



PNB

Office of the Corporate Secretary

Direct Line: 536-0540
Trunk Lines: 891-6040 to 70
Local: 4106

June 28, 2016

PHILIPPINE DEALING & EXCHANGE CORPORATION

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
Makati City

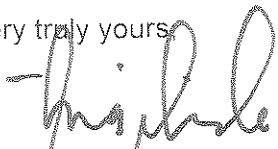
Attention: **Ms. Vina Vanessa S. Salonga**
Head - Issuer Compliance and Disclosure Department

Dear Ms. Salonga:

We are pleased to furnish the Philippine Dealing and Exchange Corporation (PDEX) a copy of our disclosure to the Philippine Stock Exchange regarding the updates in the Annual Corporate Governance Report (ACGR) of the Bank.

We trust you will take note accordingly. Thank you.

Very truly yours,



MAILA KATRINA Y. ILARDE
Corporate Secretary

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300, Philippines

T. (632) 526-3131 to 70/891-6040 to 70
P.O. Box 1884 (Manila)
P.O. Box 410 (Pasay City)
www.pnb.com.ph

Authorized Depository of the Republic of the Philippines
Member, PDIC



106282016003184



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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Receipt Date and Time : June 28, 2016 11:04:28 AM

Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. AS96005555
Company Name PHIL. NATIONAL BANK
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 106282016003184
Document Type LETTER/MISC
Document Code LTR
Period Covered June 27, 2016
No. of Days Late 0
Department CED/CFD/CRMD/MRD/NTD
Remarks ACGR

FILE

COVER SHEET

AS096-005555

S.E.C. Registration Number

PHILIPPINE NATIONAL BANK

Company's Full Name)

9th Floor PNB Financial Center

Macapagal Blvd., Pasay City

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

MAILA KATRINA Y. ILARDE
Corporate Secretary
Contact Person

834-0780
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

Updates in ACGR
FORM TYPE

May 31
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

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Office of the Corporate Secretary

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June 27, 2016

Ms. Justina F. Callangan

Director
Corporation Finance Department
Securities and Exchange Commission
SEC Building, EDSA
Greenhills, Mandaluyong City

Dear Director Callangan:

In compliance with SEC Memorandum Circular No. 1, Series of 2014, re: Guidelines for Changes and Updates in the Annual Corporate Governance Report (ACGR), we submit herewith the following updates in the ACGR of the Bank:

A. BOARD MATTERS

1. Board of Directors

E. BOARD COMMITTEES

1. Number of Members, Functions and Responsibilities
2. Committee Members

For your record. Thank you.

Very truly yours,

MAILA KATRINA Y. ILARDE
Corporate Secretary

ALICE Z. CORDERO
Chief Compliance Officer

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300,
Philippines

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Authorized Depository of the Republic of the Philippines
Member: PDIC

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	15
Actual number of Directors for the year 2016	15

(a) Composition of the Board (updated as of May 31, 2016)

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual/Special Meeting)	No. of years served as director
1. Florencia G. Tarruela	ID	N/A	Mr. Reynaldo A. Maclang, None	May 29, 2001	May 31, 2016 (5 years)	Annual Meeting	15 yrs.
2. Felix Enrico R. Alfiler	ID	N/A	Mr. Reynaldo A. Maclang, None	Dec. 16, 2011	May 31, 2016 (5 years)	Annual Meeting	4 yrs. 5 mos.
3. Florido P. Casuela	NED	N/A	Mr. Reynaldo A. Maclang	May 30, 2006	May 31, 2016	Annual Meeting	10 yrs.
4. Leonilo G. Coronel	NED	N/A	Mr. Reynaldo A. Maclang	May 28, 2013	May 31, 2016	Annual Meeting	3 yrs.
5. Edgar A. Cua	ID	N/A	Mr. Reynaldo A. Maclang, None	May 31, 2016	May 31, 2016 (0)	Annual Meeting	0
6. Reynaldo A. Maclang	ED	N/A	Mr. Reynaldo A. Maclang	February 9, 2013	May 31, 2016	Annual Meeting	3 yrs. 3 mos.
7. Estelito P. Mendoza	NED	N/A	Mr. Reynaldo A. Maclang	Dec. 23, 2008	May 31, 2016	Annual Meeting	7 yrs. 5 mos.
8. Christopher J. Nelson	NED	N/A	Mr. Reynaldo A. Maclang	May 26, 2015	May 31, 2016	Annual Meeting	1 yr.
9. Federico C. Pascual	ID	N/A	Mr. Reynaldo A. Maclang, None	May 27, 2014	May 31, 2016 (2 year)	Annual Meeting	2 yrs.
10. Cecilio K. Pedro	ID	N/A	Mr. Reynaldo A. Maclang, None	February 28, 2014	May 31, 2016 (2 year)	Annual Meeting	2 yr. 3 mos.
11. Washington Z. Sycip	NED	N/A	Mr. Reynaldo A. Maclang	Dec. 8, 1999	May 31, 2016	Annual Meeting	16 yrs. 5 mos.
12. Carmen K. Tan	NED	N/A	Mr. Reynaldo A. Maclang	May 31, 2016	May 31, 2016	Annual Meeting	0
13. Lucio C. Tan	NED	N/A	Mr. Reynaldo A. Maclang	Dec. 8, 1999	May 31, 2016	Annual Meeting	16 yrs. 5 mos.
14. Lucio K. Tan, Jr.	NED	N/A	Mr. Reynaldo A. Maclang	Sept. 28, 2007	May 31, 2016	Annual Meeting	8 yrs. 8 mos.
15. Michael G. Tan	NED	N/A	Mr. Reynaldo A. Maclang	February 9, 2013	May 31, 2016	Annual Meeting	3 yrs. 3 mos.

Name	FLORENCIA G. TARRUELA
Age	69
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Science in Business Administration degree, Major in Economics, University of the Philippines * Masters in Economics degree from the University of California, Los Angeles, where she topped the Masters Comprehensive Examination
Current Position in the Bank	Chairman of the Board/Independent Director
Date of First Appointment	<ul style="list-style-type: none"> * May 29, 2001 (as Director) * May 24, 2005 (as Chairman of the Board) * May 30, 2006 (as Independent Director)

¹ Reckoned from the election immediately following January 2, 2012.

Directorship in Other Listed Companies	Independent Director of LT Group, Inc.
Other Current Positions	<ul style="list-style-type: none"> * Independent Director of PNB Capital and Investment Corporation, PNB Life Insurance, Inc., PNB International Investments Corporation, and LT Group, Inc. * Columnist for "Business Options" of the Manila Bulletin and "FINEX Folio" of Business World * Director/Vice President of Tarriela Management Company and Director/Vice President/Assistant Treasurer of Gozon Development Corporation * Life Sustaining Member of the Bankers Institute of the Philippines and FINEX, where she is also a Director * Trustee of TSPI Development Corporation, TSPI MBA, and Foundation for Filipino Entrepreneurship, Inc. * 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" * Environmentalist and practices natural ways of gardening
Other Previous Positions	<ul style="list-style-type: none"> * Undersecretary of Finance * Alternate Board Member of the Monetary Board of the Bangko Sentral ng Pilipinas, Land Bank of the Philippines and the Philippine Deposit Insurance Corporation * Deputy Country Head, Managing Partner and the first Filipina Vice President of Citibank N. A.
Awards/Citations	<ul style="list-style-type: none"> * 2014 Most Outstanding Citibank Philippines Alumni awardee for community involvement

Name	FELIX ENRICO R. ALFILER
Age	66
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	<ul style="list-style-type: none"> * Chairman/Independent Director of PNB RCI Holdings Co., Ltd. * Independent Director of PNB-IBJL Leasing and Finance Corporation, PNB Savings Bank and PNB International Investments Corp.
Other Previous Positions	<ul style="list-style-type: none"> * 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 Bangko Sentral ng Pilipinas * 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 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	FLORIDO P. CASUELA
Age	74
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Science in Business Administration, Major in Accounting from the University of the Philippines * Masters in Business Administration from the University of the Philippines * Advanced Management Program for Overseas Bankers from the Philadelphia National Bank in conjunction with Wharton School of the University of Pennsylvania
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"> * Chairman of PNB Securities, Inc.

