. Mr. Federico C. Pascual (Independent Director)
9. Mr. Cecilio K. Pedro (Independent Director)
10. Mr. Washington Z. SyCip
11. Mr. Harry C. Tan
12. Mr. Lucio C. Tan
13. Mr. Lucio K. Tan, Jr.
14. Mr. Michael G. Tan
15. Mr. Deogracias N. Vistan (Independent Director)

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman then proceeded to the next item in the Agenda which was the appointment of the bank's External Auditor. The bank's Board Audit and Compliance Committee had duly recommended and endorsed SGV's appointment as External Auditor for the approval of the Board and ratification by the stockholders. The Chairman said that the partner-in-charge of the bank's account is Ms. Vicky B. Lee-Salas who was appointed last year. In accordance with BSP Circular No. 660 and Rule 68 of the Securities Regulation Code, there was no need to change the partner-in-charge.

Ms. Christine R. Santos, a stockholder, moved that the auditing firm of SGV & Co. be nominated as the External Auditor of the bank for the ensuing year.

Mr. Joseph Paul B. Pelaez then moved that the nomination be closed, after which Ms. Adrienne Marie C. Alazas seconded the motion.

There being no objection to the motion, the Chairman declared the approval of the appointment of SGV & Co. as the External Auditor of the bank for the ensuing year. The stockholders approved thus:

STOCKHOLDERS RESOLUTION NO. 06-14

RESOLVED, AS IT IS HEREBY RESOLVED, to approve the appointment of SyCip Gorres Velayo and Company as the External Auditor of the bank for the fiscal year 2014 to 2015.

X. ADJOURNMENT

After witnessing the various discussions and exchanges from the floor, Ms. Adriane Marie C. Alazas moved that the Annual Meeting of the Stockholders be adjourned, which motion was duly seconded by Ms. Valerie Anne D. Gonzales.


There being no objections, the Chairman thanked everyone and adjourned the Annual Stockholders' Meeting for the year 2014 at 9:10 a.m.

CERTIFIED CORRECT:


DORIS S. TE
Corporate Secretary

ATTESTED BY:


FLORENCIA G. TARRIELA
Chairman of the Board


OMAR BYRON T. MIER
President & CEO