

COVER SHEET

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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

Month

3 1

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 amount of Borrowings

Total No. of Stockholders

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

SECURITIES AND EXCHANGE
COMMISSION
MAR 02 2018
MARKET REGULATION DEPT.
BY: Coyie TIME: 9:00

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 24, 2018
 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 27, 2018
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):

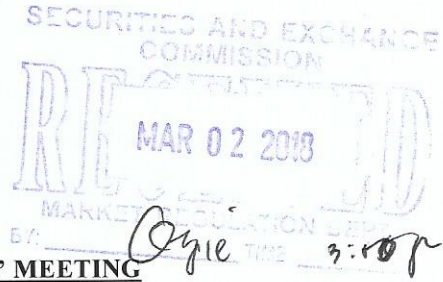
Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
COMMON SHARES	1,249,139,678

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 24, 2018, 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 2017 Annual Stockholders' Meeting held on April 25, 2017
4. Report of the President on the Results of Operations for the Year 2017
5. Approval of the 2017 Annual Report
6. Amendment of the By-Laws, as follows:
 - a. Section 4.4, Article IV, to include the preparation and sending out of supporting documents to the notice of the meeting in electronic form;
 - b. Section 4.8, Article IV, to delete the list of specific items to be included in the agenda of the annual stockholders' meeting;
 - c. Section 5.17, Article V, to update the manner of reporting of Board Committees to the Board of Directors; and
 - d. Sections 6.1, 6.4 and 6.6, Article VI, to update the classification, duties and responsibilities of certain officers of the Bank
7. Ratification of All Legal Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2017 Annual Stockholders' Meeting
8. Election of Directors
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

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

Minutes of the 2017 Annual Stockholders' Meeting, as well as the resolutions of the Board of Directors from the last stockholders' meeting held on April 25, 2017 up to the present, are available for examination during office hours at the Office of the Corporate Secretary located at the 9th Floor, PNB Financial Center, President Diosdado Macapagal Blvd., Pasay City, Metro Manila.

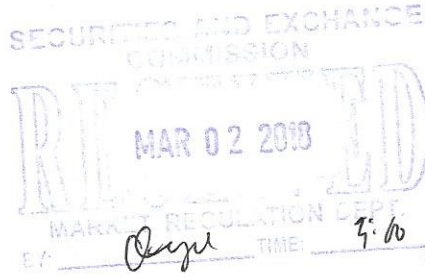
Only stockholders of record as of March 26, 2018 will be entitled to notice of, and to vote at, the meeting. Registration will begin at 6:00 a.m. on April 24, 2018.

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 19, 2018 to the Office of the Corporate Secretary at the 9th 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 19, 2018 at 5:30 p.m. at the office of the Stock Transfer Agent, PNB Trust Banking Group, 3rd Floor, PNB Financial Center, President Diosdado Macapagal Blvd., Pasay City, Metro Manila. A sample proxy is attached for your reference.

You may view and download a copy of the Definitive Information Statement (SEC Form 20-IS), Management Report and Financial Statements (the "Documents") at [●]. Should you wish for a printed copy of the Documents, you may request for the same from the office of the Corporate Secretary.

Pasay City, March 2, 2018.

MAILA KATRINA 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 24, 2018, 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 27, 2018.

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 2017, 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, 2018 is 1,249,139,678 with a par value of ₱40.00 per share. Total foreign equity ownership is 109,188,042 common shares or 8.74%.

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 26, 2018 (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, 2018)

