

# COVER SHEET

A S 0 9 6 - 0 0 5 5 5 5

S.E.C. Registration Number

P H I L I P P I N E N A T I O N A L B A N K

(Company's Full Name)

P N B F I N A N C I A L C E N T E R P R E S I D E N T

D I O S D A D O M A C A P A G A L B L V D .  
P A S A Y C I T Y

(Business Address: No. Street City/Town/ Province)

Atty. Sherleen Lourds R. Macatangay  
Contact Person

840-3783  
Company Telephone Number

1 2      3 1  
Month      Day  
Fiscal Year

Preliminary Information Statement  
FORM TYPE

Last Tuesday of  
April of each year  
Month      Day  
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total amount of Borrowings  
Domestic      Foreign

**To be accomplished by SEC Personnel concerned**

File Number

LCU

Document I.D.

Cashier

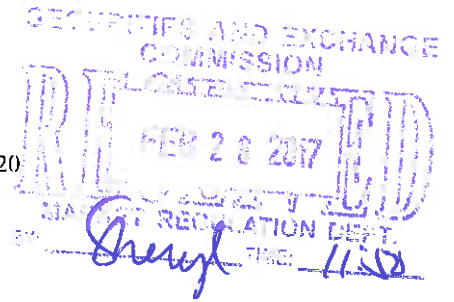
STAMPS

Remarks = pls. use black ink for scanning purposes



**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS**

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
  
2. Name of Registrant as specified in its charter : PHILIPPINE NATIONAL BANK
  
3. Province, country or other jurisdiction of incorporation or organization : Metro Manila, Philippines
  
4. SEC Identification Number : AS096-005555
  
5. BIR Tax Identification Number : 000-188-209-000
  
6. Address of principal office : PNB Financial Center  
 President Diosdado Macapagal Blvd.  
 Pasay City, Metro Manila, 1300
  
7. Registrant's telephone number, including area code : (632) 834-0780  
 (Office of the Corporate Secretary)
  
8. Date of meeting : April 25, 2017  
 Time of meeting : 8:00 a.m.  
 Place of meeting : Grand Ballroom, Upper Lobby  
 Century Park Hotel  
 599 Pablo Ocampo, Sr. St.  
 Malate, City of Manila
  
9. Approximate date on which the Information Statement is first to be sent or given to security holders : March 28, 2017
  
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate Registrant):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
COMMON SHARES	1,249,139.678

11. Are any or all Registrant's securities listed in a Stock Exchange?

Yes

No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein : **PHILIPPINE STOCK EXCHANGE/  
COMMON STOCK**



## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Meeting of Stockholders of the Philippine National Bank (the "Bank") will be held on April 25, 2017, Tuesday, at 8:00 a.m. at the Grand Ballroom, Upper Lobby, Century Park Hotel, 599 Pablo Ocampo, Sr. St., Malate, City of Manila.

The Agenda for the Meeting is as follows:

1. Call to Order
2. Secretary's Proof of Notice and Quorum
3. Approval of the Minutes of the 2016 Annual Stockholders' Meeting held on May 31, 2016
4. Report of the President on the Results of Operations for the Year 2016
5. Approval of the 2016 Annual Report
6. Ratification of All Legal Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2016 Annual Stockholders' Meeting
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The details and rationale of each item in the Agenda are explained briefly in the attached "Annex A".

Minutes of the 2016 Annual Stockholders' Meeting, as well as the resolutions of the Board of Directors from the last stockholders' meeting held on May 31, 2016 up to the present, are available for examination during office hours at the Office of the Corporate Secretary located at the 9<sup>th</sup> Floor, PNB Financial Center, President Diosdado Macapagal Blvd., Pasay City, Metro Manila.

Only stockholders of record as of March 27, 2017 will be entitled to notice of, and to vote at, the meeting. Registration will begin at 6:00 a.m. on April 25, 2017.

If you cannot personally attend the meeting, you may designate your authorized representative by submitting a PROXY of your choice not later than 5:00 p.m. on April 20, 2017 to the Office of the Corporate Secretary at the 9<sup>th</sup> Floor, PNB Financial Center, President Diosdado Macapagal Blvd., Pasay City, Metro Manila. All proxies received will be validated by the Bank's Corporate Secretary on April 20, 2017 at 5:30 p.m. at the office of the Stock Transfer Agent, PNB Trust Banking Group, 3<sup>rd</sup> Floor, PNB Financial Center, President Diosdado Macapagal Blvd., Pasay City, Metro Manila. A sample proxy is attached for your reference.

Pasay City, February 27, 2017.

  
MAILA KATHRINA Y. ILARDE  
Corporate Secretary



**SEC FORM 20-IS**

**DEFINITIVE INFORMATION STATEMENT  
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE**

**A. GENERAL INFORMATION**

**Item 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS**

- (a) The Annual Stockholders' Meeting of the Philippine National Bank (hereafter "PNB" or the "Bank") will be held on April 25, 2017, Tuesday, at 8:00 a.m. at the Grand Ballroom, Upper Lobby, Century Park Hotel, 599 Pablo Ocampo, Sr. St., Malate, Manila, Philippines. The Bank's complete address is PNB Financial Center, President Diosdado Macapagal Blvd., Pasay City, Metro Manila, Philippines.
- (b) The Definitive Information Statement, together with the Notice of Meeting, will be sent to qualified stockholders not later than March 28, 2017.

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT BEING REQUESTED TO SEND US A PROXY AT THIS TIME.**

**Item 2. DISSENTER'S RIGHT OF APPRAISAL**

- (a) Title X – Section 81 of the Corporation Code of the Philippines allows a stockholder to exercise his right to dissent and demand payment of the fair value of his shares in certain instances, to wit: (1) in case an amendment to the Articles of Incorporation will change or restrict the rights of such stockholder or class of shares, or authorize preferences in any respect superior to those of outstanding shares of any class or otherwise extend or shorten the term of the company; (2) in case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the company's properties; or (3) in cases of merger or consolidation.

Under Section 42 of the Corporation Code, a stockholder is likewise given an appraisal right in cases where a corporation decides to invest its funds in another corporation or business.

- (b) None of the proposed corporate actions to be submitted to the stockholders for approval constitutes a ground for the exercise of the stockholder's appraisal right.

**Item 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON**

- (a) No person who has been a director of the Bank from the beginning of fiscal year 2016, or any associate of the foregoing, has any interest in any matter to be acted upon in the meeting other than election to office.
- (b) The Bank has not received any information from a director that he/she intends to oppose any matter to be acted upon in the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

- (a) The total number of common shares outstanding as of January 31, 2017 is 1,249,139,678 with a par value of ₱40.00 per share. Total foreign equity ownership is 11,348,390 common shares or 8.91%.

Pursuant to Article IV, Section 4.9 of the Bank's By-Laws, every stockholder shall be entitled to one (1) vote for each share of common stock in his name in the books of the Bank as of March 27, 2017 (the "Record Date").

With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit, provided the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

- (b) Stockholders of record of the Bank as of the Record Date shall be entitled to notice of, and to vote at, the Annual Stockholders' Meeting.

- (c) Security Ownership of Certain Record and Beneficial Owners and Management

**(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of any class of voting securities as of January 31, 2017)**

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
All Seasons Realty Corp. - Makati City - 8,191,895 shares  Stockholder	Majority-Owned and Controlled by LT Group, Inc.	Filipino	747,326,928	59.8273308551
Allmark Holdings Corporation - Quezon City - 16,967,394 shares  Stockholder		Filipino		
Caravan Holdings Corporation - Marikina City - 67,148,224 shares  Stockholder		Filipino		
Donfar Management Limited - Makati City - 25,173,588 shares  Stockholder		Filipino		

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
Dunmore Development Corporation (X-496) - Pasig City - 12,395,850 shares  Stockholder	Majority-Owned and Controlled by LT Group, Inc.	Filipino		
Dynaworld Holdings, Incorporated - Pasig City - 9,323,108 shares  Stockholder		Filipino		
Fast Return Enterprises, Limited - Makati City - 14,865,453 shares  Stockholder		Filipino		
Fil-Care Holdings, Incorporated - Quezon City - 20,836,937 shares  Stockholder		Filipino		
Fragile Touch Investment Limited - Makati City - 18,581,537 shares  Stockholder		Filipino		
Ivory Holdings, Inc. - Makati City - 16,997,821 shares  Stockholder		Filipino		
Kenrock Holdings Corporation - Quezon City - 21,301,405 shares  Stockholder		Filipino		
Kentwood Development Corp. - Quezon City - 14,112,105 shares  Stockholder		Filipino		

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
Key Landmark Investments, Limited - British Virgin Islands - 109,115,864 shares  Stockholder	Majority-Owned and Controlled by LT Group, Inc.	Filipino		
La Vida Development Corporation - Quezon City - 16,052,705 shares  Stockholder		Filipino		
Leadway Holdings, Incorporated - Quezon City - 53,470,262 shares  Stockholder		Filipino		
Mavelstone International Limited - Makati City - 24,213,463 shares  Stockholder		Filipino		
Merit Holdings and Equities Corp. - Quezon City - 14,233,686 shares  Stockholder		Filipino		
Multiple Star Holdings Corp. - Quezon City - 25,214,730 shares  Stockholder		Filipino		
Pioneer Holdings Equities, Inc. - Pasig City - 28,044,239 shares  Stockholder		Filipino		
Profound Holdings, Inc. - Marikina City - 14,935,099 shares  Stockholder		Filipino		

<b>Name &amp; Address of Record Owner and Relationship with Issuer</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Common Shares Held</b>	<b>Percentage of Ownership</b>
Purple Crystal Holdings, Inc. - Manila City - 19,980,373 shares  Stockholder	Majority-Owned and Controlled by LT Group, Inc.	Filipino		
Safeway Holdings & Equities, Inc. - Quezon City - 9,864,499 shares  Stockholder		Filipino		
Society Holdings Corporation - Quezon City - 14,162,708 shares  Stockholder		Filipino		
Solar Holdings Corp. - Pasig City - 67,148,224 shares  Stockholder		Filipino		
Total Holdings Corp. - Quezon City - 13,095,263 shares  Stockholder		Filipino		
True Success Profits. Limited - British Virgin Islands - 67,148,224 shares  Stockholder		Filipino		
Uttermost Success, Limited - Makati City - 24,752,272 shares  Stockholder		Filipino		
PCD Nominee Corporation - Makati City -	The Hongkong & Shanghai Banking Corp. Ltd.	Filipino	63,085,353	5.0503041502

The right to vote or direct the voting of the Bank's shares held by the foregoing stockholders is lodged in their respective Boards of Directors. The Bank expects to receive the proxy to vote the shares held by the foregoing stockholders on or before April 20, 2017.



**(2) Security Ownership of Management (Individual Directors and Executive Officers as of January 31, 2017)**

<b>Name of Beneficial Owner</b>	<b>Amount of Common Shares and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percentage of Ownership</b>
Florencia G. Tarriela Chairperson Independent Director	2 shares ₱80.00 (R)	Filipino	0.0000001601
Felix Enrico R. Alfiler Vice Chairman Independent Director	10,215 shares ₱408,600.00 (R)	Filipino	0.0008177628
Florido P. Casuela Director	133 shares ₱5,320.00 (R)	Filipino	0.0000106473
Leonilo G. Coronel Director	1 share ₱40.00 (R)	Filipino	0.0000000801
Edgar A. Cua Independent Director	100 shares ₱4,000.00 (R)	Filipino	0.0000080055
Reynaldo A. Maclang Director	155 shares ₱6,200.00 (R)	Filipino	0.0000124085
Estelito P. Mendoza Director	1,150 shares ₱46,000.00 (R)	Filipino	0.0000920634
Christopher J. Nelson Director	100 shares ₱4,000.00 (R)	British	0.0000080055
Federico C. Pascual Independent Director	39 shares ₱1,560.00 (R)	Filipino	0.0000031221
Cecilio K. Pedro Independent Director	5,000 shares ₱200,000.00 (R)	Filipino	0.0004002755
Washington Z. SyCip Director	39,111 shares ₱1,564,440.00 (R)	Filipino-American	0.0031310350
Carmen K. Tan Director	5,000 shares ₱200,000.00 (R)	Filipino	0.0004002755
Lucio C. Tan Director	14,843,119 shares ₱593,724,760.00 (R)	Filipino	1.1882673540

<b>Name of Beneficial Owner</b>	<b>Amount of Common Shares and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percentage of Ownership</b>
Lucio K. Tan, Jr. Director	2,300 shares ₱92,000.00 (R)	Filipino	0.0001841267
Michael G. Tan Director	250 shares ₱10,000.00 (R)	Filipino	0.0000200138
Subtotal	14,906,675 shares ₱596,267,000.00 (R)		1.1933553359
All Executive Officers & Directors as a Group	14,926,564 shares ₱597,062,560.00 (R)		1.1949475517

**(3) Voting Trust Holders of 5% or More**

There are no voting trust holders of 5% or more of the Bank's shares.