Other Previous Positions

- * Director of PNB Savings Bank, PNB International Investments Corporation, PNB RCI Holdings Co., Ltd., PNB Life Insurance, Inc., and Surigao Micro Credit Corporation
- * Senior Adviser of the Bank of Makati, Inc.
- * President of Maybank Philippines, Inc., Land Bank of the Philippines, and Surigao Micro Credit Corporation
- * Senior Adviser in the Bangko Sentral ng Pilipinas.
- * Senior Executive Vice President of United Overseas Bank (Westmont Bank)
- * Executive Vice President of PDCP (First Bank)
- * Senior Vice President of Philippine National Bank
- * First Vice President of Bank of Commerce
- * Vice President of Metropolitan Bank & Trust Co.
- * Special Assistant to the Chairman of the National Power Corporation
- * Audit Staff of Joaquin Cunanan, CPAs

Awards/Citations

- * One of the ten (10) awardees of the 2001 Distinguished Alumni Award of the UP College of Business Administration
- * Most Outstanding Surigaonon in the field of Banking and Finance, awarded by the Rotary Club – Surigao Chapter

Name **LEONILO G. CORONEL**
Age 69
Nationality Filipino
Education * Bachelor of Arts degree, Major in Economics from the Ateneo de Manila University
* Advance Management Program of the University of Hawaii

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

- * Chairman of PNB-IBJL Leasing and Finance Corporation and PNB-IBJL Equipment Rentals Corporation
- * Independent Director of DBP-Daiwa Capital Markets Phil.
- * Director of Software Ventures International

Other Previous Positions

- * Executive Director of the Bankers Association of the Philippines and RBB Micro Finance Foundation
- * Director/Treasurer of Philippine Depository and Trust Corporation
- * Director of the Philippine Clearing House Corporation, the Philippine Dealing System and the Capital Markets Development Council
- * Managing Director of BAP-Credit Bureau
- * President of Cebu Bankers Association
- * Consultant of Land Bank of the Philippines, Arthur Young, U.S. Aid, Bankers Association of the Philippines and Economic Development Corporation
- * Worked with Citibank, Manila for twenty (20) years, occupying various positions.

Awards/Citations Fellow of the Australian Institute of Company Directors in 2002

Name **EDGAR A. CUA**
Age 60
Nationality Filipino
Education * Bachelor of Arts in Economics degree (Honors Program) from the Ateneo de Manila University
* Masters of Arts in Economics degree from the University of Southern California
* Masters of Planning Urban and Regional Environment degree from the University of Southern California
* Advanced Chinese from the Beijing Language and Culture University
* Sustainable Development Training Program, Cambridge University

Current Position in the Bank Independent Director

Date of First Appointment * May 31, 2016

Other Current Positions * Director of Davao Unicar Corporation

Previous Positions

- * 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.
- * Staff Consultant, SGV & Co.

Name **REYNALDO A. MACLANG**
Age 77

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 Savings Bank, 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, and Bancnet, Inc., where he is also a Treasurer.
Other Previous Positions	* 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	ESTELITO P. MENDOZA
Age	86
Nationality	Filipino
Education	* Bachelor of Laws (cum laude) from the University of the Philippines * Master of Laws from the Harvard University
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	* Chairman of Prestige Travel, Inc. * Director of Philippine Airlines, Inc. * Practicing lawyer for more than sixty (60) years
Other Previous Positions	* Professorial Lecturer of law at the University of the Philippines * Undersecretary of Justice, Solicitor General and Minister of Justice * Member of the Batasang Pambansa and Provincial Governor of Pampanga * Chairman of the Sixth (Legal) Committee, 31 st 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.
Awards/Citations	* Doctor of Laws degree (honoris causa) by Central Colleges of the Philippines, Hanyang University, University of Manila, Angeles University Foundation and the University of the East * Doctor of Humane Letters degree by the Misamis University * Recipient of a Presidential Medal of Merit as Special Counsel on Marine and Ocean Concerns * University of the Philippines Alumni Association's 1975 "Professional Award in Law" and 2013 "Lifetime Distinguished Achievement Award"

Name	CHRISTOPHER J. NELSON
Age	56
Nationality	British
Education	* Bachelor of Arts and Masters of Arts in History from Emmanuel College, Cambridge University, U.K., * Diploma in Marketing from the Institute of Marketing, Cranfield, U.K.
Current Position in the Bank	Director
Date of First Appointment	March 21, 2013 (Director) May 27, 2014 (Board Advisor) May 26, 2015 (Director)
Directorship in Other Listed Companies	None
Other Current Positions	* Chairman of Lux Et Sal Corporation * Director of the Philippine Band of Mercy, the Federation of Philippine Industries, Bellagio 3 Condominium Association, Inc., and Greenlands Community * 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 Chairman * Member of the Society of Fellows of the Institute of Corporate Directors.
Other Previous Positions	* Director of PNB Holdings Corporation * Trustee of Tan Yan Kee Foundation * Director of the American Chamber of Commerce of the Philippines, Inc.

- * President of Philip Morris Philippines Manufacturing, Inc., a position he held for 10 years
- * 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

Name **FEDERICO C. PASCUAL**
Age 73
Nationality Filipino
Education

- * Bachelor of Arts, Ateneo de Manila University
- * Bachelor of Laws (Member, Law Honors Society), University of the Philippines
- * Masters of Laws in Columbia University

Current Position in the Bank Independent Director
Date of First Appointment May 27, 2014
Directorship in Other Listed Companies None
Other Current Positions

- * Chairman/Independent Director of PNB General Insurers Co., Inc.
- * Independent Director of PNB International Investments Corporation and PNB Holdings Corporation
- * President/Director of Tala Properties, Inc. and Woldingham Realty, Inc.
- * Director of Global Energy Growth System and Apo Reef World Resort
- * Proprietor of Green Grower Farm
- * Partner of the University of Nueva Caceres in Bataan.

