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**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
BDO NETWORK BANK, INC.
HELD AT THE BDONB CENTER, KM. 9, SASA, DAVAO CITY
ON MAY 02, 2024 AT 11:00 A.M.**

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Attendance – Number of Shares held by common shareholders:	- 498, 336,582 shares
Present in Person or Represented by Proxy	- 2
Number of Total Outstanding Shares Common	- 504,199,279 shares
Percentage of the Total Common Shares Represented by Proxies and in Person	- 98.84 %
No. of the Total Preferred Shares Represented by Proxies	- 0 shares

Incumbent Directors and Advisor Present:

Attended in person:

Mr. Nestor V. Tan	Chairman
Mr. Jesus Antonio S. Itchon	Vice Chairman & President
Ms. Geneva T. Gloria	Director
Mr. Jovasky Wei Shen Pang	Director
Mr. Jaime C. Yu	Director
Ms. Evelyn Cristina A. Cam	Independent Director
Ms. Ma. Leonora V. de Jesus	Independent Director

Attended via virtual meeting:

Mr. Rolando C. Tanchanco	Director
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Also Present:

Attended in person:

Atty. Joseph Jason M. Natividad	Corporate Secretary
Atty. Ma. Cecilia S. Santos	Assistant Corporate Secretary
Ms. Dulce Amor E. Alimbuyuguen	Business Development Head for Sales and Product Programs
Mr. Alberto A. Quiogue	Head – Salary Loans Group
Mr. Jaime A. Talingdan	Head- Community Banking Network Group
Mr. Ramil G. Tigley	Head- Business Technology
Mr. Garry L. Martinez	Head- Corporate Planning Section
Ms. Emily G. Gamir	Head- Operations Group
Ms. Milott B. Requillo	Head- Compliance and Legal
Ms. Minda A. Lim	Head- Treasury Group
Ms. Niezl D. Gilvero	Head- Comptrollership
Ms. Ma. Jinsel C. Tocmo	Chief Risk Officer
Ms. Ana Marie R. Acuña	Head- Compliance and Corporate Secretariat
Ms. Stephanie M. Santoalla-Claros	Corporate Secretariat Admin. Officer

Attended via virtual meeting:

Ms. Teresita T. Sy-Coson	Advisor to the Board
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I. CALL TO ORDER

The meeting was called to order by the Chairman of the Meeting (“Chairman”), Mr. Nestor V. Tan at about 11:00 a.m.

II. PROOF OF NOTICE AND DETERMINATION OF EXISTENCE OF QUORUM

The Chairman called on the Corporate Secretary, Atty. Joseph Jason M. Natividad, to certify on the posting and publication of the notice to the meeting and the existence of a quorum. The Corporate Secretary certified that in compliance with the rules issued by the Securities and Exchange Commission (SEC), the notice of the meeting, the Definitive Information Statement (DIS), along with the Bank’s “Guidelines for Participation via Remote Communication and Voting in Absentia”, were uploaded and posted on the Bank’s website beginning on April 04, 2024. The Corporate Secretary likewise certified that the requirements under Section 10 of SEC Memorandum Circular No. 6, Series of 2020 had been complied with.

The Notice was also published in the business sections of Manila Bulletin and Philippine Daily Inquirer (PDI) on April 07 and April 08, 2024, in print and online formats.

The Corporate Secretary certified that based on the record of attendance, the stockholders who were participating in the meeting virtually and by proxy, represent 483,787,424 shares, constituting **98.72%** of the total outstanding capital stock of the Bank as of record date, March 15, 2023. He then certified that there was a quorum present for the valid transaction of business by the stockholders.

The Corporate Secretary likewise informed the stockholders that Punongbayan & Araullo, Grant Thornton (“P&A”) had been engaged as third-party tabulator of votes cast in accordance with the voting procedures provided in the Bank’s Definitive Information Statement, and that P&A’s representatives were also in attendance.