**(4) Changes in Control**

There has been no change in control of the Bank in the fiscal year 2016.

**Item 5. DIRECTORS AND EXECUTIVE OFFICERS**

**(a) Directors and Executive Officers**

On May 31, 2016, the Bank reported to the Bangko Sentral ng Pilipinas (BSP) the election of fifteen (15) members of the Board of Directors at the 2016 Annual Stockholders' Meeting. Ms. Florencia G. Tarriela, Mr. Felix Enrico R. Alfiler, Mr. Federico C. Pascual and Mr. Cecilio K. Pedro were re-elected as independent directors.

As defined in Section 38.2 of the 2015 Implementing Rules and Regulations of the Securities and Regulation Code (Republic Act No. 8799) (IRR of the SRC), an independent director means a person who, apart from his fees and shareholdings, is independent of Management and free from any business or other relationship which could or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company.

The re-election of the following directors of PNB for the year 2016-2017 was exempted from confirmation by the Monetary Board (MB) of the BSP as provided in Subsection X141.4 of the Manual of Regulations for Banks (MORB) and pursuant to BSP Circular No. 758 dated May 11, 2012:

Florencia G. Tarriela  
Felix Enrico R. Alfiler  
Florido P. Casuela  
Leonilo G. Coronel

Federico C. Pascual  
Cecilio K. Pedro  
Washington Z. Sycip  
Lucio C. Tan

Reynaldo A. Maclang  
Estelito P. Mendoza  
Christopher J. Nelson

Lucio K. Tan, Jr.  
Michael G. Tan

The election of Mr. Edgar A. Cua and Ms. Carmen K. Tan as Independent Director and Director, respectively, were confirmed by the MB on November 11, 2016.

The Bank's Corporate Governance Committee (acting as the Bank's Nomination Committee) considered the shortlist of the candidates nominated to sit as members of the Board of Directors according to the prescribed qualifications and disqualifications. A total of fifteen (15) nominees were considered. On February 24, 2017, the Board of Directors confirmed the nomination of the following individuals for election to the Board of Directors for the year 2017 – 2018, as approved and confirmed by the Corporate Governance Committee, in compliance with Subsection X141.2 of the MORB of the BSP on the qualifications of a director and in accordance with the procedures for the nomination and election of independent directors set forth in Rule 38 of the IRR of the SRC and SEC Memorandum Circular No. 19, Series of 2016, Code of Corporate Governance for Publicly-Listed Companies ("SEC MC No. 19, Series of 2016"):

1. Florencia G. Tarriela
2. Felix Enrico R. Alfiler
3. Florido P. Casuela
4. Leonilo G. Coronel
5. Edgar A. Cua
6. Reynaldo A. Maclang
7. Estelito P. Mendoza
8. Christopher J. Nelson
9. Federico C. Pascual
10. Cecilio K. Pedro
11. Washington Z. Sycip
12. Carmen K. Tan
13. Lucio C. Tan
14. Lucio K. Tan, Jr.
15. Michael G. Tan

(Please refer to pages 11 to 26 of this Information Statement for the profiles of the nominees and incumbent directors.)

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. After due evaluation by the Corporate Governance Committee, it certified that said nominees are duly qualified in accordance with Subsection X141.2 of the MORB and Rule 38 of the IRR of the SRC. All of the nominees for independent director were nominated by Mr. Reynaldo A. Maclang to comply with the requirement on independent directors. Said nominees are not related to Mr. Maclang.

All nominations are compliant with SEC MC No. 19, Series of 2016, on the term limits of independent directors. The Certificate of Qualification of the independent directors pursuant to the SEC Notice to All Independent Directors on the Certificate of Qualification dated October 20, 2006 will be submitted by the Bank to the SEC within thirty (30) days after the election of the independent directors.

**Profile of Directors and Executive Officers together with their Business Experience covering at least the Past Five (5) Years**

Name	<b>FLORENCIA G. TARRIELA</b>
Age	70
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Science in Business Administration degree. Major in Economics. University of the Philippines</li> <li>* Masters in Economics degree from the University of California. Los Angeles, where she topped the Masters Comprehensive Examination</li> </ul>
Current Position in the Bank	* Chairman of the Board/Independent Director
Date of First Appointment	<ul style="list-style-type: none"> <li>* May 29, 2001 (as Director)</li> <li>* May 24, 2005 (as Chairman of the Board)</li> <li>* May 30, 2006 (as Independent Director)</li> </ul>
Directorship in Other Listed Companies	* Independent Director of LT Group, Inc.
Other Current Positions	<ul style="list-style-type: none"> <li>* Chairman/Independent Director of PNB Capital and Investment Corporation, PNB-IBJL Leasing and Finance Corporation, and PNB-IBJL Equipment Rentals Corporation</li> <li>* Independent Director of PNB International Investments Corp.</li> <li>* Columnist for "Business Options" of the Manila Bulletin and "FINEX Folio" of Business World</li> <li>* Director/Vice President of Tarriela Management Company and Director/Vice President/Assistant Treasurer of Gozon Development Corporation</li> <li>* Life Sustaining Member of the Bankers Institute of the Philippines and FINEX, where she is also a Director</li> <li>* Trustee of TSPI Development Corporation, TSPI MBA, and Foundation for Filipino Entrepreneurship, Inc.</li> <li>* Co-author of several inspirational books - "Coincidence or Miracle? Books I, II, III ("Blessings in Disguise"), IV ("Against All Odds"), and V ("Beyond All Barriers"), and gardening books - "Oops-Don't Throw Those Weeds Away!" and "The Secret is in the Soil"</li> <li>* Environmentalist and practices natural ways of gardening</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Independent Director of PNB Life Insurance, Inc.</li> <li>* Undersecretary of Finance</li> <li>* Alternate Monetary Board Member of the BSP, Land Bank of the Philippines and the Philippine Deposit Insurance Corporation</li> <li>* Deputy Country Head, Managing Partner and the first Filipina Vice President of Citibank N. A.</li> <li>* President, Bank Administration Institute of the Philippines</li> </ul>
Awards/Citations	* 2014 Most Outstanding Citibank Philippines Alumni awardee for community involvement

Name	<b>FELIX ENRICO R. ALFILER</b>
Age	67
Nationality	Filipino
Education	* Bachelor of Science and Masters in Statistics from the University of the Philippines
Current Position in the Bank	* Vice Chairman/Independent Director
Date of First Appointment	* January 1, 2012
Directorship in Other Listed Companies	* None
Other Current Positions	* Chairman/Independent Director of PNB General Insurers Co., Inc. and PNB RCI Holdings Co., Ltd. * Independent Director of PNB Savings Bank and PNB International Investments Corp.
Other Previous Positions	* Independent Director of PNB-IBJL Leasing and Finance Corporation * Senior Advisor to the World Bank Group Executive Board in Washington, D.C. * Special Assistant to the Philippine Secretary of Finance for International Operations and Privatization * Director of the BSP * Assistant to the Governor of the Central Bank of the Philippines * Senior Advisor to the Executive Director at the International Monetary Fund * Associate Director at the Central Bank * Head of the Technical Group of the CB Open Market Committee * Monetary Policy Expert in the Economics Sub-Committee of the 1985-1986 Philippine Debt Negotiating Team which negotiated with over 400 private international creditors for the rescheduling of the Philippines' medium- and long-term foreign debts * Advisor at Lazaro Bernardo Tiu and Associates, Inc. * President of Pilgrims (Asia Pacific) Advisors, Ltd. * President of the Cement Manufacturers Association of the Philippines (CeMAP) * Board Member of the Federation of Philippine Industries (FPI) * Vice President of the Philippine Product Safety and Quality Foundation, Inc. * Convenor for Fair Trade Alliance.

Name	<b>FLORIDO P. CASUELA</b>
Age	75
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Science in Business Administration. Major in Accounting from the University of the Philippines</li> <li>* Masters in Business Administration from the University of the Philippines</li> <li>* Advanced Management Program for Overseas Bankers from the Philadelphia National Bank in conjunction with Wharton School of the University of Pennsylvania</li> </ul>
Government Civil Service Eligibilities	* Certified Public Accountant, Economist, Commercial Attaché
Current Position in the Bank	* Director
Date of First Appointment	* May 30, 2006
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> <li>* Chairman of PNB Securities, Inc.</li> <li>* Director of PNB Savings Bank, PNB International Investments Corporation, PNB RCI Holdings Co., Ltd., and Surigao Micro Credit Corporation</li> <li>* Senior Adviser of the Bank of Makati, Inc.</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Director of PNB Life Insurance, Inc.</li> <li>* President of Maybank Philippines, Inc., Land Bank of the Philippines, and Surigao Micro Credit Corporation</li> <li>* Vice-Chairman of Land Bank of the Philippines and Maybank Philippines, Inc.</li> <li>* Director, Meralco</li> <li>* Trustee of Land Bank of the Philippines Countryside Development Foundation, Inc.</li> <li>* Director of Sagittarius Mines, Inc.</li> <li>* Senior Adviser in the BSP</li> <li>* Senior Executive Vice President of United Overseas Bank (Westmont Bank)</li> <li>* Executive Vice President of PDCP (Producers Bank)</li> <li>* Senior Vice President of Philippine National Bank</li> <li>* Special Assistant to the Chairman of the National Power Corporation</li> <li>* First Vice President of Bank of Commerce</li> <li>* Vice President of Metropolitan Bank &amp; Trust Co.</li> <li>* Staff Officer, BSP</li> <li>* Audit Staff of Joaquin Cunanan, CPAs</li> </ul>
Awards/Citations	<ul style="list-style-type: none"> <li>* One of the ten (10) awardees of the 2001 Distinguished Alumni Award of the UP College of Business Administration</li> <li>* Most Outstanding Surigaonon in the field of Banking and Finance, awarded by the Rotary Club – Surigao Chapter</li> </ul>

Name	<b>LEONILO G. CORONEL</b>
Age	70
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Arts degree, Major in Economics from the Ateneo de Manila University</li> <li>* Advance Management Program of the University of Hawaii</li> </ul>
Current Position in the Bank	* Director
Date of First Appointment	* May 28, 2013
Directorship in Other Listed Companies	* Independent Director of Megawide Construction Corporation
Other Current Positions	<ul style="list-style-type: none"> <li>* Independent Director of DBP-Daiwa Capital Markets Phil.</li> <li>* Director of Software Ventures International</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Chairman of PNB-IBJL Leasing and Finance Corporation and PNB-IBJL Equipment Rentals Corporation</li> <li>* Executive Director of the Bankers Association of the Philippines and RBB Micro Finance Foundation</li> <li>* Director/Treasurer of Philippine Depository and Trust Corporation</li> <li>* Director of the Philippine Clearing House Corporation, the Philippine Dealing System and the Capital Markets Development Council</li> <li>* Managing Director of BAP-Credit Bureau</li> <li>* President of Cebu Bankers Association</li> <li>* Consultant of Land Bank of the Philippines, Arthur Young, U.S. Aid, Bankers Association of the Philippines and Economic Development Corporation</li> <li>* Worked with Citibank, Manila for twenty (20) years, occupying various positions.</li> </ul>
Awards/Citations	* Fellow of the Australian Institute of Company Directors in 2002

Name	<b>EDGAR A. CUA</b>
Age	61
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Arts in Economics degree (Honors Program) from the Ateneo de Manila University</li> <li>* Masters of Arts in Economics degree from the University of Southern California</li> <li>* Masters of Planning Urban and Regional Environment degree from the University of Southern California</li> <li>* Advanced Chinese from the Beijing Language and Culture University</li> <li>* Sustainable Development Training Program, Cambridge University</li> </ul>
Current Position in the Bank	* Independent Director
Date of First Appointment	* May 31, 2016
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> <li>* Independent Director of PNB Capital and Investment Corporation</li> <li>* Director of Davao Unicar Corporation</li> </ul>
Previous Positions	<ul style="list-style-type: none"> <li>* Held various managerial and staff positions at the Asian Development Bank (ADB) during a 30-year professional career. Retired in 2015 as Senior Advisor, East Asia Department of the Asian Development Bank (ADB), based in ADB's Resident Mission in Beijing, People's Republic of China (PRC). Other managerial positions in ADB included Deputy Director General, East Asia Department, Country Director, ADB Resident Mission in Indonesia and Deputy Country Director, ADB Resident Mission in PRC.</li> <li>* Staff Consultant, SGV &amp; Co.</li> </ul>



Name	<b>REYNALDO A. MACLANG</b>
Age	78
Nationality	Filipino
Education	* Bachelor of Laws from the Ateneo de Manila University
Current Position in the Bank	* President of the Bank
Date of First Appointment	* February 9, 2013 (as Director) * May 27, 2014 (as President)
Directorship in Other Listed Companies	* None
Other Current Positions	* Chairman of PNB (Europe) Plc. * Director of Allied Leasing & Finance Corporation, PNB Global Remittance and Financial Co., HK, Ltd., Bulawan Mining Corporation, PNB Management & Development Corporation and PNB Forex, Inc. * Director of the Bankers Association of the Philippines, Asian Bankers Association, LGU Guarantee Corporation and Bancnet, Inc., where he is also a Treasurer
Other Previous Positions	* Director of PNB Savings Bank * President of Allied Savings Bank from 1986 to 2001 * President of Allied Banking Corporation (ABC) from 2001 to 2009 * Director of ABC, PNB Life Insurance, Inc., PNB Italy SpA, PNB International Investments Corporation, PNB Holdings Corporation, PNB Securities, Inc., PNB Forex, Inc., and Eton Properties Philippines, Inc.