Other Previous Positions

- * President and General Manager of Government Service Insurance System
- * President and CEO of Allied Banking Corporation
- * Various positions with PNB for twenty (20) years in various positions, including Acting President, CEO and Vice Chairman
- * President and Director of Philippine Chamber of Commerce and Industry
- * Chairman of National Reinsurance Corporation and PNOC-AFC
- * Co-Chairman of the Industry Development Council of the Department of Trade and Industry
- * Treasurer of BAP-Credit Guarantee
- * 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

Name **CECILIO K. PEDRO**
Age 62
Nationality Filipino
Education

- * Bachelor of Science in Business Management from the Ateneo de Manila University
- * Honorary Doctorate of Philosophy in Technological Management from the Technological University of the Philippines

Current Position in the Bank Independent Director
Date of First Appointment February 28, 2014
Other Current Positions

- * Chief Executive Officer (CEO)/President of Lamoayan Corporation
- * Chairman and CEO of Pneumatic Equipment Corporation and Action Container, Inc.
- * Director of CATS Motors, Manila Doctors Hospital and Philippine Business for Social Progress
- * Independent Director of PNB Savings Bank
- * Chairman of the Deaf Evangelistic Alliance Foundation, Inc.
- * Vice President of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.

Other Previous Positions

- * CEO/President of Aluminum Container, Inc.
- * Director of DBS Philippines, Inc. (formerly Bank of Southeast Asia, Inc.)

Awards/Citations

- * 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
- * Recognized by the House of Representative for his Exemplary Accomplishment in the Promotion of the Welfare of the Deaf Community on October 16, 2012

WASHINGTON Z. SYCIP
 94
 Filipino-American
 * Bachelor of Science in Commerce from the University of Sto. Tomas
 * Masters in Commerce from the University of Sto. Tomas and Columbia University

Director
 December 8, 1999
 * Chairman of Cityland Development Corporation
 * Independent Director of Belle Corporation, First Philippine Holdings Corporation
 * Lopez Holdings Corporation, and Metro Pacific Investments Corporation
 * Director of LT Group, Inc. and MacroAsia Corporation

Other Current Positions
 * Founder of SGV Group
 * One of the founders and Chairman Emeritus of the Asian Institute of Management
 * Member of the Board of Overseers of the Graduate School of Business at Columbia University
 * Honorary Chairman of the Euro-Asia Centre of INSEAD in Fontainebleau, France
 * Honorary Life Trustee of The Asia Society
 * Member of the Board of Directors of a number of other major corporations in the Philippines and other parts of the world

Other Previous Positions
 * President of the International Federation of Accountants
 * Member of the International Advisory Board of the Council on Foreign Relations
 * Vice Chairman of the Board of Trustees of The Conference Board
 * Chairman of the Asia Pacific Advisory Committee of the New York Stock Exchange
 * Served in the international boards of the American International Group, AT&T, Australia & New Zealand Bank, Caterpillar, Chase Manhattan Bank, Owens-Illinois, Pacific Dunlop and United Technologies Corporation, among others.
 * Board of Trustees of the Ramon Magsaysay Award Foundation and Eisenhower Exchange Fellowship

Awards/Citations
 * 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 and Asia Society
 * Ramon Magsaysay Award for International Understanding
 * Management Man of the Year given by the Management Association of the Philippines
 * 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

CARMEN K. TAN
 75
 Filipino
 Director
 May 31, 2016
 * Director of MacroAsia Corporation, LT Group, Inc., and PAL Holdings, Inc.

Other Current Positions
 * Director: Asia Brewery, The Charter House, Dominion Realty and Construction Corporation, Eton City, Inc., Foremost Farms, Inc., Philippine Airlines, Inc., Air Philippines Corporation, Fortune Tobacco Corporation, Himmel Industries, Incorporated, Lucky Travel Corporation, Manufacturing Services & Trade Corp., Progressive Farms, Inc., PMFTC, Inc., Shareholdings Inc., and Sipalay Trading Corp.

LUCIO C. TAN
 81
 Filipino
 Bachelor of Science in Chemical Engineering degree from Far Eastern University and later from the University of Sto. Tomas
 Doctor of Philosophy, Major in Commerce, from University of Sto. Tomas

Director
 December 8, 1999
 * Chairman and CEO: LT Group, Inc., PAL Holdings, Inc., and MacroAsia Corporation

Other Current Positions
 * Chairman and CEO of Philippine Airlines, Inc.
 * Chairman/President: Tangent Holdings Corporation and Lucky Travel Corporation
 * Chairman: Eton Properties Philippines, Inc., Asia Brewery, Inc., Tanduay Distillers, Inc., Fortune Tobacco Corporation, PMFTC, Inc., PNB Holdings Corporation, PNB Life Insurance, Inc., Allied Leasing and Finance Corporation, Allied Commercial Bank, PNB Savings Bank, and Allied Banking Corporation (HK) Ltd.
 * President: Basic Holdings Corporation, Himmel Industries, Inc., and Grandspan

Development Corporation
 * Chairman Emeritus of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.
 * Founder and Vice Chairman of the Foundation for Upgrading the Standard of Education, Inc.
 * Founded the Tan Yan Kee Foundation, Inc., of which he is the Chairman and President
 * Chairman: Allied Banking Corporation
 * Various honorary degrees for his outstanding achievements and leadership in the Philippines and other parts of the world

Other Previous Positions Awards/Citations

Name LUCIO K. TAN, JR.
Age 49
Nationality Filipino
Education * Bachelor of Science degree in Civil Engineering (Minors in classical Chinese Mandarin and Mathematics), University of California Davis, U.S.A.
 * 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
 * Courses in Basic and Intermediate Japanese Language, Languages International, Makati and Asia Center for Foreign Languages, Ortigas

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
Other Current Positions * President/Director of Tanduary Distillers, Inc. and Eton Properties Philippines, Inc.
 * Director of Bulawan Mining Corporation, PNB Capital and Investment Corporation, PNB Forex, Inc., PNB Management and Development Corporation, PNB Savings Bank, Allied Leasing and Finance Corporation, PNB Global Remittance and Financial Company (HK) Ltd., and Allied Banking Corporation (HK) Limited
 * Director of PMFTC, Inc., Philippine Airlines, Inc., Air Philippines Corporation, Allied Bankers Insurance Corporation, Foremost Farms, Inc., Manufacturing Services & Trade Corp., Grandspan Development Corporation, Absolut Distillers, Inc., Asia Brewery, Inc., Eton City, Inc., Asian Alcohol Corporation, Lucky Travel Corporation, Progressive Farms, Inc., Tanduary Brands International, Inc., The Charter House, Incorporated, Himmel Industries, Incorporated
 * EVP and Director of Fortune Tobacco Corporation
Other Previous Positions * President and Chief Executive Officer of MacroAsia Corporation
 * Director of Tanduary Distillers, Inc.
 * Executive Vice President of Fortune Tobacco Corporation

Name MICHAEL G. TAN
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 PAL Holdings, Inc. and Victorias Milling Corporation
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 Construct, 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

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities. (updated - 2015)

The Board of Directors ("Board") and Management of the Philippine National Bank ("PNB" or "Bank") commit themselves to adhere 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 ("Manual"). The Bank 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 its activities and various public; professionalism among its Board of Directors, executives and employees in managing the Bank, its subsidiaries and affiliates; and respect for the laws and regulations of the countries affecting its businesses. Internally, it follows a philosophy of rational check and balances as well as structured approach to its business operations.

The Board and Management believe that corporate governance is a critical component of sound strategic business management and will, therefore, undertake every effort necessary to create awareness within the organization to ensure that the principles of fairness, accountability and transparency are indispensable in conducting the day-to-day business of the Bank, its subsidiaries and affiliates.

