

For the Annual Stockholders' Meeting held on May 31, 2016 - May 3, 2016

In compliance with SRC Rule 20 (3)(c)(iv), the Information Statement, Management Report and written notice of the meeting was sent to the shareholders of record at least fifteen (15) business days prior to the date of the meeting. In addition, the notice of meeting was likewise published alternately for one (1) week from May 15 to 21, 2015 in three (3) newspapers of general circulation in the Philippines, namely: Philippine Daily Inquirer, Philippine Star and Manila Bulletin, in accordance with Section 4.4, Article IV of the Bank's Amended By-Laws.

b. Date of the Annual/Special Stockholders' Meeting:

For the Annual Stockholders' Meeting - May 31, 2016

Section 4.2, Article IV of PNB Amended By-Laws states that "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."

**4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. (updated – May 31, 2016)**

**The following were the questions and comments raised during the Annual Stockholders' Meeting held on May 31, 2016:**

- Mr. Alfred Reiferer took the floor and asked regarding the strategy of the Bank with respect to prospective partnerships. Mr. Maclang said that PNB is always looking for opportunities. He added that if they see a distinct advantage for the Bank, they will be open for proposals for possible partnerships. He clarified, however, that the Bank was not looking for a particular partnership as of the moment.
- On another query of Mr. Reiferer regarding dividends, Mr. Maclang said that Management was looking at year-end computations to determine if the Bank was in a position to declare dividends. The interim financial statements of the Bank, and based on the said examination, the Bank will look for an opportunity to satisfy the stockholders.
- Mr. Mariano M. Soria, a retiree of the Bank, took the floor and congratulated the Bank for a job well done and for celebrating its centennial year. He expressed his wish for the Bank to invite all Bank retirees to join the Centennial Celebration.
- 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 100<sup>th</sup> 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.
- Ms. Anzures, a proxy holder, asked if the sale of PNB Life Insurance, Inc. shares was part of the acts submitted for ratification. Ms. Tarriela answered in the affirmative. Ms. Anzures then said that the minority stockholder represented wished to exercise his right to be informed of certain details of the transaction. Ms. Tarriela took note of the comments of Ms. Anzures.