Name	<b>ESTELITO P. MENDOZA</b>
Age	87
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Laws (cum laude) from the University of the Philippines</li> <li>* Master of Laws from Harvard University</li> </ul>
Current Position in the Bank	* Director
Date of First Appointment	* January 1, 2009
Directorship in Other Listed Companies	* Director of San Miguel Corporation and Petron Corporation
Other Current Positions	<ul style="list-style-type: none"> <li>* Chairman of Prestige Travel, Inc.</li> <li>* Director of Philippine Airlines, Inc.</li> <li>* Practicing lawyer for more than sixty (60) years</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Professorial Lecturer of law at the University of the Philippines</li> <li>* Undersecretary of Justice, Solicitor General and Minister of Justice</li> <li>* Member of the Batasang Pambansa and Provincial Governor of Pampanga</li> <li>* Chairman of the Sixth (Legal) Committee, 31<sup>st</sup> Session of the UN General Assembly and the Special Committee on the Charter of the United Nations and the Strengthening of the Role of the Organization.</li> </ul>
Awards/Citations	<ul style="list-style-type: none"> <li>* Doctor of Laws degree (honoris causa) by Central Colleges of the Philippines, Hanyang University (Seoul, Korea), University of Manila, Angeles University Foundation and the University of the East</li> <li>* Doctor of Humane Letters degree by the Misamis University</li> <li>* Recipient of a Presidential Medal of Merit as Special Counsel on Marine and Ocean Concerns</li> <li>* University of the Philippines Alumni Association's 1975 "Professional Award in Law" and 2013 "Lifetime Distinguished Achievement Award"</li> </ul>

Name	<b>CHRISTOPHER J. NELSON</b>
Age	57
Nationality	British
Education	<ul style="list-style-type: none"> <li>* Bachelor of Arts and Masters of Arts in History from Emmanuel College, Cambridge University, U.K.</li> <li>* Diploma in Marketing from the Institute of Marketing, Cranfield, U.K.</li> </ul>
Current Position in the Bank	* Director
Date of First Appointment	<ul style="list-style-type: none"> <li>* March 21, 2013 (Director)</li> <li>* May 27, 2014 (Board Advisor)</li> <li>* May 26, 2015 (Director)</li> </ul>
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> <li>* Chairman of Lux Et Sal Corporation</li> <li>* Director of the Philippine Band of Mercy, the Federation of Philippine Industries, Bellagio 3 Condominium Association, Inc. and Greenlands Community</li> <li>* Vice President/Member of the Board of Trustees of the American Chamber Foundation Philippines, Inc. and British Chamber of Commerce of the Philippines, where he is also the Executive Chairman</li> <li>* Member of the Society of Fellows of the Institute of Corporate Directors</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Director of PNB Holdings Corporation</li> <li>* Trustee of Tan Yan Kee Foundation</li> <li>* Director of the American Chamber of Commerce of the Philippines, Inc.</li> <li>* President of Philip Morris Philippines Manufacturing, Inc., a position he held for 10 years</li> <li>* Various management positions with Philip Morris International for 25 years including Area Director for Saudi Arabia, Kuwait, Gulf Cooperation Council, Yemen, and Horn of Africa</li> </ul>

Name	<b>FEDERICO C. PASCUAL</b>
Age	74
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li># Bachelor of Arts, Ateneo de Manila University</li> <li>* Bachelor of Laws (Member, Law Honors Society), University of the Philippines</li> <li>* Master of Laws, Columbia University</li> </ul>
Current Position in the Bank	* Independent Director
Date of First Appointment	* May 27, 2014
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> <li>* Independent Director of Allianz PNB Life Insurance, Inc., PNB-IBJL Leasing and Finance Corporation, PNB International Investments Corporation and PNB Holdings Corporation</li> <li>* President/Director of Tala Properties, Inc. and Woldingham Realty, Inc.</li> <li>* Chairman of San Antonio Resources incorporated</li> <li>* Director of Global Energy Growth System and Apo Reef World Resort</li> <li>* Proprietor of Green Grower Farm</li> <li>* Partner of the University of Nueva Caceres Bataan Branch</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Chairman/Independent Director of PNB General Insurers Co., Inc.</li> <li>* President and General Manager of Government Service Insurance System</li> <li>* President and CEO of Allied Banking Corporation and PNOOC Alternative Fuels Corporation</li> <li>* Various positions with PNB for twenty (20) years in various positions, including Acting President, CEO and Vice Chairman</li> <li>* President and Director of Philippine Chamber of Commerce and Industry</li> <li>* Chairman of National Reinsurance Corporation</li> <li>* Co-Chairman of the Industry Development Council of the Department of Trade and Industry</li> <li>* Treasurer of BAP-Credit Guarantee</li> <li>* Director of San Miguel Corporation, Philippine Stock Exchange, Manila Hotel Corporation, Cultural Center of the Philippines, CITEM, Bankers Association of the Philippines, Philippine National Construction Corporation, Allied Cap Resources HK, Oceanic Bank SF, USA, AIDSISA Sugar Mill, PDCP Bank, Equitable PCIB, Bankard, Philippine International Trading Corporation, Philippine National Oil Corporation and Certified Data Centre Professional</li> </ul>

Name	<b>CECILIO K. PEDRO</b>
Age	63
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Science in Business Management from the Ateneo de Manila University</li> <li>* Honorary Doctorate of Philosophy in Technological Management from the Technological University of the Philippines</li> </ul>
Current Position in the Bank	* Independent Director
Date of First Appointment	* February 28, 2014
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> <li>* Independent Director of PNB Savings Bank</li> <li>* Chief Executive Officer (CEO)/President of Lamoian Corporation</li> <li>* Chairman and CEO of Pneumatic Equipment Corporation and Action Container, Inc.</li> <li>* Director of CATS Motors, Manila Doctors Hospital and Philippine Business for Social Progress</li> <li>* Chairman of the Deaf Evangelistic Alliance Foundation, Inc.</li> <li>* Vice President of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.</li> <li>* Chairman of Asian Theological Seminary</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* CEO/President of Aluminum Container, Inc.</li> <li>* Director of DBS Philippines, Inc. (formerly Bank of Southeast Asia, Inc.)</li> </ul>
Awards/Citations	<ul style="list-style-type: none"> <li>* Recipient of the Ten Outstanding Young Men in the field of Business Entrepreneurship, Aurelio Periquet Award on Business Leadership, Ateneo Sports Hall of Fame, CEO Excel Award, Ozanam Award for Service, Entrepreneur of the Year for Social Responsibility, Ten Outstanding Manileños, and PLDT SME Nation and Go Negosyo's Grand MVP Bossing Award</li> <li>* Recognized by the House of Representatives for his Exemplary Accomplishment in the Promotion of the Welfare of the Deaf Community on October 16, 2012</li> </ul>

Name	<b>WASHINGTON Z. SYCIP</b>
Age	95
Nationality	Filipino-American
Education	<ul style="list-style-type: none"> <li>* Bachelor of Science in Commerce from the University of Sto. Tomas</li> <li>* Masters in Commerce from the University of Sto. Tomas and Columbia University</li> </ul>
Current Position in the Bank	* Director
Date of First Appointment	* December 8, 1999
Directorship in Other Listed Companies	<ul style="list-style-type: none"> <li>* Chairman of Cityland Development Corporation</li> <li>* Independent Director of Belle Corporation, First Philippine Holdings Corporation, Lopez Holdings Corporation, and Metro Pacific Investments Corporation</li> <li>* Director of LT Group, Inc. and MacroAsia Corporation</li> </ul>
Other Current Positions	<ul style="list-style-type: none"> <li>* Founder of SGV Group</li> <li>* One of the founders and Chairman Emeritus of the Asian Institute of Management</li> <li>* Member of the Board of Overseers of the Graduate School of Business at Columbia University</li> <li>* Honorary Chairman of the Euro-Asia Centre of INSEAD in Fontainebleau, France</li> <li>* Honorary Life Trustee of The Asia Society</li> <li>* Member of the Board of Directors of a number of other major corporations in the Philippines and other parts of the world</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* President of the International Federation of Accountants</li> <li>* Member of the International Advisory Board of the Council on Foreign Relations</li> <li>* Vice Chairman of the Board of Trustees of The Conference Board</li> <li>* Chairman of the Asia Pacific Advisory Committee of the New York Stock Exchange</li> <li>* Served in the international Boards of the American International Group, AT&amp;T, Australia &amp; New Zealand Bank, Caterpillar, Chase Manhattan Bank, Owens-Illinois, Pacific Dunlop and United Technologies Corporation, among others.</li> <li>* Board of Trustees of the Ramon Magsaysay Award Foundation and Eisenhower Exchange Fellowship</li> </ul>
Awards/Citations	<ul style="list-style-type: none"> <li>* Most Outstanding Professional in the field of Accountancy given by the Professional Regulation Commission on June 2015</li> <li>* Arangkada Lifetime Achievement Award conferred by the Joint Foreign Chambers of the Philippines on March 3, 2015</li> <li>* Lifetime Achievement Award given by Asia Society, New York on November 8, 2012</li> <li>* Ramon V. del Rosario Award for Nation Building conferred by Junior Chamber of International Philippines Manila and the Asian Institute of Management's Ramon V. del Rosario, Sr. Center for Corporate Social Responsibility on May 2012</li> </ul>

- \* Order of Lakandula, Rank of Grand Cross, conferred by Philippine President Benigno S. Aquino, III on June 30, 2011
- \* Lifetime Achievement Award given by Columbia Business School
- \* Ramon Magsaysay Award for International Understanding
- \* Management Man of the Year given by the Management Association of the Philippines
- \* Botwonick Prize for Ethical Practice in the Professions
- \* Doctor of Laws, Honorary Degree conferred by the University of Melbourne
- \* Officer's Cross of the Order of Merit given by the Federal Republic of Germany
- \* Star of the Order of Merit Conferred by the Republic of Australia
- \* Officer First Class of the Royal Order of the Polar Star awarded by H.M. the King of Sweden

Name	<b>CARMEN K. TAN</b>
Age	75
Nationality	Filipino
Current Position in the Bank	■ Director
Date of First Appointment	* May 31, 2016
Directorship in Other Listed Companies	* Director of MacroAsia Corporation, LT Group, Inc., and P.A.L Holdings, Inc.
Other Current Positions	* Director: Asia Brewery, Tanduay Distillers, Inc., The Charter House, Inc., Dominion Realty and Construction Corporation, Eton City, Inc., Foremost Farms, Inc., Philippine Airlines, Inc., P.A.L Express, Fortune Tobacco Corporation, Himmel Industries, Inc., Lucky Travel Corporation, Manufacturing Services & Trade Corp., Progressive Farms, Inc., PMFTC, Inc., Shareholdings Inc., Sipalay Trading Corp., Trustmark Holdings Corp., Zuma Holdings and Management Corp., Tangent Holdings Corp., Cesium Holdings Corp., Grandspan Development Corp., Basic Holdings Corp., Saturn Holdings, Inc., Paramount Land Equities, Inc., Interbev Philippines, Inc., Waterich Resources Corp., REM Development Corp., Fortune Tobacco International Corp. and Buona Sorte Holdings, Inc.
Major Affiliations	* Director of Tan Yan Kee Foundation * Member of Tzu Chi Foundation