The voting procedures used in the meeting are as described in the Guidelines for Participating via Remote Communication and Voting in Absentia appended to the Definitive Information Statement of the Company issued in relation to this meeting. The voting tabulation was conducted by the Office of the Corporate Secretary and validated P&A as the third-party tabulator.

III. READING AND APPROVAL OF THE MINUTES OF THE LAST ANNUAL STOCKHOLDERS’ MEETING HELD ON APRIL 28, 2023

The first business item on the Agenda was the approval of the minutes of the Annual Stockholders’ Meeting held on April 28, 2023. The Chairman reminded everybody that a copy of the Minutes of the annual stockholders’ meeting and special stockholders meeting were posted on the Bank’s website <www.bdonetworkbank.com.ph> and available to the shareholders for viewing.

The minutes reflect the proceedings of the last meeting, including resolutions adopted and approved, with corresponding tabulation of votes.

The Corporate Secretary informed the attendees that for the record, unqualified votes cast for each item for approval at today’s meeting shall be counted in favor of the matter under consideration.

Based on the tabulation of votes as certified by P&A, 100% of the shareholders present voted in favor of approval. Below is the tally of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
498, 336,582	100%	0	0	0	0

The Chairman again solicited comments, clarifications and/or objection from the body, and finding none, the following resolution was unanimously adopted:

STOCKHOLDERS' RESOLUTION 2023-01

RESOLVED, AS IT IS HEREBY RESOLVED, that the Stockholders of BDO Network Bank, Inc. (BDONB) approve, as they hereby approve, the ***minutes of the Annual Stockholders' Meeting held on April 29, 2022, and Special Stockholders' Meeting held on October 05, 2022, as reported and annexed to BDO Network Bank, Inc.'s Definitive Information Statement.***

The Chairman of the meeting reminded the Corporate Secretary to ensure that the minutes of the meeting reflect the tabulation of all votes cast, including proxies that have cast their votes for all other matters presented for stockholder approval and to note those who have chosen to abstain, or to vote against, each matter for approval.

IV. PRESIDENT REPORT AND APPROVAL OF THE AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

The Chairman then gave the floor to Mr. Jesus Antonio S. Itchon, Vice Chairman & President, to present his report on the Bank's results of operations as for the year 2023. Mr. Itchon then rendered his report to the Stockholders as well as the Audited Financial Statements for the fiscal year ended December 31, 2023. Below were the highlights of the President's Report:

A. 2023 Results

BDONB 2023 Net Income

- The bank was able to achieve P884 million Net Income. Profitability year on year was lower by 22% attributable to higher funding cost from Time Deposits and borrowings. Operating expense also increased by 16% of which 8% is from expansion, 5% organic growth and 3% volume growth.

Income Statement

- The 2023 Net Income was 22% lower, year-on-year due to higher funding costs from higher borrowings and Time Deposits volume and interest rate. Consequently, Return on Average Common Equity dropped to 7.3% from 12.8%, year-on-year.
- Net Interest Income was up by 15% despite of higher funding cost.
- Non-Interest Income dipped by 1% due to lower Salary Loans booking.
- Operating Expenses grew as the bank continued to expand its network reach and due to strong business growth.
- Provision was consistent with the portfolio growth.

Balance Sheet

- Total resources grew by 24% driven by customer loans which grew by 25%.
- Total deposits grew by 16%, driven by strong growth in low-cost CASA at 23%. Time deposits grew by 7%.
- The bank also increased its borrowings from other banks to augment lending operation.
- Equity line grew from earnings boosted by capital infused by investors in November 2023 which is intended to sustain strong growth in loans.

Above Industry Loan Growth

- Loans grew stronger than the Rural Banks (net of BDONB), Thrift Banks and even that of the entire Banking Industry for five consecutive years. The Bank's loans had been

pacing at 34% Compounded Annual Growth Rate (CAGR) in the last 5 years, about 3x the performance of the Rural Banks (13% CAGR) and 5X that of the entire Banking Industry (7% CAGR). On the other hand, Thrift Banks' loans contracted by 4% (CAGR) in the last 5 years.