The Bank recognizes that the most cogent proof of good corporate governance is visible to the eyes of its investors. Therefore, the following provisions regarding the Shareholders' Rights and Protection of Minority Stockholders' Interest are included in the Bank's Revised Corporate Governance Manual, for the guidance of all internal and external parties concerned, as governance covenant between the Bank and all its investors:

- (1) Right to vote on all matters that requires their consent or approval
 - Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- (2) Right to inspect corporate books and records
 - All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.
- (3) Right to information
 - The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Bank's shares, dealings with the Bank, relationships among directors and key officers, and the aggregate compensation of directors and officers.
 - The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate purposes; and
 - The minority shareholders shall have access to any information relating to matters for which management is accountable.
- (4) Appraisal right
 - The shareholders shall have the appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code, under certain circumstances.
- (5) Right to dividends
 - Dividends shall be declared and paid out of the surplus profits of the Bank as often and at such times as the Board may determine and in accordance with the provisions of the law and regulations of the Bangko Sentral ng Pilipinas.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders rights and allow possibilities to seek redress for any violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions, subject to legal constraints.

All material information about the Bank which could adversely affect its viability or the interest of its stockholders and other stakeholders shall be publicly disclosed to the regulators in a timely manner. All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the Annual Report.

The Board is primarily accountable to the stockholders. The Board shall commit at all times to fully disclose material information dealings for the interest of the stakeholders. It shall be the Board's responsibility to foster the long-term success of the Bank, its subsidiaries and affiliates; and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives, for the best interest of the Bank, its stockholders, its depositors and other creditors, its management and employees, the regulators, deposit insurer and the public at large.

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 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. The stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.

(c) How often does the Board review and approve the vision and mission?

The review of the vision and mission is done every year at the start of the strategic planning process as all objectives, KRAs and performance indicators are aligned with the strategic directions of the Bank as articulated in the vision-mission statements.

A more structured review of the vision and mission for possible revision is conducted at the start of the crafting of a long-range plan such as the five-year development plan of the Bank or the crafting of the integration plan of the merged Bank.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group² (updated – June 24, 2016)

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Florencia G. Tarriela	PNB Capital and Investment Corporation	Chairman/ID
	PNB International Investments Corporation	ID
	PNB-IBJL Leasing and Finance Corporation	Chairman/ID
	PNB-IBJL Equipment Rentals Corporation	Chairman/ID
Felix Enrico R. Alfiler	PNB RCI Holdings Co., Ltd.	Chairman/ID
	PNB International Investments Corporation	ID
	PNB Savings Bank	ID
	PNB Securities, Inc.	ID
Florido P. Casuela	PNB Securities, Inc.	Chairman
	PNB RCI Holdings Co., Ltd.	NED
	PNB International Investments Corporation	NED
	PNB Life Insurance, Inc.	NED
	PNB Savings Bank	NED
Leonilo G. Coronel	None	Not Applicable
Edgar A. Cua	PNB Capital and Investment Corporation	ID
Reynaldo A. Maclang	PNB (Europe) Plc	Chairman
	PNB Savings Bank	Vice Chairman
	Allied Leasing and Finance Corporation	NED
	PNB Forex, Inc.	NED
	Bulawan Mining Corporation	NED
	PNB Management Development Corporation	ED
	PNB Global Remittance and Financial Co., (HK) Ltd.	ED
Estelito P. Mendoza	None	Not Applicable
Christopher J. Nelson	None	Not Applicable
Federico C. Pascual	PNB General Insurers Co., Inc.	Chairman/ID
	PNB Holdings Corporation	ID
	PNB-IBJL Leasing and Finance Corporation	ID
	PNB-IBJL Equipment and Rentals Corporation	ID
	PNB International Investments Corporation	ID
Cecilio K. Pedro	PNB Savings Bank	ID
Washington Z. Sycip	None	Not Applicable
Carmen K. Tan	None	Not Applicable
Lucio C. Tan	Allied Leasing and Finance Corporation	Chairman
	PNB Life Insurance, Inc.	Chairman
	PNB Savings Bank	Chairman
	Allied Commercial Bank	Chairman
	Allied Banking Corporation (HK) Ltd.	Chairman
	PNB Holdings Corporation	Chairman
Lucio K. Tan, Jr.	PNB Forex, Inc.	NED
	Bulawan Mining Corporation	NED
	PNB Management Development Corporation	NED
	Allied Leasing and Finance Corporation	NED
	PNB Savings Bank	NED
	Allied Commercial Bank	NED
	Allied Banking Corporation (HK) Ltd.	NED
	PNB Global Remittance and Financial Co., (HK) Ltd.	NED
Michael G. Tan	PNB Management Development Corporation	Chairman
	PNB Forex, Inc.	NED
	Bulawan Mining Corporation	NED

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

	PNB Savings Bank	NED
	Allied Commercial Bank	NED
	PNB Global Remittance and Financial Co., (HK) Ltd.	NED
	Allied Banking Corporation (HK) Ltd.	NED

(ii) Directorship in Other Listed Companies (updated – May 31, 2016)

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Florencia G. Tarriela	LT Group, Inc.	ID
Leonilo G. Coronel	Megawide Construction Corporation	ID
Estelito P. Mendoza	San Miguel Corporation Petron Corporation	NED NED
Washington Z. SyCip	Belle Corporation Cityland Development Corporation First Philippine Holdings Corporation Lopez Holdings Corporation LT Group, Inc. MacroAsia Corporation Metro Pacific Investments Corporation	ID Chairman ID ID NED NED ID
Carmen K. Tan	LT Group, Inc. MacroAsia Corporation PAL Holdings, Inc.	NED NED NED
Lucio C. Tan	PAL Holdings, Inc. LT Group, Inc. MacroAsia Corporation	Chairman and CEO Chairman and CEO Chairman/NED
Lucio K. Tan, Jr.	MacroAsia Corporation LT Group, Inc. PAL Holdings, Inc. Victorias Milling Corporation	NED NED NED NED
Michael G. Tan	LT Group, Inc. PAL Holdings, Inc. Victorias Milling Company	ED NED NED

(iii) Relationship within the Company and its Group (updated – May 31, 2016)

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Lucio C. Tan	LT Group, Inc. (LTG) (indirect – beneficial owner)	Mr. L. Tan is the Chairman and CEO of LTG.
Carmen K. Tan		Ms. Tan is a director of LTG.
Lucio K. Tan, Jr.		Mr. L. Tan, Jr. is a director of LTG.
Washington Z. SyCip		Mr. SyCip is a director of LTG.
Michael G. Tan		Mr. M. Tan is the President and COO of LTG.
Florencia G. Tarriela		Ms. Tarriela is an independent director of LTG.