Name	<b>LUCIO C. TAN</b>
Age	82
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Science in Chemical Engineering degree from Far Eastern University and later from the University of Sto. Tomas</li> <li>* Doctor of Philosophy, Major in Commerce, from University of Sto. Tomas</li> </ul>
Current Position in the Bank	* Director
Date of First Appointment	* December 8, 1999
Directorship in Other Listed Companies	* Chairman and CEO: LT Group, Inc., PAL Holdings, Inc., and MacroAsia Corporation
Other Current Positions	<ul style="list-style-type: none"> <li>* Chairman and CEO of Philippine Airlines, Inc. and University of the East</li> <li>* Chairman/President: Tangent Holdings Corporation and Lucky Travel Corporation</li> <li>* Chairman: Air Philippines Corporation, Eton Properties Philippines, Inc., Eton City, Inc. Belton Communities, Inc., Asia Brewery, Inc., Tanduay Distillers, Inc., Tanduay Brands International, Inc., Asian Alcohol Corporation, Absolut Distillers, Inc., The Charter House, Inc., PMFTC, Inc., Fortune Tobacco Corporation, PNB Holdings Corporation, PNB Savings Bank, Allianz PNB Life Insurance, Inc., Alliedbankers Insurance Corporation, Allied Commercial Bank, Allied Banking Corporation (HK) Ltd., Manufacturing Services &amp; Trade Corp., Foremost Farms, Inc., Dominion Realty &amp; Construction Corp., Shareholdings, Inc., REM Development Corporation, Sipalay Trading Corp., and Progressive Farms, Inc.</li> <li>* President: Basic Holdings Corporation, Himmel Industries, Inc., and Grandspan Development Corporation</li> <li>* Chairman Emeritus of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.</li> <li>* Founder and Vice Chairman of the Foundation for Upgrading the Standard of Education, Inc.</li> <li>* Founded the Tan Yan Kee Foundation, Inc., of which he is the Chairman and President</li> </ul>
Other Previous Positions	* Chairman: Allied Banking Corporation
Awards/Citations	* Various honorary degrees for his outstanding achievements and leadership in the Philippines and other parts of the world

Name	<b>LUCIO K. TAN, JR.</b>
Age	50
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>* Bachelor of Science degree in Civil Engineering (Minors in classical Chinese Mandarin and Mathematics), University of California Davis, U.S.A.</li> <li>* Executive Masters in Business Administration. Hong Kong University of Science and Technology (Business School) and J.L. Kellogg School of Management of Northwestern University. Hong Kong</li> <li>* Courses in Basic and Intermediate Japanese Language. Languages International, Makati and Asia Center for Foreign Languages. Ortigas</li> </ul>
Current Position in the Bank	* Director
Date of First Appointment	September 28, 2007
Directorship in Other Listed Companies	* Director of MacroAsia Corporation, LT Group, Inc., PAL Holdings, Inc. and Victorias Milling Company, Inc.
Other Current Positions	<ul style="list-style-type: none"> <li>* President/Director of Tanduay Distillers, Inc. and Eton Properties Philippines, Inc.</li> <li>* Director of Bulawan Mining Corporation, PNB Capital and Investment Corporation, PNB Forex, Inc., PNB Management and Development Corporation, PNB Savings Bank, Allied Commercial Bank, Allied Leasing and Finance Corporation, PNB Global Remittance and Financial Company (HK) Ltd., and Allied Banking Corporation (HK) Limited</li> <li>* Director of PMFTC, Inc., Philippine Airlines, Inc., Air Philippines Corporation, Allied Bankers Insurance Corporation, Foremost Farms, Inc., Manufacturing Services &amp; Trade Corp., Grandspan Development Corporation, Absolut Distillers, Inc., Asia Brewery, Inc., Eton City, Inc., Asian Alcohol Corporation, Lucky Travel Corporation, Progressive Farms, Inc., Tanduay Brands International, Inc., The Charter House, Incorporated, Himmel Industries, Incorporated</li> <li>* EVP and Director of Fortune Tobacco Corporation</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* President and Chief Executive Officer of MacroAsia Corporation</li> <li>* Director of Tanduay Distillers, Inc.</li> <li>* Executive Vice President of Fortune Tobacco Corporation</li> </ul>

Name	<b>MICHAEL G. TAN</b>
Age	50
Nationality	Filipino
Education	* Bachelor of Applied Science in Civil Engineering, Major in Structural Engineering, from the University of British Columbia, Canada
Current Position in the Bank	* Director
Date of First Appointment	* February 9, 2013
Directorship in Other Listed Companies	* Director and President of LT Group, Inc. * Director of P.A.L. Holdings, Inc. and Victorias Milling Company, Inc.
Other Current Positions	* Chairman of PNB Management and Development Corporation * Director of PNB Forex, Inc., Bulawan Mining Corporation, PNB Savings Bank, Allied Commercial Bank, PNB Global Remittance and Financial Company (HK) Ltd. and Allied Banking Corp. (Hong Kong) Limited * Chief Operating Officer of Asia Brewery, Inc. * Director of the following companies: Philippine Airlines Foundation, Inc., Air Philippines Corp., Philippine Airlines, Inc., Absolut Distillers, Inc., Eton Properties Phils., Inc., Grandway Konstruct, Inc., Shareholdings, Inc., Lucky Travel Corporation, Eton City, Inc., Abacus Distribution Systems Philippines, Inc., PMFTC, Inc., Tangent Holdings Corporation, and Alliedbankers Insurance Corporation
Other Previous Positions	* Chairman of PNB Holdings Corporation * Director of Allied Banking Corporation (ABC) from January 30, 2008 until the ABC's merger with PNB on February 9, 2013

Name **MAILA KATRINA Y. ILARDE**

Age 33

Nationality Filipino

Education

- \* Bachelor of Science in Legal Management, De La Salle University
- \* Juris Doctor, Ateneo de Manila University School of Law

Current Position in the Bank

- \* Corporate Secretary

Date of First Appointment

- \* June 29, 2015

Directorship in Other Listed Companies

- \* None

Other Current Position

- \* Corporate Secretary of PNB Capital and Investment Corporation and PNB Securities, Inc.

Other Previous Positions

- \* Senior Associate, Roxas De Los Reyes Laurel Rosario & Leagogo
- \* Assistant Corporate Secretary, Ionics, Inc.
- \* Assistant Corporate Secretary, Ionics EMS, Inc.

Name **RUTH PAMELA E. TANGHAL**

Age 48

Nationality Filipino

Education

- \* Bachelor of Science in Mathematics, Notre Dame University
- \* Bachelor of Laws (Notre Dame University)

Current Position in the Bank

- \* Assistant Corporate Secretary

Date of First Appointment

- \* June 29, 2015

Directorship in Other Listed Companies

- \* None

Other Current Positions

- \* Corporate Secretary of Bulawan Mining Corporation, PNB Management and Development Corporation (MADECOR), and PNB Holdings Corporation
- \* Director of E.C. Tanghal & Co., Inc. and Palm Tree Bank, Inc.

Other Previous Positions

- \* Documentation Lawyer, PNB Legal Group
- \* Director/Corporate Secretary, Rural Bank of Cotabato, Inc.
- \* Director, Rural Bankers Association of the Philippines, Inc.

**Board of Advisors:**

Name	<b>JOSEPH T. CHUA</b>
Age	60
Nationality	Filipino
Education	<ul style="list-style-type: none"><li>* Bachelor of Arts in Economics and Bachelor of Science in Business Management from the De La Salle University</li><li>* Masters in International Finance from the University of Southern California</li></ul>
Current Position in the Bank	* Board Advisor
Date of First Appointment	* May 26, 2015
Directorship in Other Listed Companies	* None
Current Positions	<ul style="list-style-type: none"><li>* Chairman of Watergy Business Solutions, Inc.</li><li>* Chairman of Cavite Business Resources, Inc.</li><li>* Chairman of J.F. Rubber Philippines</li><li>* President of Goodwind Development Corporation</li><li>* President of MacroAsia Mining Corporation</li><li>* President of MacroAsia Corporation</li><li>* Director of PNB General Insurers Co., Inc.</li><li>* Director of Bulawan Mining Corporation</li><li>* Director of PNB Management and Development Corp.</li><li>* Director of Philippine Airlines</li><li>* Director of Eton Properties Philippines, Inc.</li><li>* Member of the Management Association of the Philippines, Philippine Chamber of Commerce and Industry, Chamber of Mines of the Philippines, German Philippine Chamber of Commerce and Rubber Association of the Philippines</li></ul>
Other Previous Positions	<ul style="list-style-type: none"><li>* Chairman of MacroAsia Mining Corporation</li><li>* Director of Philippine National Bank</li><li>* Director/Chief Operating Officer of MacroAsia Corporation</li><li>* Managing Director of Goodwind Development Corporation</li></ul>

Name	<b>MANUEL T. GONZALES</b>
Age	79
Nationality	Filipino
Education	* Bachelor of Science in Commerce from the De La Salle University * Masters of Arts in Economics from Ateneo De Manila University
Current Position in the Bank	* Board Advisor
Date of First Appointment	* October 1, 2013
Directorship in Other Listed Companies	* None
Current Positions	* Director of PNB Securities, Inc. * Director of PNB-IBJL Leasing and Finance Corporation * Director of PNB-IBJL Equipment Rentals Corporation * Director of Allied Leasing and Finance Corporation * Director of Alliedbankers Insurance Corporation
Other Previous Positions	* Director of Allied Banking Corporation * Member, Management Association of the Philippines (MAP) * Member, Financial Executives of the Philippines (FINEX) * Member, European Chamber of Commerce of the Philippines (ECCP) * Member, Bankers Institute of the Philippines

Name	<b>WILLIAM T. LIM</b>
Age	76
Nationality	Filipino
Education	* Bachelor of Science in Chemistry from Adamson University
Current Position in the Bank	* Board Advisor
Date of First Appointment	* January 25, 2013
Directorship in Other Listed Companies	* None
Current Positions	* Director of PNB Holdings Corporation
Previous Positions	* Director of PNB Life Insurance, Inc. * Consultant of Allied Banking Corporation * Director of Corporate Apparel, Inc. * Director of Concept Clothing * Director of Freeman Management and Development Corporation

- \* President of Jas Jordan, Inc.
- \* Worked with Equitable Banking Corporation for 30 years, occupying various positions, including as VP & Head of the Foreign Department

Name	<b>HARRY C. TAN</b>
Age	70
Nationality	Filipino
Education	<ul style="list-style-type: none"> <li>• Bachelor of Science in Chemical Engineering, Mapua Institute of Technology</li> </ul>
Current Position in the Bank	<ul style="list-style-type: none"> <li>• Board Advisor</li> </ul>
Date of First Appointment	<ul style="list-style-type: none"> <li>* May 31, 2016</li> </ul>
Directorship in Other Listed Companies	<ul style="list-style-type: none"> <li>• Director of LT Group, Inc.</li> </ul>
Other Current Positions	<ul style="list-style-type: none"> <li>* Chairman of Bulawan Mining Corporation, PNB Management Development Corporation, and PNB Global Remittance and Financial Company (HK) Limited</li> <li>* Director of PNB Savings Bank</li> <li>* Chairman for the Tobacco Board of Fortune Tobacco Corporation</li> <li>* President of Landcom Realty Corporation and Century Park Hotel</li> <li>* Vice Chairman of Lucky Travel Corporation, Eton Properties Philippines, Inc., Belton Communities, Inc., and Eton City, Inc.</li> <li>• Managing Director/Vice Chairman of The Charter House Inc.</li> <li>• Director of various private firms which include Asia Brewery, Inc., Dominion Realty and Construction Corporation, Progressive Farms, Inc., Shareholdings Inc., Himmel Industries, Inc., Basic Holdings Corporation, Asian Alcohol Corporation, Pan Asia Securities Inc., Tanduay Distillers, Inc., Manufacturing Services and Trade Corporation, Foremost Farms, Inc., Grandspan Development Corporation, Absolut Distillers, Inc., MacroAsia Corporation, Tanduay Brands International Inc., Allied Bankers Insurance Corp., Allied Banking Corporation (Hong Kong) Limited, PMFTC, Inc., and Allied Commercial Bank</li> </ul>
Other Previous Positions	<ul style="list-style-type: none"> <li>* Director of Philippine National Bank</li> <li>* Director of Allied Banking Corporation</li> <li>* Director of Philippine Airlines</li> <li>* Director of MacroAsia Corporation</li> </ul>



**The following constitute the Bank's Corporate Governance Committee for the year 2016-2017:**

Florencia G. Tarriela*	-	Chairman
Reynaldo A. Maclang	-	Member
Felix Enrico R. Alfiler*	-	Member
Federico C. Pascual*	-	Member
Cecilio K. Pedro*	-	Member

\* *Independent Director*

**The following constitute the Bank's Board Audit and Compliance Committee for the year 2016-2017:**

Edgar A. Cua*	-	Chairman
Felix Enrico R. Alfiler*	-	Member
Florencia G. Tarriela*	-	Member

\* *Independent Director*

**The following are the Executive Officers of the Bank:**

**REYNALDO A. MACLANG**

(Please refer to page 16 of this Information Statement)

**CENON C. AUDENCIAL, JR.**, 58, Filipino, Executive Vice President, is the Head of the Institutional Banking Sector. Before joining the Bank in 2009, he headed the Institutional and Corporate Bank of ANZ, prior to which he was a Senior Relationship Manager of Corporate Banking and Unit Head of Global Relationship Banking for Citibank N.A. He previously served as a Vice President and Unit Head of Standard Chartered Bank's Relationship Management Group, and was a Relationship Manager in Citytrust Banking Corporation. Before his 20-year stint as a Relationship Manager, he was a Credit Analyst for Saudi French Bank and AEA Development Corporation. Mr. Audencial obtained his Bachelor of Arts degree in Economics from the Ateneo de Manila University.