Above Industry CASA Performance

- CASA also posted another stronger growth than the Rural Banks (net of BDONB), Thrift Banks and the entire Banking Industry for the last five (5) years especially during the height of Pandemic. The Bank's CASA deposit had been pacing at 20% (CAGR) for the last 5 years, almost 2X the performance of the Rural Banks which was growing at a meager 9% (CAGR), and 2x that of the entire Banking Industry at 10% (CAGR). On the other hand, Thrift Banks' CASA contracted by 4% (CAGR) in the last 5 years.
- CASA ratio improved to 60% from stronger growth compared to the previous year.

Net Interest Margin

Net Interest Margin (NIM) continued to drop to 6.81% % although it shrunk from highest NIM of 10.18% in 2020. The contraction was attributed mainly by inflation which brought the funding cost to the roof.

2023 Key Metrics

- Return on Common Equity dropped to 7.3% from 12.8% of the preceding year.
- Net Interest Income remained high at about 6.8%.
- Cost to Income Ratio increased by 5.4% 78.3%.
- NPL Ratio was stable at 2.8%.
- NPL Cover decreased by 10.4% but remained sufficient at 86%.
- CAR and CET 1 dropped by 2.3% and 1.8%, respectively as asset growth remained strong. Nevertheless, capital remained sufficient.

B. Philippine Economic Update

- Philippine Gross Domestic Product (GDP) growth target was at 6-7%
- Inflation at 3.7% as of March 2024
- BSP expected inflation to breach 4% by mid-year, but to decelerate afterwards to within 2-4% in 2024
- Government's 2024 fiscal deficit target revised upward from 5.1% to 5.6% of GDP, mainly on lower revenue assumption

C. 1st Quarter 2023 Results

Income Statement

- 2024 Net Income was up by 12% compared to the same period in 2023 mainly due to higher revenue, tempered by higher operating expense, interest expense and Loan Loss provisions.
- Non-Interest Income grew 12% from higher Fees earned on Salary Loans booking.
- Operating Expenses grew 14% as the Bank continued to expand its network reach and due to strong business growth.
- Provision was lower for better asset quality.

Balance Sheet

- Total resources grew by 19% driven by customer loans which grew by 21%.
- Total deposits likewise posted a strong growth at 15%, driven by strong growth in both in low-cost CASA at 23%. Time deposits grew by 3%.
- The Bank also increased borrowings from other banks to fund lending operation.
- Equity line grew from earnings boosted by capital infused by investors in November 2023 to sustain asset growth.

1st Quarter Key Metrics

- Return on Common Equity slightly dropped to 6.2% from 6.5% due to the full impact of the Capital Infusion last year.
- Net Interest Income contracted mainly due to increase in funding cost.
- Cost to Income Ratio dropped by 1%ps to 79.4% due to higher revenue.
- NPL Ratio slightly increased to 3.0% from 2.9%.
- NPL Cover decreased by 10.4% but remained sufficient at 84%.
- CAR and CET 1 dropped by 1.4% and 1.3%, respectively as asset growth remained strong. Nevertheless, capital remained sufficient.

V. OPEN FORUM

The Chairman proceeded to the Open Forum. As provided in BDONB's ASM Notice, stockholders were given the opportunity to send their questions and/or remarks prior to the meeting by sending an email to <bdonbcorsec@bdonetworkbank.com.ph> not later than 10:00 a.m. of April 30, 2024. Shareholders may also send their questions or comments via the Q&A panel provided in BDONB's Webex platform.

Stockholder Ms. Fe Villanueva raised a query regarding the Bank's outlook for the year 2024. She acknowledged that BDONB demonstrated resilience and exceptional business performance despite the past health and financial crises. In this regard, she inquired about the Bank's projections for 2024, including expectations for growth and performance. Ms. Villanueva also sought to understand the new or emerging challenges that the Bank was facing or would anticipate to encounter within the year.