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines: (updated – 2015)

	Guidelines	Maximum Number of Directorships in other companies
Executive Director (ED)/ Chief Executive Officer (CEO)	PNB Revised Corporate Governance Manual	The following guidelines shall be considered in the determination of the number of directorship in the Board: (i) nature of the business of the corporations in which the director is a director; (ii) age of the director; (iii) number of directorship/ active membership and officership in other corporations or organizations; and (iv) possible conflict of interest.
Non-Executive Director (NED)		

		In general, the optimum number shall be related to the capacity of a director to perform his duties diligently.
	Guidelines	Maximum Number of Directorships in other companies
	Sec. X145 of the Manual of Regulations for Bank (MORB) re: Interlocking Directorships and/or Officerships	Subject to MORB restrictions which state that "except as may be authorized by the Monetary Board or as otherwise provided in the MORB, there shall be no concurrent directorship or interlocking directorship and officership between banks or between a bank and a quasi-bank (QB) or a non-bank financial institution (NBFi)".
	PNB Revised Corporate Governance Manual	An Independent Director (ID) can be elected to a maximum of five (5) companies within a single business conglomerate, i.e., parent company, subsidiary or affiliate. ID of the bank may only serve as such for a total of five (5) consecutive years. ID shall be ineligible for re-election unless he has undergone a "cooling off" period for two (2) years. After the two (2) year "cooling off" period, an ID can be re-elected and serve for another five (5) consecutive years and shall be perpetually barred from being elected as such after serving for ten (10) years.

(e) Shareholding in the Company (updated – June 24, 2016)

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Florencia G. Tarruela	2	0	0.0000001601
Felix Enrico R. Alfiler	0	10,215 (PCD Nominee Corporation – Filipino)	0.0008177628
Florido P. Casuela	0	133 (PCD Nominee Corporation – Filipino)	0.0000106473
Leonilo G. Coronel	0	1 (PCD Nominee Corporation – Filipino)	0.0000000801
Edgar A. Cua	0	100 (PCD Nominee Corporation – Filipino)	0.0000080055
Reynaldo A. Maclang	155	0	0.0000124085
Estelito P. Mendoza	0	1,150 (PCD Nominee Corporation – Filipino)	0.0000920634
Christopher J. Nelson	0	100 (PCD Nominee Corporation – Non-Filipino)	0.0000080055
Federico C. Pascual	38	1 (PCD Nominee Corporation – Filipino)	0.0000031222
Cecilio K. Pedro	5,000	0	0.0004002755
Washington Z. Sycip	39,111	0	0.0031310350
Carmen K. Tan	0	5,000 (PCD Nominee Corporation – Filipino)	0.0004002755
Lucio C. Tan	14,843,119	0	1.1882673540
Lucio K. Tan, Jr.	2,300	0	0.0001841267
Michael G. Tan	250	0	0.0000200138
TOTAL	14,889,975	16,700	1.1933553359

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board: (updated – May 31, 2016)

Committee	No. of Members			Committee Charter
	Executive Director	Non-Executive Director	Independent Director	
Executive Committee	1	5	3*	Yes
Board Audit and Compliance Committee	0	0	3	Yes
Corporate Governance/Nomination Com	1	3	1	Yes
Risk Oversight Committee	0	1	2	Yes
Trust Committee	2**	1	2	Yes
Board Oversight Committee – Domestic & Foreign Offices/Subsidiaries	0	1	2	Yes
Board Oversight RPT Committee	2***	0	3	Yes
Board I.T. Governance Committee	0	4	1	Yes

(*) Non-voting members

(**) Ex-officio members

(***) Resource Persons

BOARD COMMITTEES' FUNCTIONS/KEY RESPONSIBILITIES AND POWER/AUTHORITY (updated – June 24, 2016):

A. EXECUTIVE COMMITTEE (EXCOM)

Function: The Executive Committee shall perform the functions and duties as the Board may delegate.

Key Responsibilities and Power/Authority:

- To exercise its authority to endorse or approve loan recommendations from the Corporate Banking Group (CBG), Commercial Banking Group (ComBG), Retail Banking Group (RBG), and Consumer Finance Group (CFG).
- To evaluate, approve and endorse for Board approval investments in bonds, shares of stock or other financial assets; any borrowings, issuance of capital market instruments and bonds, capital allocation and necessary equity raising exercise
- To approve the restructuring, payment plan, compromise settlement or write-off of past due, problematic and remedial accounts.
- To endorse for Board approval the establishment, relocation, renovation or closure of domestic and overseas branches/offices including the approval of the needed budget.
- To act on proposal for the lease, sale, disposal and any matter pertaining to Real and Other Properties Acquired (ROPAs).
- To approve disbursements for expenses, fines and penalties.
- To propose mergers and acquisitions and provide the budget thereof for Board approval.
- To approve the purchase of real & personal property, divestiture or disposal of assets.
- To review, evaluate, approve and/or endorse for Board approval policies, procedures and manuals of products and services to be offered to the Bank's domestic and overseas market.
- To determine the risk appetite and set limits on risk taking activities.
- To evaluate and endorse for Board approval Annual Strategic Forecasts, Plans and Budget
- In coordination with the Board Audit & Compliance committee, conduct monthly/quarterly/periodic reviews of financial reports.
- To review, evaluate, approve and/or endorse for board approval the Bank's capital planning, risk assessment, policies and procedures and provide oversight on the adoption and implementation of the Bank's board-approved ICAPP program.
- All credit transactions approved by the Executive Committee shall be submitted to the Board for notation.

B. BOARD AUDIT AND COMPLIANCE COMMITTEE (BACC)

Function: The purpose of the Board Audit and Compliance Committee is: (i) to assist the Board in the performance of its oversight responsibility relating to financial reporting process, systems of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations. ; (ii) provide oversight functions over internal and external auditors and ensure that the internal and external auditors act independently from each other; (iii) provide oversight over compliance functions and/or oversee the compliance program; (iv) the annual independent audit of PNB's financial statements, engagement of the external auditors and the evaluation of the external auditor's qualifications, independence and performance; (v) compliance by PNB with legal and regulatory requirements, including PNB's disclosure controls and procedures; and (vi) fulfillment of the other responsibilities set out therein.

Key Responsibilities and Power/Authority:

- On Financial Statements: (a) review the quarterly, semi-annual, annual and periodic financial statement signed by the CEO and CFO prior to submission to the Board; and (b) establish a system that addresses, in a timely and effective manner, findings or fraud or error on the financial statements.
- As an oversight of the Bank's External Auditors.
- As an oversight of the Bank's Internal Auditor.
- As an oversight of the Bank's Chief Compliance Officer.
- Monitor and evaluate the adequacy and effectiveness of the Bank's internal control system including financial reporting control and information technology security.
- Receive and review reports of internal and external auditors, compliance and regulatory agencies, where applicable and ensure that Management is taking appropriate corrective actions in a timely manner.
- Conduct self-assessment of the performance of the Bank, BACC as a whole, as well as the individual performance of each committee member annually.
- Review and evaluate the self-assessment of the performance of the Compliance and Audit Committees of the Bank's subsidiaries

- and affiliates to ensure that the respective Compliance and Audit Committee policies and activities are aligned with the Bank.
9. Review and assess the adequacy of the BACC Charter annually and recommend any proposed changes for approval of the Board of Directors.
 10. Establish effective audit programs that cover IT risk exposures throughout the Bank, risk-focused, promote sound IT controls, ensure the timely resolution of audit deficiencies and period reporting to the Board on the effectiveness of the Banks' IT risk management, internal controls, and IT governance.
 11. Shall have explicit authority to investigate any matter within its terms and reference, full access to and cooperation by Management and full discretion to invite any director or executive officer to attend its meetings, and adequate resources to enable it to effectively discharge its functions.
 12. Shall have the sole authority to select, evaluate, appoint, dismiss, replace and re-appoint the external auditor (subject to stockholder ratification) based on fair and transparent criteria.
 13. Shall have the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting, or other consultants to advise the Committee.
 14. May form and delegate authority to sub-committees, comprised of one or more members of the Committee, as necessary or appropriate.
 15. Shall ensure that a review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually.
 16. Shall establish and maintain mechanisms by which officers and staff may, in confidence, raise concerns about possible improprieties or malpractices in matters of financial reporting, internal control, auditing or other issues to persons or entities that have the power to take corrective action.