**HORACIO E. CEBRERO III**, 54, Filipino, Executive Vice President, is the Head of the Treasury Group. He obtained his Bachelor of Science degree in Commerce, Major in Marketing, from the De La Salle University. Prior to joining PNB, he was an Executive Vice President and the Treasurer of EastWest Banking Corporation. He also held the post of Senior Vice President and Deputy Treasurer of Rizal Commercial Banking Corporation, Vice President/Head of the Foreign Exchange Desk of Citibank Manila and Vice President/Chief Dealer of the Treasury Group of Asian Bank Corporation. He brings with him thirty four (34) years of experience in the banking industry starting from Loans and Credit, Branch Banking, Fixed Income Sales, Trust Banking, Foreign Exchange and Fixed Income Trading, Portfolio Management and other Treasury-related activities.

**NELSON C. REYES**, 53, Filipino, Executive Vice President, joined the Bank on January 1, 2015 as the Chief Financial Officer. Prior to joining the Bank, he was the Chief Financial Officer of the Hongkong and Shanghai Banking Corporation (HSBC), Ltd., Philippine Branch, a position he held since 2004. He was also a Director for HSBC Savings Bank Philippines, Inc. and HSBC Insurance Brokers Philippines, Inc. His banking career with HSBC spanned twenty eight (28) years and covered the areas of Credit Operations, Corporate Banking, Treasury Operations and Finance. He gained international banking exposure working in HSBC offices in Australia, Thailand and Hong Kong. Mr. Reyes graduated from De La Salle University with a Bachelor of Science degree in Commerce, Major in Accounting, and is a Certified Public Accountant.

**BERNARDO H. TOCMO**, 55, Filipino, Executive Vice-President, is the Head of Retail Banking Sector who manages the Branch Banking Group, Global Filipino Banking Group, Cards Banking Solutions Group and Pinnacle Priority Banking Division of the Bank. Mr. Tocmo obtained his Masters in Business Economics from the University of Asia and the Pacific and likewise finished the Strategic Business Economics Program of said university. He graduated with a Bachelor of Science in AgriBusiness, major in Management from the Visayas State University. He joined Philippine National Bank in October 2015. Mr. Tocmo is a seasoned banker with over three decades of work experience with the country's top and mid-tier commercial banks. He started his career with United Coconut Planters Bank in 1982. He further honed his skills at Union Bank of the Philippines where he assumed key managerial positions in 1990 to 1996. He left Union Bank as a Senior Manager and

joined Security Bank Corporation in 1996 as Assistant Vice President until his promotion to First Vice President in 2005 as Area Business Manager. Subsequently, he joined Metropolitan Bank & Trust Company in September 2005 as Vice President and was appointed Head of National Branch Banking Sector with the rank of Executive Vice President. He was also a Director of Metrobank Card Corporation from 2012 to 2015. As Head of the Retail Banking Sector of PNB, Mr Tocmo implemented various change initiatives which led to improved performance in 2016. The Branch Banking Group registered a 14% incremental growth in deposits year-on-year, which surpassed prior year's growth rate of 2.9%. Further, 92% of the 626 branches became profitable in 2016 as against 55% of the previous year. The Card Banking Solutions Group on the other hand, chalked up 16% increase in billings, a 20% increase in receivables and 20% increase in active cards. The Global Filipino Banking Group which is in charge of the remittance business of the Bank, meanwhile, stood its ground with 2016 year-end remittance volume of US\$ 5Billion and 3.3Million remittance items. Its overseas branches and offices in Los Angeles, New York, Singapore, Japan, Guam and Middle East marketing and representative offices continued to register profitable operations while Bahrain, Canada, Europe, Hongkong and North America operations were marked by profit turnaround. The Pinnacle Priority Banking Division, which was folded into RBS in February 2016, generated P1.25 Billion in fresh funds through the provision of efficient wealth management services to high net worth clients.

**YOLANDA M. ALBANO**, 66, Filipino, First Senior Vice President, is the Head of the Bank's Commercial Banking Group. She was previously the First Senior Vice President and Head of ABC Institutional Banking Group, comprised of the Account Management Division and the Merchant Banking Division. She joined ABC in 1977, starting off as an Account Officer at the Business Development Division and moving on as the Head of the Credit and Research Department, concurrent Head of the Corporate Affairs Department, Head of the Account Management Division, and ultimately, Head of the Institutional Banking Group. At present, she is a member of the Financial Executives Institute of the Philippines (FINEX). She is a past President of the Bank Marketing Association of the Philippines (BMAP) and the Credit Management Association of the Philippines (CMAP). She is also a past President of the College of the Holy Spirit Alumnae Foundation. Ms. Albano completed her Bachelor of Arts degree in Economics in three (3) years with a Dean's Award for Academic Excellence from the University of the Philippines.

**ALICE Z. CORDERO**, 60, Filipino, First Senior Vice President, was appointed the Chief Compliance Officer (CCO) of the Bank on June 16, 2010 with oversight on the Bank, including all subsidiaries, affiliates and foreign branches. She is concurrently the Corporate Governance Executive of the Bank. She obtained Bachelor of Science degree in Business Economics from the University of the Philippines. She has earned units in Masters in Business Administration at the Ateneo Graduate School of Business. Prior to joining the Bank, she was the CCO of ABC (2007-2010). She worked with Citibank N.A - Manila Branch (1988-2007) for nineteen (19) years and held various senior positions in the Consumer Banking Group, including Compliance and Control Director (1999-2005) and concurrent Regional Compliance and Control Director for Philippines and Guam (2004). Her thirty seven (37) years of banking experience include working for ABC (1979-1983; 2007-2010), First National Bank of Chicago - Manila Branch (1983-1986), Far East Bank and Trust Company (1986-1988) and Citibank N.A. - Manila Branch (1988-2007), where she held department head positions in Credit Policy, Credit & Research Management, Financial Control, Corporate Regulatory Reporting, Asset Strategy, Business Development, Risk Management and Compliance.

**MIGUEL ANGEL G. GONZALEZ**, 58, Filipino, First Senior Vice President, is the Chief Credit Officer and Head of the Credit Management Group. He entered the Bank in March 2010 as Senior Vice President for Commercial Banking Group. He obtained his Bachelor of Science degree in Industrial Engineering from the University of the Philippines and Masters in Business Management degree from Asian Institute of Management. He started his banking career with Citibank N.A. in 1984. He later headed the Branch Banking Group of Land Bank of the Philippines in 1989 then joined Union Bank of the Philippines in 1994 where he was Senior Vice President and head of Credit and Market Risk Group. In 2007, he became the Country Manager for Genpact Services LLC.

**JOHN HOWARD D. MEDINA**, 47, Filipino, First Senior Vice President, is the Head of the Operations and Technology Support Sector which is composed of the Operations Group, Information Technology Group and Credit Management Group. The Sector is responsible for

delivering end-to-end technology, credit and operating services across the Bank. Mr. Medina has a Bachelor of Science degree in Industrial Engineering from the University of the Philippines and Masters in Business Administration from the Shidler College of Business at the University of Hawai'i at Manoa. He was an East-West Center Degree Fellow and the recipient of a full scholarship while at the University of Hawai'i. He also attended the Handelsøjskolen i Århus (the Aarhus School of Business), Pacific Asian Management Institute and the European Summer School for Advanced Management for additional graduate studies. Prior to joining PNB in 2004, he was a pioneer in the process and technology banking practice in the nineties when he helped transform the Asian operations of one of the largest multinational banks. He subsequently established a private consulting practice in the United States, helping set up operations and technology initiatives of large financial institutions.

**BENJAMIN S. OLIVA**, 64, Filipino, First Senior Vice President, is the Head of the Global Filipino Banking Group (GFBG) which manages PNB's overseas network of branches and remittance subsidiaries in Asia, Europe, the Middle East, and North America, and a Director of PNB (Europe) Plc. Mr. Oliva obtained his Bachelor of Science degree in Commerce, Major in Accounting (Cum Laude), from the De La Salle University. He started his career with FNCFB Finance, Inc. where he held various junior managerial positions from 1973-1978. He moved to Jardine Manila Finance in 1978 as Vice President of the Metro Manila Auto Finance. In 1980, Mr. Oliva started his career as a banker at the State Investment Bank where he was Head of Corporate Sales Lending Division. In 1981, he moved to PCI Bank when he handled Corporate Banking. He joined Citibank N.A. in 1988, where he exhibited his expertise in sales and headed different sales divisions (Loans, Cards and Citiphone Banking). He became a Director for various divisions such as Country Asset Sales, Credit Cards Business, Business Development and Personal Loans from November 1999 to January 2006. In January 2006, he was hired by Citibank Savings, Inc. as the Director for Personal Loans and moved back to Citibank N.A. as Business Development Director in February 2007. He was rehired by Citibank Savings, Inc. as its President in December 2007. From June 2009 to July 2011, he held concurrent positions as Commercial Banking Director of Citibank N.A. and Board member of Citibank Savings, Inc. In September 2011, he has been a designate Consultant for Consumer Banking of United Coconut Planters Bank. Mr. Oliva joined PNB on September 10, 2012.

**AIDA M. PADILLA**, 67, Filipino, is First Senior Vice President and the Head of the Remedial Management Division. She is the chief strategist for problem and distressed accounts. A seasoned professional, she rose from the branch banking ranks at the Philippine Banking Corporation to become Vice President for Marketing of its Corporate Banking Group. She obtained her Bachelor of Science degree in Commerce, Major in Accounting, from St. Theresa's College.

**CARMELA LETICIA A. PAMA**, 60, Filipino, First Senior Vice President, is the Bank's Chief Risk Officer (CRO). She reports to the Bank's Board-level Risk Oversight Committee to assist in the effective oversight of the various risks faced by the Bank. A Certified Public Accountant, she obtained her Bachelor of Science in Business Administration and Accountancy from the University of the Philippines and Master in Business Administration from the Stern School of Business, New York University. She started her banking career with Citibank N.A. (Phils.) where she held various positions in the areas of Treasury Trading and Marketing, and Operations and Quality Development. She moved back to Citibank N.A. (Phils.) in 1996 to head various support units, after a brief stint with Banco Santander, Phils. to open its Philippine operations. Prior to joining PNB, she was a Consulting Services Practice Manager at Oracle Corporation (Phils.) from 1999 to 2005 with project implementation experience at the Asian Development Bank. Her stint as CRO of the Bank, since October 2006, has developed her proficiency in all facets of banking operations and has rounded off her skills in enterprise risk management. Task to lead and/or co-lead various new enterprise support activities, she works to institutionalize the Bank's implementation of the following (among others) – merger with ABC, compliance to the Bank's submission of various institutional Basel II & III reports, as well as compliance to new regulatory circulars as mandated. With more than thirty (30) years of corporate experience, she provides a well-rounded expertise in the operations, technology and risk management areas of the Bank.

**EMMANUEL GERMAN V. PLAN II**, 64, Filipino, First Senior Vice President, is the Head of the Enterprise Sector and concurrently Head Special Assets Management Group. He holds a Bachelor of Science degree in Commerce, Major in Accounting, from the University of Santo Tomas and took up masteral studies at the Letran College. Prior to joining the Bank, he was Senior Vice President of the

Special Assets Group of ABC. He concurrently held the position of Senior Vice President of State Investment Trust and State Properties Corporation. He also acted as Managing Director of Bear Stearns State Asia and Northeast Land Development Corporation. He has exposure in investment banking, account management, and credit and collection. He has been involved in acquired assets management and in real estate development since 1997. Mr. Plan is also into social, religious and charitable undertakings through his active involvement in different educational and religious foundations like Sambayan Educational Foundation, Inc., LSQC Scholarship Foundation, UST-EHSGAA and Magis Deo, to name a few.