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
<p>Dunmore Development Corporation (X-496) - Pasig City - 12,395,850 shares</p> <p>Stockholder</p>	<p>Majority-Owned and Controlled by LT Group, Inc.</p>	Filipino		
<p>Dynaworld Holdings, Incorporated - Pasig City - 9,323,108 shares</p> <p>Stockholder</p>		Filipino		
<p>Fast Return Enterprises, Limited - Makati City - 14,865,453 shares</p> <p>Stockholder</p>		Filipino		
<p>Fil-Care Holdings, Incorporated - Quezon City - 20,836,937 shares</p> <p>Stockholder</p>		Filipino		
<p>Fragile Touch Investment Limited - Makati City - 18,581,537 shares</p> <p>Stockholder</p>		Filipino		
<p>Ivory Holdings, Inc. - Makati City - 16,997,821 shares</p> <p>Stockholder</p>		Filipino		
<p>Kenrock Holdings Corporation - Quezon City - 21,301,405 shares</p> <p>Stockholder</p>		Filipino		
<p>Kentwood Development Corp. - Quezon City - 14,112,105 shares</p> <p>Stockholder</p>		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
<p>Key Landmark Investments, Limited - British Virgin Islands - 109,115,864 shares</p> <p>Stockholder</p>	<p>Majority-Owned and Controlled by LT Group, Inc.</p>	Filipino		
<p>La Vida Development Corporation - Quezon City - 16,052,705 shares</p> <p>Stockholder</p>		Filipino		
<p>Leadway Holdings, Incorporated - Quezon City - 53,470,262 shares</p> <p>Stockholder</p>		Filipino		
<p>Mavelstone International Limited - Makati City - 24,213,463 shares</p> <p>Stockholder</p>		Filipino		
<p>Merit Holdings and Equities Corp. - Quezon City - 14,233,686 shares</p> <p>Stockholder</p>		Filipino		
<p>Multiple Star Holdings Corp. - Quezon City - 25,214,730 shares</p> <p>Stockholder</p>		Filipino		
<p>Pioneer Holdings Equities, Inc. - Pasig City - 28,044,239 shares</p> <p>Stockholder</p>		Filipino		
<p>Profound Holdings, Inc. - Marikina City - 14,935,099 shares</p> <p>Stockholder</p>		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
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 ó 24,752,272 shares Stockholder		Filipino		

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 19, 2018.

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

Name of Beneficial Owner	Amount of Common Shares and Nature of Beneficial Ownership	Citizenship	Percentage of Ownership
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	1,749 shares ₱69,960.00 (R)	Filipino	0.0001400164
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
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
Lucio K. Tan, Jr. Director	2,300 shares ₱92,000.00 (R)	Filipino	0.0001841267

Name of Beneficial Owner	Amount of Common Shares and Nature of Beneficial Ownership	Citizenship	Percentage of Ownership
Michael G. Tan Director	250 shares ₱10,000.00 (R)	Filipino	0.0000200138
Vivienne K. Tan Director	10 shares ₱400.00 (R)	Filipino	0.0000008006
Subtotal	14,869,168 shares ₱594,766,720.00 (R)		1.1903527093
All Executive Officers & Directors as a Group	14,927,270 shares ₱597,090,800.00 (R)		1.1950040706

(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 2017.

Item 5. DIRECTORS AND EXECUTIVE OFFICERS

(a) Directors and Executive Officers

On April 25, 2017, the Bank reported to the Bangko Sentral ng Pilipinas (BSP) the election of fifteen (15) members of the Board of Directors at the 2017 Annual Stockholders Meeting. Ms. Florencia G. Tarriela, Mr. Felix Enrico R. Alfiler, Mr. Edgar A. Cua, 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 2017-2018 was exempted from confirmation by the Monetary Board (MB):

Florencia G. Tarriela
Felix Enrico R. Alfiler
Florido P. Casuela
Leonilo G. Coronel
Edgar A. Cua
Reynaldo A. Maclang

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

Estelito P. Mendoza
Christopher J. Nelson

Michael G. Tan

On December 15, 2017, Ms. Vivienne K. Tan was elected as Director of PNB, filling the vacancy left by Mr. Washington Z. Sycip who passed away on October 7, 2017. The same was disclosed and is subject to the approval of the regulators. A letter-request for confirmation of the election of Ms. Tan as Director of PNB was sent to the BSP on January 16, 2018.