C. CORPORATE GOVERNANCE/NOMINATION/REMUNERATION COMMITTEE

Function: The Corporate Governance/Nomination/Remuneration Committee assists the Board of Directors in fulfilling its corporate governance responsibilities and ensures the Board's effectiveness and due observance of corporate governance principles and guidelines and the selection of members of the Board and senior executives of the Bank as well as in the appointment of the members of the respective Board committees.

Key Responsibilities and Power/Authority:

1. Review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Directors.
2. Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.
3. Ensure that the Bank shall have at least two (2) Independent Directors (IDs) or such IDs shall constitute at least twenty percent (20%) of the members of the Board, and that any fractional result from applying the required minimum proportion, shall be rounded-up to the nearest whole number.
4. Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualification.
5. Develop a form on full business interest disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
6. Oversee the periodic performance evaluation of the Board and its committees and executive management.
7. Review and evaluate the annual self-assessment of the directors, board and committees prior to Board approval/notation.
8. Conduct an annual self-evaluation of the board committee's performance prior to Board approval/notation.
9. Decide the manner by which the Board's performance may be evaluated, as well as whether or not a director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation).
10. Adopt internal guidelines that will determine the number of directorships of its members that can hold in other corporations and address the competing time commitments that are faced when directors of the Bank serve on multiple boards.
11. Make recommendation to the Board and formulate such policies regarding the continuing education of directors, assignment to Board Committees, succession plan for Board members and senior officers, and their remuneration commensurate with corporate and individual performance.
12. Review and formulate policies to strengthen provision on conflict of interest, salaries and benefits, promotion and career advancement of personnel concerned in line with the existing professional development program and succession plan for senior management.
13. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Bank's culture, financial capacity, business strategy and control environment.
14. Designate the amount of remuneration and fringe benefits, which shall be at a sufficient level to attract and retain directors and officers who are needed to run the Bank successfully.
15. Disallow any director to decide his or her own remuneration.
16. Provide in the Bank's annual reports, information and proxy statements a clear, concise and understandable disclosure of the aggregate compensation of its executive officers for the previous year and the ensuing year.
17. Establish strategic objectives and a set of corporate values that are communicated throughout the institution.
18. Set and enforce clear lines of responsibility and accountability throughout the Bank.
19. Ensure that the Board members are qualified for their positions, have a clear understanding of their role in corporate governance and are not subject to undue influence from Management or outside concerns.
20. Effectively utilize the work conducted by internal and external auditors in recognition of the important control function they provide.
21. Ensure that compensation approaches are consistent with the Bank's ethical values, objectives, strategy and control environment.
22. Conduct corporate governance in a transparent manner.
23. Receive and evaluate complaints regarding conflict of interest situations.

D. RISK OVERSIGHT COMMITTEE (ROC)

Functions: The BSP-mandated functions of the Risk Oversight Committee are as follows:

1. Identify and evaluate exposures – the ROC shall assess the probability of each risk becoming reality and shall estimate its possible effect and cost. Priority areas of concern are those risks that are most likely to occur (high probability) and are costly when they happen (high severity).
2. Develop risk management strategies – the ROC shall develop a written plan defining the strategies for managing and controlling the major risks. It shall identify practical strategies to reduce the chance of harm and failure or minimize losses if the risk becomes real.
3. Oversee the implementation of the risk management plan – the ROC shall conduct regular discussions on the Bank's current risk exposures based on regular management reports and assess how the concerned units or offices reduced these risks.
4. Review and revise the plan as needed – the ROC shall evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. It shall revisit strategies, look for emerging or changing exposures, and stay abreast of developments that affect the likelihood or harm or loss.

Key Responsibilities: The duties and responsibilities of the ROC with respect to the different fields that it covers according to its charter are the following:

Operational and Legal Risks

1. Approve the basic structure of the framework for managing operational risk (i.e. arising from process, system, people and external event), which includes legal risk.
2. Mandated to be aware of the major aspects of the Bank's operational and legal risks, it shall: (a) review, on continuing basis, operational and legal risk exposures and loss events by major business lines; and (b) oversee the effective resolution, management and control of the Bank's operational and legal risk.
3. Assume an oversight role through the Chief Risk Officer and Chief Audit Executive with respect to the management's responsibility for maintaining and implementing effective policies and procedures for managing operational risk in all of the Bank's products, activities, processes and systems; and through the Chief Legal Counsel with respect to legal risk.

Strategic and Financial Risks

1. Assume an oversight role through the Head of Corporate Planning Division in monitoring the compatibility of the Bank's strategic goals, business strategies developed, resources deployed and quality of implementation.
2. Review and discuss with management the performance versus target of major business units. ROC may request management for an explanation on unfavourable variance and direct management to change certain policies and strategies.
3. Assess how the Bank generates income and analyze the sensitivity of the Bank's earnings given a set of business conditions.

Reputation Risk: Assume an oversight role through the Service Quality Officer in ensuring the abundance of caution in dealing with customers and the community, as well as the Bank's responsiveness in addressing negative public opinion.

Technology Risk: Assume an oversight role through the IT Governance Committee in ensuring that technology and information security risks are properly identified, monitored, reported and mitigated. This assumes that each member of the ROC:

1. Have the knowledge and skills necessary to understand and effectively manage technology-related risks.
2. Ensure that – (a) an effective technology planning process exists; (b) technology is implemented properly with appropriate controls; and (c) measurement and monitoring efforts effectively identify ways to manage risk exposure.
3. Review, recommend for Board approval, and monitor technology projects that may have significant impact on the Bank's operations, earnings or capital.
4. Establish clearly-defined measurement objectives and conduct periodic reviews to ensure that goals and standards established by management are met.

Compliance Risk: Assume an oversight role through the Chief Compliance Officer with respect to compliance with laws, rules, regulations, prescribed practices, internal policies and procedures or ethical standards.

Trust Risk: Assumes the oversight role through the bank's Trust Risk Officer with the Corporate Risk Manager, for the identification, measurement, monitoring and control of operations of the Trust Banking Group. This is a specialized function that is distinct from Trust banking Operations.

Credit Risk

1. Oversee the Bank wide management of the credit risk internal in the entire portfolio and ensure the adequacy of provisions.
2. Ensure that the following sound and best practices in credit risk management are in place and conduct periodic review of the same: (a) policy and infrastructure; (b) sound credit granting process; (c) system for administration and monitoring of exposure; (d) portfolio management; (e) credit review; (f) review the adequacy of valuation reserves; and (g) work out system for managing problem credits.

Market Risk: Recommend for Board approval market risk policies and risk limits for all trading and balance sheet-related market risks and for investment securities activities.

Interest Rate Risk: Approve the methodology, models and assumptions used to measure market and interest rate risks.

Liquidity Risk: Review compliance with established limits.

Others: Performs such other functions as may be mandated by the Board and regulatory bodies relevant to risk management.