**MANUEL C. BAHENA, JR.**, 55, Filipino, Senior Vice President, is the Chief Legal Counsel of the Bank. He joined PNB in 2003 and was appointed as Head of Documentation and Research Division of the Legal Group in 2009. Before joining PNB, he was the Corporate Secretary and Vice President of the Legal Department of Multinational Investment Bancorporation. He also formerly served as Corporate Secretary and Legal Counsel of various corporations, among which are the Corporate Partnership for Management in Business, Inc.; Orioxy Investment Corporation; Philippine Islands Corporation for Tourism and Development; Cencorp (Trade, Travel and Tours), Inc.; and Central Bancorporation General Merchants, Inc. He obtained his Bachelor of Science degree in Business Administration from Lyceum of the Philippines in 1981 and his Bachelor of Laws degree from Arellano University in 1987.

**SCHUBERT CAESAR C. AUSTERO**, 53, Filipino, Senior Vice President, is the Head of the Human Resource Group effective February 16, 2017. He has been connected with PNB since 1996 as Head of Human Capital Development Division and as Deputy HR Head. A Bachelor of Arts graduate from the Leyte Normal University, he has been an HR professional for more than 30 years. Prior to joining PNB, he was connected with the First Abacus Financial Holdings Corporation as Vice President and Group Head for Human Resources, with the Philippine Bank of Communications as Assistant Vice President and Training Director, and with Solidbank Corporation as Recruitment and Training Manager, and later as Senior Manager and Head of Corporate Communications and Public Affairs. He was National President of the People Management Association of the Philippines in 2011 and continues to be active in the association as Thought Leader, and as Director for Strategic Planning. He was appointed by President Benigno Aquino as Employer Representative to the National Tripartite Industrial Peace Council in 2012. He currently sits as Director of the Organization Development Practitioners Network.

**EMELINE C. CENTENO**, 58, Filipino, Senior Vice President, is the Head of the Corporate Planning and Research Division. She obtained her Bachelor of Science degree in Statistics (Dean's Lister) and completed the coursework in Masters of Arts in Economics (on scholarship) from the University of the Philippines. She joined PNB in 1983, rose from the ranks and held various positions at the Department of Economics and Research, Product Development, Monitoring and Implementation Division and the Corporate Planning and Research Division before assuming her present position as Head of the merged Corporate Planning and Research Division. Ms. Centeno was awarded as one of the Ten Outstanding Employees of the Bank in 1987.

**DIOSCORO TEODORICO L. LIM**, 62, Filipino, Senior Vice President, is the Chief Audit Executive (CAE) of the Bank. A Certified Public Accountant, he holds a Bachelor of Science degree in Commerce, Major in Accounting, from the University of San Carlos-Cebu. He started his career in 1976 with SGV as a Staff Auditor and, after a year, was Field in Charge until 1978. He joined ABC in 1979 as a Junior Auditor. He rose from the ranks to become an Audit Officer in 1986, and was designated as Head of the Internal Audit Division in 2000, until his appointment as CAE of PNB on February 9, 2013. He also served as Compliance Officer of Allied Savings Bank (seconded officer) from August 2001 to August 2006. He served as a member of the Board of Directors of Rosehills Memorial Management (Philippines), Inc. in 2011 and 2013. He is a member of the Institute of Internal Auditors Philippines, Association of Certified Fraud Examiners-Philippines and Philippine Institute of Certified Public Accountants.

**MARIA PAZ D. LIM**, 56, Filipino, Senior Vice President, is the Corporate Treasurer. She is also concurrently the Treasurer of PNB Capital and Investment Corporation. She obtained her Bachelor of Science degree in Business Administration, Major in Finance and Marketing, from the University of the Philippines, and Masters in Business Administration from the Ateneo de Manila University. She joined PNB on June 23, 1981, rose from the ranks and occupied various officer positions at the

Department of Economics & Research, Budget Office and Corporate Disbursing Office prior to her present position.

**NORMAN MARTIN C. REYES**, 51, Filipino, Senior Vice President, is the Bank's Chief Marketing Officer and Head of the Marketing Group. He obtained his Bachelor of Arts degree, Major in Economics at the University of the Philippines and Masters in Business Management at the Asian Institute of Management. He has over twenty (20) years of management experience in the field of product development, sales and marketing and process management, and has directly managed an extensive list of corporate and consumer services. He started his banking career in 1993, holding various positions at Citibank, Union Bank and Royal Bank of Scotland. Prior to joining PNB, he was Senior Vice President at United Coconut Planters Bank.

**ROBERTO S. VERGARA**, 65, Filipino, First Vice President, is the Chief Trust Officer and Head of the Trust Banking Group. He obtained his Bachelor of Arts degree, Major in Economics from Ateneo de Manila University. He began his career in 1973 and held various positions in Trust Banking, Treasury, Investment Banking and Global Banking/Overseas Remittances in various banks, including Solidbank and HSBC, among others. Prior to joining PNB, he was the Chief Trust Officer, then Treasury Group Head and lastly Global Banking/Overseas Remittance Group Head of the Land Bank of the Philippines. He is also a holder of Government Civil Service Career Executive Service Officer and Career Service Executive eligibility, and is a qualified Independent Director/Fellow under the Institute of Corporate Directors (ICD).

**CONSTANTINO T. YAP**, 53, Filipino, Vice President, is the Head of the Information Technology Group. He was hired by ABC on October 1, 2007 as Assistant Vice President for the Special Projects Section of the IT Division. Prior to joining ABC, he was the Dean of the College of Engineering and College of Computer Studies and Systems at the University of the East (Manila campus) from May 2005 to May 2007, and was the Assistant Dean of the College of Computer Studies at Lyceum of the Philippines from May 2004 to May 2005. He worked as an IT Consultant for various call centers and business-to-business firms from August 2002 to May 2004. He was the Technical Consultant for the horse racing totalizator project of Manila Jockey Club and a Vice President for Betting Operations of the Philippine Racing Club from 1996 to 2000. From 1994 to 1996, he helped manage his family's construction business. While living in the US from 1988 to 1994, he was a computer telephony programmer and systems analyst that provided promotions and marketing services running on interactive voice response systems (IVRS) for Phoneworks, Inc., American Network Exchange Inc., and Interactive Telephone Inc. He obtained his Bachelor of Engineering degree in Electrical from Pratt Institute in Brooklyn, New York, USA, in 1984 and earned his Master of Science in Electrical Engineering at Purdue University in West Lafayette, Indiana, USA, in 1986.

**(b) Identify Significant Employees**

While all employees of the Bank are valued for their contribution to the business, no person who is not an executive officer is expected to make a significant contribution to the business.

**(c) Family Relationships**

Directors Lucio C. Tan and Carmen K. Tan are spouses. Directors Lucio K. Tan, Jr. and Michael G. Tan are sons of Director Lucio C. Tan. Board Advisor Harry C. Tan is the brother of Director Lucio C. Tan, while Board Advisor Joseph T. Chua is the son-in-law of Director Lucio C. Tan.

**(d) Involvement in Certain Legal Proceedings**

None of the Directors nor any of the executive officers have, for a period covering the past five (5) years, reported:

- i. any petition for bankruptcy filed by or against a business with which they are related as a general partner or executive officer;

- ii. any criminal conviction by final judgment or being subject to a pending criminal proceeding, domestic or foreign, other than cases which arose out of the ordinary course of business in which they may have been impleaded in their official capacity;
- iii. being subject to any order, judgment, or decree of a competent court, domestic or foreign, permanently or temporarily enjoining, barring, suspending or limiting their involvement in any type of business, securities, commodities or banking activities; or
- iv. being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

**(e) Certain Relationships and Related Transactions**

In the ordinary course of business, the Bank has loans and other transactions with its subsidiaries and affiliates, and with certain directors, officers, stockholders and related interests (DOSRI). Under the Bank's policy, these loans and other transactions are made on substantially the same terms as with other individuals and businesses of comparable risks. The amount of direct credit accommodations to each of the Bank's DOSRI, 70.00% of which must be secured, should not exceed the amount of their respective deposits and book value of their respective investments in the Bank.

In the aggregate, DOSRI loans generally should not exceed the Bank's equity or 15% of the Bank's total loan portfolio, whichever is lower. As of December 31, 2015 and 2014, the Bank and its subsidiaries (hereafter the "Group") were in compliance with such regulations.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group's related parties include:

- key Management personnel, close family members of key Management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key Management personnel or their close family members;
- significant investors;
- subsidiaries, joint ventures and associates and their respective subsidiaries; and
- post-employment benefit plans for the benefit of the Group's employees.

For proper monitoring of related party transactions (RPT) and to assist the Board in performing its oversight functions in monitoring and managing potential conflicts of interest of Management, Board members and stockholders, the Bank created the Board Oversight RPT Committee (BORC). The BORC is composed of at least five (5) regular members which include three (3) independent directors and two (2) non-voting members (the Chief Audit Executive and the CCO). The Chairman of the committee is an independent director and appointed by the Board.

Information related to transactions with related parties and with DOSRI is shown under Note 34 of the Audited Financial Statements of the Bank and Subsidiaries and Exhibit IV of the Supplementary Schedules Required by SRC Rule 68 Annex E.

## Item 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

### (a) Executive Compensation

#### 1) General

The annual compensation of executive officers consists of a sixteen (16)-month guaranteed cash emolument. Directors, on the other hand, are entitled to a reasonable per diem for each Board or Board committee meeting attended. The total per diem given to the Board of Directors of the Bank for the years 2015 and 2016 amounted to ₱41.950 million and ₱43.150 million, respectively.

Other than the abovestated, there are no other arrangements concerning compensation for services rendered by Directors or executive officers to the Bank and its subsidiaries.

#### 2) Summary Compensation Table

Name and Principal Position	Annual Compensation (In Pesos)				
	Year	Salary	Bonus	Others	Total
Mr. Reynaldo A. Maclang President					
Four most highly compensated executive officers other than the CEO:					
1. Cenon C. Audencial, Jr. Executive Vice President					
2. Horacio E. Cebrero III Executive Vice President					
3. Nelson C. Reyes Executive Vice President					
4. Bernardo H. Tocmo Executive Vice President					
CEO and Four (4) Most Highly Compensated Executive Officers	Actual 2015	58,902,884	19,601,169	-	78,504,053
	Actual 2016	64,766,296	21,873,148	-	86,639,444
	Projected 2017	72,540,000	24,500,000	-	97,040,000
All other officers and directors (as a group unnamed)	Actual 2015	3,280,311,093	952,903,245	-	4,233,214,338
	Actual 2016	3,498,087,977	998,343,329	-	4,496,431,306
	Projected 2017	3,917,860,000	1,118,150,000	-	5,036,010,000

#### 3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

All executive officers are covered by the Bank's standard employment contract which guarantees annual compensation on a sixteen (16)-month schedule of payment. In accordance with Sec. 6.1, Article VI of the Bank's Amended By-Laws, all officers with the rank of Vice President and up hold office and serve at the pleasure of the Board of Directors.

#### 4) Warrants and Options Outstanding

No warrants or options on the Bank's shares of stock have been issued or given to the Directors or executive officers as a form of compensation for services rendered.

## **Item 7. INDEPENDENT PUBLIC ACCOUNTANTS**

SyCip Gorres Velayo & Co. (SGV) is the current external auditor of the Bank and its domestic subsidiaries for the calendar year 2016. Representatives of SGV are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions. Ms. Vicky Lee Salas is the engagement partner of the Bank for the year 2016.

The Board Audit and Compliance Committee has sole authority to select, evaluate, appoint, dismiss, replace and reappoint the Bank's external auditors, subject to the approval of the Board of Directors and ratification of stockholders, based on fair and transparent criteria such as (i) core values, culture and high regard for excellence in audit quality, (ii) technical competence and expertise of auditing staff, (iii) independence, (iv) effectiveness of the audit process, and (v) reliability and relevance of the external auditor's reports.

## **OTHER MATTERS**

### **Item 8. ACTION WITH RESPECT TO REPORTS**

The following matters will be submitted to a vote at the Annual Stockholders' Meeting:

1. Approval of the Minutes of the 2016 Annual Stockholders' Meeting held on May 31, 2016

Among others, the salient matters approved at the meeting of the stockholders in 2016 are as follows:

- a. Amendment of Section 4.2, Article IV of the Amended By-Laws, to change the date of the Annual Stockholders' Meeting from the last Tuesday of May to the last Tuesday of April of each year
  - b. Ratification of All Legal Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2015 Annual Stockholders' Meeting
  - c. Election of Directors
  - d. Appointment of External Auditor
2. Approval of the 2016 Annual Report

A copy of the 2016 Annual Report will be made available at the venue of the Annual Stockholders' Meeting.