Mr. Itchon replied that the Bank would sustain profitability growth as it set to grow its assets by another 15%. Earning capacity would be fueled by loans which would grow by another 17% in 2024. Low-cost funding remained the main challenge for the Bank as strong CASA growth was being outpaced by loans. Other alternative funding remained costly and forecasted improvement was yet to be seen given the potential threat of the increasing global prices. Moreover, the Bank remained steadfast to exceed last year's performance. The Q1 2024 performance showed a good start and the Bank would further widen its operating jaws by:

1. Improve yield by accelerating MSME growth and continue repricing of Salary Loans;
2. Improving productivity;
3. Reduce funding cost by accelerating CASA growth and looking for cheaper and or stable funding.
4. Reducing operating cost by improving efficiency and rationalizing operating expenses.

Another stockholder, Mr. Alvin Calledo, asked for the status of the Bank's license conversion from a rural bank to thrift bank.

Mr. Itchon answered that the application was already in the final stage of review by the Securities and Exchange Commission (SEC). Once approved by the SEC, the Bank would secure a certificate from the Bangko Sentral ng Pilipinas (BSP) to operate under the new license as a Thrift Bank.

There being no further questions, the meeting moved on to the next item in the agenda, which was the approval of the President's Report and Audited Financial Statements for the Fiscal Year Ended December 31, 2023. The Audited Financial Statements of the Bank were appended to the Definitive Information Statement sent to all shareholders of record and included in the Annual Report earlier sent or distributed to them upon registration.

The Chairman then asked the Corporate Secretary to announce the results of the voting. The Corporate Secretary stated that based on the tabulation of votes, 100% of the stockholders present in the meeting voted in favor of approval. Below was the tally of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
498, 336,582	100%	0	0	0	0

With the above votes in favor of approval, the following resolution was passed and adopted:

STOCKHOLDERS' RESOLUTION 2024-02

***RESOLVED, AS IT IS HEREBY RESOLVED,** that the Stockholders of BDO Network Bank, Inc. approve, as they hereby approves, the President’s Report for the year ended December 31, 2023, and the Audited Financial Statements for the Fiscal Year Ended December 31, 2023.*

VI. APPROVAL AND RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MANAGEMENT DURING THEIR TERM OF OFFICE

The Chairman then proceeded to facilitate the ratification of all acts and proceedings of the Board of Directors, the Board Committees and Management during their terms of office, and significant related parties’ transactions. The collective efforts of the Board, its Committees and Management were key factors to the Bank’s 2023 good performance.

The Chairman then asked the Corporate Secretary to announce the results of voting. The Corporate Secretary announced that based on the tabulation of votes, 100% of the stockholders present in the meeting voted in favor of approval. Below is the tally of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
498, 336,582	100%	0	0	0	0

With the above votes in favor of approval, the following resolution was passed and adopted:

STOCKHOLDERS' RESOLUTION 2024-03

***RESOLVED, AS IT IS HEREBY RESOLVED,** that the Stockholders of BDO Network Bank, Inc. (BDONB) approve, confirm and ratify, all of the resolutions, acts, including approvals of significant related parties’ transactions, and proceedings of the Board of Directors, its duly constituted Board Committees, Management and Officers, in carrying out and promoting the purposes, objects, and interests of BDONB up to the date of the Annual Stockholders’ Meeting, May 02, 2024.*

VII. ELECTION OF DIRECTORS FOR THE YEAR 2024 – 2025

The Chairman then announced that the next item on the agenda was the election of the regular and independent members of the Board of Directors of BDONB for the year 2024-2025 who will serve as such until the next annual stockholders’ meeting or until their successors have been duly elected and qualified. The Chairman of the meeting also informed all the stockholders in attendance of the mandatory requirement of electing independent directors. The Chairman then asked the Corporate Secretary to read the list of nominees for regular directors and independent directors.