Power/Authority: The ROC has the authority to implement the following:

1. Direct management to submit regular reports on current risk exposures on operational, legal, compliance, strategic, reputation, technology and other risks as well to address said risks.
2. Approve or endorse for Board approval the proposed risk policies and procedures.
3. Access to all Bank's records and any officer or employee of the Bank, as it deems necessary.

E. TRUST COMMITTEE

Function: The Trust Committee provides direction for the trust business and management of trust assets, fiduciary accounts, investments and trust services.

Key Responsibilities and Power/Authority:

1. Acts within the sphere of authority as may be provided in the Amended By-Laws and/or as may be delegated by the Board of Directors, such as but not limited to the following:
 - (a) The formulation of specific policies with regard to: (i) correlation of the Trust Banking Group with other departments of the Bank; (ii) personnel; (iii) cost and charges; (iv) kinds of business to be accepted; (v) trust business development; (vi) work with other banks and/or financial institutions;
 - (b) The acceptance and closing of trust and other fiduciary accounts;
 - (c) The initial review of assets placed under the custody of the Trust Banking Group as trustee or fiduciary;
 - (d) The investment, reinvestment and disposition of funds or property;
 - (e) The review and approval of transactions between trust and/or fiduciary accounts; and
 - (f) The review of trust and other fiduciary accounts at least once every twelve (12) months to determine the advisability of retaining or disposing of the trust or fiduciary assets, and/or whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship."
2. Reports directly to the Board of Directors and is primarily responsible for overseeing the fiduciary activities of the Bank/NBFI. In discharging its functions, it shall:
 - (a) Ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations and prudent practices;
 - (b) Ensure that policies and procedures that translate the Board's objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective;
 - (c) Oversee the implementation of the risk management framework and ensure that internal controls are in place relative to fiduciary activities;
 - (d) Adopt an appropriate organizational structure/staffing pattern and operating budgets that shall enable the Trust Banking Group to effectively carry out its functions;
 - (e) Oversee and evaluate performance of the Trust Officer; and
 - (f) Report regularly to the Board of Directors on matters arising from fiduciary activities.

F. BOARD OVERSIGHT COMMITTEE – DOMESTIC & FOREIGN OFFICES/SUBSIDIARIES

Function: The Board Oversight Committee was created to provide the required oversight on the domestic and foreign offices/subsidiaries to ensure their profitable operations and long-term viability consistent with the Bank's strategic goals.

Key Responsibilities and Power/Authority:

1. To provide oversight on the business plans, initiatives, overall business operations and regulatory compliance of the domestic subsidiaries and overseas offices to include foreign branches, subsidiaries, marketing desk offices and representative offices.
2. To establish the strategic objectives and the business priorities for the domestic subsidiaries and overseas offices that needs to be regularly communicated throughout the domestic subsidiaries and overseas offices. This will include the evaluation and approval of the Bank's short term, medium term and long term strategic plans and the supporting schedules as components of the major plans and key activities. On periodic basis, the Committee will require the re-forecasting of financial budgets/plans, capital/equity investments, contingency plans and significant changes in market positioning, budgets and re-alignment of the ICAAP Programs for specific business entities.
3. To supervise the formulation of policy guidelines and procedures to ensure the quality of compliance and risk management of the different business legal vehicles by focusing on key risk areas that require closer supervision by the Board and implementation of timely effective corrective actions and/or plans by senior management.
4. To conduct periodic financial performance and management profitability reviews and be informed of market and economic developments and changes in laws and regulatory environment for each of the domestic and overseas business legal vehicle, in coordination with the respective entity Board of Directors, other board committees and senior management group heads that provide oversight support to the domestic subsidiaries and overseas offices.
5. To review and approve business models/licenses, product programs, operations policy and procedures manuals, IT systems and developments, major marketing tie-ups/programs.
6. To review and evaluate qualification of key personnel recommended to be hired or appointed for the domestic subsidiaries and overseas offices as well as those nominated to positions requiring the confirmation of the Board of Directors, and formulate policies

for the continuing education of key officers in domestic subsidiaries and overseas offices, their assignment to management committees and the succession planning for the domestic subsidiaries and overseas offices senior management.

G. BOARD OVERSIGHT RPT COMMITTEE

Function: 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 of management, board members and shareholders.

Key Responsibilities and Power/Authority:

1. Oversee the evaluation of relevant related party transactions (RPT) that present the risk of potential abuse and ensure that rules and regulations, accounting standards in each jurisdiction are considered to properly and effectively implement the Bank's RPT policy guidelines;
2. Exercise sound and objective judgment on the related party transactions for the best interest of the Bank and that the processes and approvals are conducted at arm's length basis;
3. Endorse the related party transaction to the Board for approval.
4. Review and approve policy guidelines and implementing procedures in the handling of relevant RPTs by ensuring an effective compliance with existing laws, rules and regulations, accounting standards and global best practices;
5. Review and inform the Board in advance of any related party transaction causing material conflicts of interest, conclude the transaction with the approval of the Board through an effective monitoring system;
6. Oversee the proposed deals on RPTs clearly articulate the identity of the parties involved and the terms of transactions are made substantially on the same terms as other individuals and businesses of comparable risk;
7. Ensure Bank compliance with the disclosure and reporting of materially significant RPTs.

H. BOARD I.T. GOVERNANCE COMMITTEE

Function: The Board I.T. Governance Committee was created to assist the Board in performing its oversight functions in reviewing, approving and monitoring the Information Technology (IT) Risk Management Framework and IT Strategic Plan of the PNB Group.

Key Responsibilities and Power/Authority:

1. Oversee the development of the long-term and short-term Enterprise IT Strategic Plans.
2. Ensure that IT laws, IT regulatory guidelines and IT corporate standards are considered in the proper and effective implementation of IT risk management policies and procedures.
3. Endorse IT related plans, IT projects, IT policy guidelines and procedures to the Board for approval.
4. Has oversight of the IT Risk Management System.
5. Review and endorse for approval of the Board the Enterprise IT Strategic Plans of the Parent Bank, its subsidiaries and affiliates.
6. Evaluate and endorse for approval of the Board the IT Organizational Structure of the PNB Parent Bank and related entities belonging to the PNB Group - foreign branches, domestic and foreign subsidiaries and affiliates.
7. Review and endorse for approval of the Board the IT Risk Assessment of the PNB Group and its member entities.
8. Review and endorse for approval of the Board IT policy guidelines and implementing procedures in related to IT functions, processes and systems and ensuring adherence to existing laws, rules and regulations, and global best practices;
9. Review and inform the Board in a timely manner critical IT Projects and endorse approval of necessary IT budgets to support business plans and priorities.
10. Oversee that IT Project proposals are consistent with the overall IT Strategic Plans.
11. Monitor the IT Group performance, IT Projects and in-sourcing and out-sourcing activities of IT functions and services provided to related entities.
12. Review and monitor significant IT concerns and corrective actions arising from regulatory examinations, internal audits and external reviews.