3. Ratification of all legal acts and proceedings of the Board of Directors and corporate officers since the 2016 Annual Stockholders' Meeting

A list of all legal acts, resolutions and proceedings taken by the Directors and corporate officers will be too voluminous to be included in this report. Most relate to regular banking transactions and credit matters which the Board of Directors, either by law or by regulations issued by the BSP, is required to act upon. These actions are subjected to the annual review of the BSP and the Bank's external auditor.

Copies of the Minutes of the Meetings of the Board of Directors may be examined by the stockholders of record as of March 27, 2017 at the Office of the Corporate Secretary during business hours.



## **Item 9. OTHER ACTIONS**

### **(a) Election of Directors**

Fifteen (15) directors will be elected for the year 2017 – 2018.

### **(b) Appointment of External Auditor**

The Bank intends to retain SGV as its external auditor for the year 2017. The Board Audit and Compliance Committee has sole authority to select, evaluate, appoint, dismiss, replace and reappoint the Bank's external auditors, subject to the approval of the Board of Directors and ratification of stockholders, based on fair and transparent criteria such as (i) core values, culture and high regard for excellence in audit quality, (ii) technical competence and expertise of auditing staff, (iii) independence, (iv) effectiveness of the audit process, and (v) reliability and relevance of the external auditor's reports.

SGV has the advantage of having historical knowledge of the business of the Bank and its subsidiaries and affiliates, having been the appointed external auditor of the Bank in 2016 and prior years.

## **Item 10. VOTING PROCEDURES**

The affirmative vote of the stockholders present in person or by proxy representing at least a majority of the stockholders present at the meeting shall be sufficient to carry the vote for any of the matters submitted to a vote at the Annual Stockholders' Meeting, except for Item 7 of the Agenda, on the election of directors.

For the election of directors, the fifteen (15) nominees garnering the highest number of votes from the stockholders present or represented by proxy shall be elected directors for the ensuing year.

The manner of voting and counting of votes will be as follows:

- a) Every stockholder entitled to vote shall have the right to vote, either in person or by proxy, the number of shares registered in his name on record as of the close of business hours on March 27, 2017. Only written proxies, signed by the stockholders and duly presented to the Corporate Secretary on or before 5:00 p.m. on April 20, 2017 for inspection and recording, shall be honored for purposes of voting.
- b) For purposes of electing directors, the system of cumulative voting shall be followed. Each stockholder has a number of votes equal to the number of shares he owns, times the number of directors to be elected. Under this voting system, the stockholder has the option to (i) cast all his votes in favor of one (1) nominee, or (ii) distribute those votes under the same principle among as many nominees as he shall see fit. Only candidates duly nominated shall be voted upon by the stockholders entitled to vote or by their proxies.
- c) Unless required by law, or upon motion by any stockholder, voting need not be by ballot and may be done by show of hands.
- d) The manner of election and the counting of the votes to be cast shall be under the supervision of the Corporate Secretary.

## **Item 11. CORPORATE GOVERNANCE**

The Bank acknowledges that corporate governance is a dynamic concept and is a framework of rules, systems and processes in the organization. It has established a corporate governance framework in accordance with global standards and best practices. It has sustained building a stronger corporate governance framework as its principles constantly evolves globally. The Bank's corporate governance framework incorporates the functions, duties and responsibilities of the Board and Management to the

stockholders and other stakeholders. It provides direction towards the promotion of a bigger, stronger, and better corporate governance culture, while recognizing the current best practices. It takes also into account the context and principles prescribed under the ASEAN Corporate Governance Scorecard (ACGS). The framework also strives to raise corporate governance standards to a level that is at par with global standards and provide sustainable contribution to the development of Philippine capital markets.

The Bank adheres and strives to the highest principles of good corporate governance as embodied in the Bank's Amended Articles of Incorporation, Amended By-Laws, Code of Conduct and its Revised Corporate Governance Manual; and at the same time, PNB believes that Corporate Social Responsibility is a commitment that is shared by everyone in the Bank. It subscribes to the philosophy of integrity, accountability and transparency in its manner of doing business, dealing fairly with its clients, investors, stockholders, the communities affected by the Bank's activities and the public. The Bank espouses professionalism among its Board of Directors, Executives and employees, subsidiaries and affiliates, and respect for laws and regulations. The Bank continues to fervently pursue Corporate Social Responsibility (CSR) initiatives by giving back to the community and creating value for all stakeholders as it is a commitment that begins with the exercise of sound and fair corporate practices. PNB believes that CSR is a commitment that is shared by everyone in the Bank.

The Bank's operations is managed through an established organizational structure and adequate policies and procedures embodied in the manuals approved by the Board, Board Committees and Management. These manuals are subjected to periodic review and are updated regularly to incorporate new laws and regulations and to conform to the evolving global and regional standards and best practices.

The Bank was a recipient of the Silver Award for good corporate governance from the Institute of Corporate Directors (ICD) for two consecutive years, in 2011 and 2012. This is in recognition of the Bank's existing organization composed of dedicated corporate directors and Senior Management committed to the professional corporate directorship in line with global principles of modern corporate governance. In 2015, PNB was recognized among all publicly listed companies in the country by the PSE as one of the Top Ten Bell Awardees. The awards commend publicly listed companies and trading participants that practice the highest standards of corporate governance in the Philippines.

In 2016, with the objective that the Bank's corporate governance ensures sustainability with the global standards and best practices, the Bank engaged the health check services of the Institute of Corporate Directors (ICD), to identify the strengths and weakness of its corporate governance practices vis-a-vis the ASEAN Corporate Governance Scorecard (ACGS) standards.

### **Board of Directors**

The Bank's compliance with the highest standards in corporate governance is principally initiated and led by the Board of Directors, composed of fifteen (15) members, including five (5) independent directors and Chairperson. The members of the Board are selected from a broad pool of competent and qualified candidates. The nominated Board members are elected annually by the stockholders. The Board is mandated to take final responsibility for exercising oversight function over Management, while taking a long-term view in securing the Bank's sustainability through due observance of fairness, transparency, and accountability under a corporate regime underpinned by ethics and social responsibility. Further, the Board has the primary responsibility of approving and overseeing the implementation of the Bank's strategic objectives, risk management strategy, corporate governance and corporate values, to foster the long-term success of the Bank, its subsidiaries and affiliates; and secure its sustained competitiveness and profitability in a manner aligned with PNB's corporate objectives and the best interests of its stockholders and other stakeholders.

The Bank observes diversity in the Board as there is no restriction on the membership of the Board on account of age, gender, nationality or race. The Board is represented by a combination of highly qualified business professionals, former bank presidents and senior officials affiliated with regulatory bodies and international organizations. The members of the Board believe in the highest level of integrity and possess broad and collective range of expertise that provides value in sustaining and upholding good corporate governance practices in the Bank.

The Board of Directors, the key officers of the Bank and its subsidiaries undergo continuous and sustainability training program in corporate governance. In August 2016, the Board and the entire Senior Management participated in the Securities and Exchange Commission (SEC) Corporate Governance Forum. PNB Group has three (3) directors inducted as “fellows”. Two (2) Directors were confirmed by the Philippine Institute of Corporate Directors and one (1) director certified as “fellow” by the Australian Institute of Corporate Directors. This is attributed to their distinguished reputation and commitment to the highest standards of corporate governance principles, ethics and social responsibility.

### **Independent Directors**

In carrying out their duties and responsibilities, the directors must act in a prudent manner and exercise independent judgment while encouraging transparency and accountability. The Bank has five (5) independent directors, representing 33% of the Board, which is in compliance with SEC MC No. 19, Series of 2016. The appointment of the five (5) independent directors, namely the Board Chairperson, Florencia G. Tarriela, and Board members Felix Enrico R. Alfiler, Edgar A. Cua, Federico C. Pascual, and Cecilio K. Pedro, were approved and confirmed by the appropriate regulatory bodies.

The independent directors act as Chairman of the Board, Corporate Governance/Nomination/Remuneration Committee, Board Audit and Compliance Committee, Board Oversight RPT Committee, Board Risk Oversight Committee and Board Trust Committee.

### **Chairperson of the Board**

The Board Chairperson is Ms. Florencia G. Tarriela, a position she has been holding since 2005. Chairperson Tarriela has extensive experience in the banking industry and is an active member of numerous banking and non-profit institutions. She is currently a Life Sustaining Member of Bankers Institute of the Philippines (BAIPHIL) and Financial Executive of the Philippines (FINEX). She is also a Board Trustee of TSPI Development Corporation since 2003. She was a former Undersecretary of Finance, a former Alternate Board Member of the Monetary Board of BSP, was Alternate Board Member of Land Bank and PDIC, and was a Managing Partner & the First Filipina Vice President of Citibank N.A., Philippines. As an Independent Director, Chairperson Tarriela sits as Chairman of Corporate Governance/Nomination/Remuneration Committee and member of the two (2) Board Committees namely, the Board Audit and Compliance Committee and Board IT Governance Committee. She also sits as a Non-Voting Member in the Executive Committee.

The Board Chairperson works closely with the President & Chief Executive Officer. This complementary relationship provides appropriate balance of power, increased accountability, and independent decision making by the Board while Management having the responsibility to execute strategic plans of the Bank.

### **Board Committees**

The following eight (8) Board Committees have been instrumental in setting the tone for the corporate governance practices of the Bank, its subsidiaries and affiliates: Board Executive Committee; Corporate Governance/Nomination/Remuneration Committee; Board Audit and Compliance Committee; Board Risk Oversight Committee; Board Trust Committee; Board Oversight RPT Committee; Board Oversight Committee- Domestic and Foreign Offices/Subsidiaries; and Board IT Governance Committee.

The authority, duties and responsibilities, as well as the frequency of the Board committee meetings are stated in their respective charters. Meetings are generally held on a monthly basis which may include special Board committee meetings when necessary. The Board committee secretariats are responsible for ensuring that the regular agenda of the meetings and resource persons are informed and provided with committee materials prior to meetings. The committee secretariat prepares the minutes of the committee meetings for endorsement and confirmation of the PNB Board and records the attendance of the committee members.

The Independent Directors are appointed Chairman of the oversight control committees namely, the Board Corporate Governance/Nomination/Remuneration Committee, Board Audit and Compliance Committee, Board Risk Oversight Committee, and Board Oversight RPT Committee.

### **Related Party Transaction (RPT)**

In 2016, the Bank focused on the sustainability of the existing related party transaction policies and procedures. The policies were enhanced to align its provisions with the new BSP Circular on RPT, the principles of the ASEAN Corporate Governance Scorecard (ACGS), and with Basel III guidelines on good corporate governance. The expanded RPT policies covered the (i) oversight functions of the Board and the Board Oversight RPT Committee (BORC) while implementation by the Senior Management was reflected in the revisions made on procedures in the Operations Manuals, (ii) development of the RPT database system, (iii) enhancement in the review and audit programs conducted by the independent teams comprised of the Internal Audit Group and Global Compliance Group; and (iv) the external auditors and examinations performed by regulatory bodies.

Conflict of interests that may arise to related parties of the bank are managed through a Board approved enterprise-wide RPT Policy Framework. The Board Oversight RPT Committee (BORC) was created to assist the Board in performing its oversight functions in monitoring and managing potential conflicts of interest, to ensure that exposures to related parties are made on an arm's length basis, are effectively monitored, appropriate steps are taken to control or mitigate the risks and write-offs of such exposures are made according to standard policies and processes.

The key elements of the RPT Policy Framework include the Board and Senior Management oversight, policies and procedures, training, monitoring and assessment, and disclosures/reports. The RPT guidelines cover a wide range of transactions that could pose credit risk, counterparty risk, material risk and potential abuse to the Bank and its stakeholders. The Bank ensures that individual and aggregate exposures to related parties are within prudent levels consistent with existing prudential limits and internal limits, monitored through independent reviews by Internal Audit and Global Compliance Groups, covered in disclosures and/or reporting requirements. There is sustained awareness of the RPT Policy Framework through RPT Framework Training Programs conducted by the Bank. The members of the Board, stockholders, and Management shall disclose to the Board whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matters affecting the Bank. Directors and officers involved in possible conflict of interest shall disassociate themselves from the decision making process and abstain in the discussion, approval and management of such transactions or matters affecting the Bank. The Board Oversight RPT Committee may inform the Corporate Governance/Nomination/Remuneration Committee of the directors/officers' actual/potential conflicts of interest with the Bank, as necessary.