The Corporate Secretary informed the stockholders that as of the close of the nomination period pursuant to the Bank’s By-Laws, there were only eight (8) persons nominated and qualified to fill-up the eleven (11) seats in the Board. He announced that the following nominations were received and evaluated by the Corporate Governance Committee during the prescribed nomination period, and that the Committee

found the nominees to possess all the qualifications and none of the disqualifications for election as regular and independent directors, respectively, of BDONB:

Nominees for Regular Directors

- 1. Nestor V. Tan
- 2. Jesus Antonio S. Itchon
- 3. Jovasky Wei Shen Pang
- 4. Jaime C. Yu
- 5. Rolando C. Tanchanco
- 6. Geneva T. Gloria

Nominees for Independent Directors

- 1. Evelyn Cristina A. Cam
- 2. Ma. Leonora V. De Jesus

Upon the request of the Chairman of the Meeting, the Corporate Secretary presented the results of the voting of the stockholders on the election of each nominee. Based on the tabulation of votes made by P&A, the votes cast and received by the nominees were as follows:

Total Outstanding Shares	Total Votes Cast		
504,199,279 shares	498, 336,582		

Nominees	Votes in favor	Votes Against	Abstentions
Nestor V. Tan	498, 336,582	0	0
Jesus Antonio S. Itchon	498, 336,582	0	0
Jovasky Wei Shen Pang	498, 336,582	0	0
Jaime C. Yu	498, 336,582	0	0
Rolando C. Tanchanco	498, 336,582	0	0
Geneva T. Gloria	498, 336,582	0	0
Evelyn Christina A. Cam	498, 336,582	0	0
Ma. Leonora V. De Jesus	498, 336,582	0	0

Considering that there were only eight (8) persons nominated to, and qualified for, the eleven (11) seats in the Board of Directors of BDONB for the year 2024-2025, and that all the nominees received sufficient votes for election, the following resolution was passed and adopted:

STOCKHOLDERS' RESOLUTION 2024-04

RESOLVED, AS IT IS HEREBY RESOLVED, that the following persons are hereby elected as **Directors of BDO Network Bank, Inc.** for a period of one (1) year until their successors shall have been duly elected and qualified:

Regular Directors:

- 1. Nestor V. Tan
- 2. Jesus Antonio S. Itchon
- 3. Jovasky Wei Shen Pang
- 4. Jaime C. Yu
- 5. Rolando C. Tanchanco
- 6. Geneva T. Gloria

Independent directors:

- 1. Evelyn Cristina A. Cam
- 2. Ma. Leonora V. De Jesus

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The next item in the Agenda was the appointment of the Bank’s external auditor. The Audit Committee had accepted nominations for external auditor and pre-screened the same. The current external auditor, Punongbayan & Araullo, Grant Thornton was recommended for re-appointment as external auditor. The Chairman entertained the motion for the reappointment of Punongbayan & Araullo, Grant Thornton as the Bank’s external auditor for the year 2024.

The Chairman then asked the Corporate Secretary to announce the results of voting by the stockholders on the re-appointment of Punongbayan & Araullo (P&A), Grant Thornton as the external auditor of BDONB. The Corporate Secretary announced that based on the tabulation of votes, 100% of the stockholders present voted in favor of the reappointment of P&A as external auditor of the Bank for the year 2024. Below was the tally of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
498, 336,582	100%	0	0	0	0

Thereafter, the following resolution was passed and adopted:

STOCKHOLDERS' RESOLUTION 2024-05

*RESOLVED, AS IT IS HEREBY RESOLVED, that the Shareholders approve, as they hereby approve, the re-appointment of **Punongbayan & Araullo, Grant Thornton** as external auditor of BDO Network Bank, Inc. for the year 2024 under such terms and conditions as may be determined by Management.*

IX. OTHER MATTERS

The Chairman asked the Corporate Secretary if there are any other matters which may properly be taken up by the shareholders at the meeting. The Corporate Secretary informed the Chairman that there were no other matters for shareholders’ approval.

X. ADJOURNMENT

There being no other matters to be taken up, a motion was made to adjourn the meeting and the Chairman thanked everyone who has participated by voting and sending in their questions/comments.

Thereafter, Chairman adjourned the meeting at 11:40 A.M.


JOSEPH JASON M. NATIVIDAD
Corporate Secretary

ATTESTED BY:

NESTOR V. TAN
Chairman