2) Committee Members (updated – June 24, 2016)

(a) Executive Committee

Office	Name	Date of Last Appointment
Chairman (NED)	Florido P. Casuela	May 31, 2016
Member (NED)	Leonilo G. Coronel	May 31, 2016
Member (ED)	Reynaldo A. Maclang	May 31, 2016
Member (NED)	Christopher J. Nelson	May 31, 2016
Member (NED)	Lucio K. Tan, Jr.	May 31, 2016
Member (NED)	Michael G. Tan	May 31, 2016
Member (ID)	Felix Enrico R. Alfiler	May 31, 2016
Member (ID)	Federico C. Pascual	May 31, 2016
Member (ID)	Florencia G. Tarriela	May 31, 2016

(b) Board Audit and Compliance Committee (BACC)

Office	Name	Date of Last Appointment
Chairman (ID)	Felix Enrico R. Alfiler	May 31, 2016
Member (ID)	Edgar A. Cua	May 31, 2016
Member (ID)	Florencia G. Tarriela	May 31, 2016

The Board Audit and Compliance Committee shall be composed of at least three (3) Board members, who shall preferably have accounting and finance background, two (2) of whom shall be independent directors, including the Chairman and another non-executive director with audit experience. The members of the BACC and the Committee Chair shall be appointed by the Board.

Disclose the profile and qualification of the Audit Committee members.

Name	FELIX ENRICO R. ALFILER
Age	66
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	<ul style="list-style-type: none"> * Chairman/Independent Director of PNB RCI Holdings Co., Ltd. * Independent Director of PNB-IBJL Leasing and Finance Corporation, PNB Savings Bank and PNB International Investments Corp.
Other Previous Positions	<ul style="list-style-type: none"> * 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 Bangko Sentral ng Pilipinas * 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 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	EDGAR A. CUA
Age	60
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Arts in Economics degree (Honors Program) from the Ateneo de Manila University * Masters of Arts in Economics degree from the University of Southern California * Masters of Planning Urban and Regional Environment degree from the University of Southern California * Advanced Chinese from the Beijing Language and Culture University * Sustainable Development Training Program, Cambridge University
Current Position in the Bank	* Independent Director
Date of First Appointment	* May 31, 2016
Other Current Position	* Director of Davao Unicar Corporation
Previous Positions	<ul style="list-style-type: none"> * 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. * Staff Consultant, SGV & Co.

Name	FLORENCIA G. TARRIELA
Age	69
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Science in Business Administration degree, Major in Economics, University of the Philippines * Masters in Economics degree from the University of California, Los Angeles, where she topped the Masters Comprehensive Examination
Current Position in the Bank	Chairman of the Board/Independent Director
Date of First Appointment	<ul style="list-style-type: none"> * May 29, 2001 (as Director) * May 24, 2005 (as Chairman of the Board) * May 30, 2006 (as Independent Director)
Directorship in Other Listed Companies	Independent Director of LT Group, Inc.
Other Current Positions	<ul style="list-style-type: none"> * Independent Director of PNB Capital and Investment Corporation, PNB Life Insurance, Inc., PNB International Investments Corporation, and LT Group, Inc. * Columnist for "Business Options" of the Manila Bulletin and "FINEX Folio" of Business World * Director/Vice President of Tarriela Management Company and Director/Vice President/Assistant Treasurer of Gozon Development Corporation * Life Sustaining Member of the Bankers Institute of the Philippines and FINEX, where she is also a Director * Trustee of TSPI Development Corporation, TSPI MBA, and Foundation for Filipino Entrepreneurship, Inc. * 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" * Environmentalist and practices natural ways of gardening
Other Previous Positions	<ul style="list-style-type: none"> * Undersecretary of Finance * Alternate Board Member of the Monetary Board of the Bangko Sentral ng Pilipinas, Land Bank of the Philippines and the Philippine Deposit Insurance Corporation * Deputy Country Head, Managing Partner and the first Filipina Vice President of Citibank N. A.
Awards/Citations	<ul style="list-style-type: none"> * 2014 Most Outstanding Citibank Philippines Alumni awardee for community involvement

Describe the Audit Committee's responsibility relative to the external auditor.

The Committee shall have the sole authority to select, evaluate, appoint, and replace the External Auditors subject to stockholder ratification. It shall recommend to the Board of Directors to grant the President the authority to negotiate and finalize the terms and conditions of the audit engagement as well as the audit fees, and sign, execute and deliver the corresponding contract and all non-audit engagement with the External Auditors subject to the confirmation of the BACC members. Provide oversight of the Bank's External Auditor. Discuss with the External Auditor before the audit commences the nature, scope of the audit. Responsible for the selection process and endorsement of the External Auditor to the Board for approval. Receive and review the reports of external auditor and ensure that Management is taking appropriate corrective actions in a timely manner in addressing control and compliance functions with regulatory agencies. Evaluate and determine the non-audit work of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their total annual income and to the Bank's overall consultancy expenses.

(c) Corporate Governance Committee*

Office	Name	Date of Last Appointment
Chairman (ID)	Florencia G. Tarriela	May 31, 2016
Member (ED)	Reynaldo A. Maclang	May 31, 2016
Member (NED)	Christopher J. Nelson	May 31, 2016
Member (NED)	Florido P. Casuela	May 31, 2016
Member (NED)	Michael G. Tan	May 31, 2016

* The Corporate Governance Committee acts as the Bank's Nomination and Remuneration Committee

(d) Risk Oversight Committee

Office	Name	Date of Last Appointment
Chairman (ID)	Felix Enrico R. Alfiler	May 31, 2016
Member (NED)	Florido P. Casuela	May 31, 2016
Member (ID)	Edgar A. Cua	May 31, 2016

(e) Trust Committee

Office	Name	Date of Last Appointment
Chairman (ID)	Federico C. Pascual	May 31, 2016
Member (NED)	Leonilo G. Coronel	May 31, 2016
Member (ID)	Cecilio K. Pedro	May 31, 2016
Ex-Officio Member	Reynaldo A. Maclang	May 31, 2016
Ex-Officio Member	Roberto S. Vergara	May 31, 2016

(f) Board Oversight Committee – Domestic and Foreign Offices/Subsidiaries

Office	Name	Date of Last Appointment
Chairman (NED)	Christopher J. Nelson	May 31, 2016
Member (ID)	Felix Enrico R. Alfiler	May 31, 2016
Member (ID)	Federico C. Pascual	May 31, 2016

(*) Domestic Subsidiaries

Office	Name	Date of Last Appointment
Chairman (NED)	Christopher J. Nelson	May 31, 2016
Member (ID)	Felix Enrico R. Alfiler	May 31, 2016
Member (ID)	Federico C. Pascual	May 31, 2016

(*) Overseas Subsidiaries

(g) Board Oversight RPT Committee

Office	Name	Date of Last Appointment
Chairman (ID)	Federico C. Pascual	May 31, 2016
Member (ID)	Edgar A. Cua	May 31, 2016
Member (ID)	Cecilio K. Pedro	May 31, 2016
Non-voting Member	Alice Z. Cordero	May 31, 2016
Non-voting Member	Dioscoro Teodorico L. Lim	May 31, 2016

(h) Board IT Governance Committee

Office	Name	Date of Last Appointment
Chairman (NED)	Leonilo G. Coronel	May 31, 2016
Member (NED)	Lucio K. Tan, Jr.	May 31, 2016
Member (NED)	Christopher J. Nelson	May 31, 2016
Member (NED)	Florido P. Casuela	May 31, 2016
Member (ID)	Florencia G. Tarriela	May 31, 2016