The Bank strictly applies the arm's length policy in the management of RPTs. The following critical factors are to be considered in the evaluation (a) the related party's relationship to the Bank and interest in the transaction, (b) the material facts of the proposed RPT, including the proposed aggregate value of such transactions, (c) the benefits to the Bank of the proposed RPT, (d) the availability of other sources of comparable products or services, and (e) the assessment of whether the proposed RPT is on the terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances

### **Board Oversight RPT Committee (BORC)**

The BORC was created in September 2013. The authorities and responsibilities of the BORC are governed by a Charter to assist the Board in performing its oversight functions in monitoring and managing potential conflicts of interest of stockholders, Board members, Management, and other stakeholders. The Committee is composed of five (5) regular members, including three (3) Independent Directors (IDs); and two (2) non-voting members, the Chief Audit Executive (CAE), and the Chief Compliance Officer (CCO). The CCO is designated as Secretariat of the Committee.

The BORC has the authority to evaluate RPT. In conformity with Bank's policy, RPT dealings should be treated in the regular course of business on arm's length basis. This means that the RPTs are not

undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances. No corporate or business resources of the Bank are to be misappropriated or misapplied and sound judgment is to be exercised for the best interest of the Bank. Material RPTs are to be reviewed and endorsed to the Board for approval/notation by the BORC.

The duties and responsibilities of the BORC include: (i) reviewing and approving RPT policy guidelines; (ii) evaluating on an ongoing basis existing relations between and among businesses and counterparties; (iii) evaluating material RPTs; (iv) ensuring that appropriate disclosures are made; (v) endorsing to the Board (vi) reporting to the Board the status and aggregate exposures to related parties; (vii) ensuring that RPTs, including write-off of exposures are subject to independent reviews; and (viii) overseeing implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs, including the periodic review of RPT policies and procedures.

The RPT policy has been formulated and adopted in accordance with the provisions of the SEC Code of Corporate Governance and BSP regulations, including the PNB Code of Conduct and Business Ethics. to wit:

- Code of Conduct – it prescribes the moral code for PNB employees. The Code of Conduct instills discipline and yields higher productivity at the workplace and enhances and safeguards the corporate image of the Bank. Its overall intent is more for the prevention of the infraction rather than the administration of disciplinary measures. It also defines and provides the standards of conduct expected of all employees and enumerates the actions or omissions prejudicial to the interest of the Bank. All employees are required to certify that they have been furnished with a copy of the PNB Code of Conduct and further certify that they have read and thoroughly understood the provisions thereof, agree to be bound by the said policy, and fully aware that a violation of the Code will subject them to disciplinary action.
- Whistleblower Policy – This policy encourages the Bank employees and third parties to report any suspected or actual commission of theft/fraud, violation of ethical standard, law, rule or regulation and/or any misconduct by its directors, officers or staff in accordance with the Whistleblower Policy. It protects the employee/whistleblower against retaliation, discrimination, harassment or adverse personnel action, for reporting in good faith a suspected or actual violation.
- Soliciting and/or Receiving Gifts Policy – All PNB employees are expected to observe discretion and prudence in receiving gifts or donations, whether in cash or in kind, and other form of hospitality. Soliciting gifts/donations/sponsorship from clients, suppliers, and other business related parties is strictly prohibited. Employees, however, may be allowed to receive gifts/donations/sponsorship/financial assistance from clients, suppliers, and other business related parties, provided that said gifts/donations/sponsorships worth Two Thousand Pesos (PhP2,000.00) and above must be reported to the Human Resource Group (HRG), declaring the value, the giver and action taken. On the other hand, gifts with estimated value of more than Five Thousand Pesos (PhP5,000.00) shall likewise be reported and turned-over to the HRG for donation to any legitimate charitable institution preferred by the concerned employee.
- Personal Investment Policy – The policy set forth prudent standards of behavior for all employees when conducting their personal investment transactions. It provides minimum standards and specifies investment practices which are either prohibited or subject to special constraints. The employees may make investments for their personal accounts as long as these transactions are consistent with laws and regulations, and the personal investment policy of the Bank. These investments should not appear to involve a conflict of interest with the activities of the Bank or its customers. Employee investment decisions must be based solely on publicly available information and should be oriented toward long term investment rather than short term speculation. As a general policy, all employees are prohibited from purchasing or selling any PNB securities if they possess material non-public information about PNB that, if known by the public, might influence the price of PNB securities. Employees may not purchase or sell PNB options or execute a short sale of PNB security unless the transaction is effected as a bona-fide hedge.

The Corporate Governance Framework and RPT Framework are integral in the Bank's Compliance Awareness Training Program conducted regularly by the Global Compliance Group. Sustained awareness

of group-wide personnel, as well as other stakeholders on good corporate governance and RPT compliance include posting of Corporate Governance manuals and RPT policies and procedures in the PNB website.

### **Operations Management**

The day-to-day operations of the Bank and the implementation of the major business plans are under the responsibility of the President and the Chief Executive Officer. Critical issues, policies and guidelines are deliberated in the following major Management committees: Senior Management Team, Asset & Liability Committee, Acquired Asset Disposal Committee (AADC), Operations Committee, Product Committee, IT Management Committee, Procurement Committee, Promotion Committee, Ethical Standards Committee, PNB Succession Management Program-Talent Board, Senior Management Credit Committee, Philippine AML Review Committee and Occupational Safety, Health and Family Welfare Committee. Committee meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues.

As part of the strong culture of accountability and transparency in the organization, the business plans, significant issues and its resolutions are escalated to the level of the Board by the Management committees. Majority of the Management committees has the President as the Chairman with the members comprised of Senior Management of the Bank and key officers of the various business segments, the Risk Management Group, Office of the Chief Legal Counsel, Internal Audit Group and Global Compliance Group. Periodical assessments are made to the composition and appointment of the senior officers in the different Management committees and may be reorganized according to the priorities set by the Bank.

### **Compliance System**

The Bank has a well-defined organizational structure, updated policies and procedures, and an effective compliance program to reinforce a compliance system that fully adheres to banking laws and regulations. The Compliance Programs of PNB intends to promote safe and sound operations. In the process, the execution of the Compliance Programs is in support for the sustainability of an environment influenced by high corporate standards and best practices of good corporate governance.

The CCO, head of the Global Compliance Group, directly reports to the Board Audit and Compliance Committee. The CCO has direct responsibility for the effective implementation and management of the enterprise compliance system for the Bank, its subsidiaries and affiliates. The CCO is also primarily responsible for promoting compliance with the laws and regulations of the different jurisdictions, corporate policies and procedures and international standards and best practices. The CCO has been appointed by the Board of Directors as the Corporate Governance Executive tasked to assist the Board and the Corporate Governance/Nomination/Remuneration Committee in the discharge of their corporate governance oversight functions.

PNB'S various Compliance Frameworks are carried out by the Global Compliance Group through the five (5) major divisions, namely, Global AML Compliance Division, Regulatory Compliance Division, Business Vehicle Management Compliance Division, Compliance Testing and Review Division and Corporate Governance Monitoring Division. The latter provides direct support to the Board Audit and Compliance Committee, Corporate Governance/Nomination/Remuneration Committee and the BORC on corporate governance matters.

The Bank's existing Compliance Program clearly defines the eight (8) key elements of an effective compliance framework, with proactive Board and executive level oversight, effective compliance organizational structure, standardized policies and procedures across all businesses, periodic monitoring and assessment, robust MIS and compliance reporting, comprehensive compliance and AML awareness training, independent compliance testing reviews and sustained good working relationships with regulators. The Compliance Program for 2016-2017 incorporated new rules and regulations from various domestic and foreign regulatory bodies. Cognizant of rising concern on cybercrime related risks in the banking industry worldwide, an AML Cybercrime Officer was appointed in Global Compliance Group. The Compliance Programs of PNB remains effectively implemented across businesses.

The major Compliance Manuals include the Bank's AML/CFT Policy Guidelines, Money Laundering and Terrorist Financing Prevention Manual, FATCA Compliance Manual, and Remittance Third Party Arrangement Compliance Program. These compliance manuals were approved by the Board and implemented with updated policies and procedures to fully address in a timely manner recent developments and issuances by regulatory bodies.

With a comprehensive compliance system consistently implemented enterprise-wide and an effective compliance framework for PNB, no material deviation has been noted.

**UNDERTAKING TO PROVIDE ANNUAL REPORT**

**The Registrant undertakes to provide without charge to each stockholder a copy of the Bank's Annual Report or SEC Form 17-A upon written request to the Bank addressed to:**

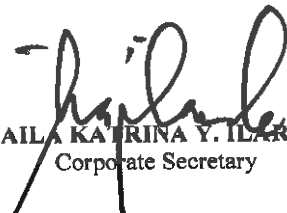
**The Corporate Secretary  
Philippine National Bank  
9/F, PNB Financial Center  
President Diosdado Macapagal Blvd.  
Pasay City, Metro Manila**

**SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasay on February 27, 2017.

**PHILIPPINE NATIONAL BANK**

by:

  
**MAILA KATRINA Y. ILARDE**  
Corporate Secretary





## AGENDA

### DETAILS AND RATIONALE

1. **Call to Order.** The Chairman, Ms. Florencia G. Tarriela, will formally open the 2017 Annual Stockholders' Meeting of the Philippine National Bank ("PNB", the "Bank").
2. **Secretary's Proof of Notice and Quorum.** The Corporate Secretary, Atty. Maila Katrina Y. Ilarde, will certify that copies of the Notice were duly sent to the stockholders of record as of March 27, 2017. Thereafter, Atty. Ilarde will certify as to the existence of a quorum for a valid transaction of business at the Annual Stockholders' Meeting.
3. **Approval of the Minutes of the 2016 Annual Stockholders' Meeting held on May 31, 2016.** The Minutes of the 2016 Annual Stockholders' Meeting of the Bank will be presented to the stockholders for approval. Copies of the said Minutes, as well as the resolutions of the Board of Directors from the last stockholders' meeting held on May 31, 2016 up to the present, are available for examination during office hours at the Office of the Corporate Secretary at the 9<sup>th</sup> Floor, PNB Financial Center, President Diosdado Macapagal Blvd., Pasay City, Metro Manila.
4. **Report of the President on the Results of Operations for the Year 2016.** The President, Mr. Reynaldo A. Maclang, will present to the stockholders the highlights of the Bank's performance for the year 2016.
5. **Approval of the 2016 Annual Report.** The 2016 PNB Annual Report, as well as the Audit Financial Statements (AFS) as of December 31, 2016, will be presented to the stockholders for approval. A copy of the AFS is incorporated in the Definitive Information Statement distributed to the stockholders.
6. **Ratification of All Legal Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2016 Annual Stockholders' Meeting.** The acts, resolutions and proceedings of the Board of Directors and Corporate Officers since the 2016 Annual Stockholders' Meeting, most of which relate to regular banking transactions and credit matters which the Board of Directors, either by law or by regulations issued by the BSP, is required to act upon, will be presented to the stockholders for approval and ratification. Copies of the Minutes of the Meetings of the Board of Directors may be examined upon request by the stockholders of record as of March 27, 2017 at the Office of the Corporate Secretary during business hours.
7. **Election of Directors.** The Chairman of the Nomination Committee will present to the shareholders the nominees for election as members of the PNB Board of Directors. The profiles of the nominees are included in the Definitive Information Statement distributed to the stockholders.
8. **Appointment of External Auditor.** The appointment of SGV as the Bank's external auditor for the year 2017 will be presented to the stockholders for confirmation and ratification.
9. **Other Matters.** Other matters arising subsequent to the sending out of the Notice of the Meeting and the Agenda, and as may be relevant to the Annual Stockholders' Meeting, may be presented to the stockholders for consideration.
10. **Adjournment.** Upon consideration of all matters included in the Agenda, the Chairman shall declare the meeting adjourned.

**PROXY**

The undersigned stockholder of **PHILIPPINE NATIONAL BANK** ("PNB") does hereby nominate, constitute and appoint:

\_\_\_\_\_

as my/our proxy, with the right of substitution and revocation, to represent me/us and vote all shares registered in my/our name in the books of PNB at the Annual Stockholders' Meeting scheduled on April 25, 2017. I/we hereby confirm and ratify any and all acts lawfully done by my/our proxy pursuant hereto.

Any other proxy or proxies issued by me/us on or before this date is/are hereby considered revoked and declared null and void and will have no effect whatsoever.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature over Printed Name