The Bank's Corporate Governance, Nomination, Remuneration and Sustainability 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 23, 2018, the Board of Directors confirmed the nomination of the following individuals for election to the Board of Directors for the year 2018-2019, as approved and confirmed by the Corporate Governance, Nomination, Remuneration and Sustainability Committee, in compliance with the Manual of Regulations for Banks (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. Carmen K. Tan
12. Lucio C. Tan
13. Lucio K. Tan, Jr.
14. Michael G. Tan
15. Vivienne K. 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, Nomination, Remuneration and Sustainability Committee, it certified that said nominees are duly qualified in accordance with 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. 4, Series of 2017 on the term limits of independent directors. The Certificate of Qualification of the independent directors pursuant to SEC MC No. 5 dated March 7, 2017 was submitted by the Bank to the SEC together with the Bank's Information Statements (SEC Form 20-IS) and before 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	FLORENCIA G. TARRIELA
Age	71
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"> * Chairman/Independent Director of PNB Capital and Investment Corporation, PNB-IBJL Leasing and Finance Corporation, and PNB-IBJL Equipment Rentals Corporation * Independent Director of PNB International Investments Corp. * 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"> * Independent Director of PNB Life Insurance, Inc. * Undersecretary of Finance * Alternate Monetary Board Member of the BSP, 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. * President, Bank Administration Institute of the Philippines
Awards/Citations	* 2014 Most Outstanding Citibank Philippines Alumni awardee for community involvement

Name	FELIX ENRICO R. ALFILER
Age	68
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	FLORIDO P. CASUELA
Age	76
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. * Vice Chairman of PNB Savings Bank, Director of PNB International Investments Corporation, PNB RCI Holdings Co., Ltd., and Surigao Micro Credit Corporation * Senior Adviser of the Bank of Makati, Inc.
Other Previous Positions	<ul style="list-style-type: none"> * President of Maybank Philippines, Inc., Land Bank of the Philippines, and Surigao Micro Credit Corporation * Vice-Chairman of Land Bank of the Philippines and Maybank Philippines, Inc. * Director of PNB Life Insurance, Inc. * Director, Meralco * Trustee of Land Bank of the Philippines Countryside Development Foundation, Inc. * Director of Sagittarius Mines, Inc. * Senior Adviser in the BSP * Senior Executive Vice President of United Overseas Bank (Westmont Bank) * Executive Vice President of PDCP (Producers Bank) * Senior Vice President of Philippine National Bank * Special Assistant to the Chairman of the National Power Corporation * First Vice President of Bank of Commerce * Vice President of Metropolitan Bank & Trust Co. * Staff Officer, BSP * Audit Staff of Joaquin Cunanan, CPAs
Awards/Citations	<ul style="list-style-type: none"> * 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 ó Surigao Chapter

Name	LEONILO G. CORONEL
Age	71
Nationality	Filipino
Education	<ul style="list-style-type: none"> * 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	<ul style="list-style-type: none"> * Independent Director of DBP-Daiwa Capital Markets Phil. * Director of Software Ventures International
Other Previous Positions	<ul style="list-style-type: none"> * Chairman of PNB-IBJL Leasing and Finance Corporation and PNB-IBJL Equipment Rentals Corporation * 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	62
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
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> * Independent Director of PNB Capital and Investment Corporation * 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	REYNALDO A. MACLANG
Age	79
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	* Director of Philippine Payments Management Inc., PNB Global Remittance and Financial Co., HK, Ltd., Bulawan Mining Corporation and PNB Management & Development Corporation * Director of 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 Allied Banking Corporation, Allied Leasing & Finance Corporation, PNB Life Insurance, Inc., PNB Italy SpA, PNB International Investments Corporation, PNB Holdings Corporation, PNB Securities, Inc., PNB Forex, Inc., Eton Properties Philippines, Inc., and Bankers Association of the Philippines

Name	ESTELITO P. MENDOZA
Age	88
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Laws (cum laude) from the University of the Philippines * Master of Laws from 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	<ul style="list-style-type: none"> * Chairman of Prestige Travel, Inc. * Director of Philippine Airlines, Inc. * Practicing lawyer for more than sixty (60) years
Other Previous Positions	<ul style="list-style-type: none"> * 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, 31st 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	<ul style="list-style-type: none"> * 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 * 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 1975 "Professional Award in Law" and 2013 "Lifetime Distinguished Achievement Award"

Name	CHRISTOPHER J. NELSON
Age	58
Nationality	British
Education	<ul style="list-style-type: none"> * 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	<ul style="list-style-type: none"> * March 21, 2013 (Director) * May 27, 2014 (Board Advisor) * May 26, 2015 (Director)
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> * Chairman of Lux Et Sal Corporation * Director of the Philippine Band of Mercy, the Federation of Philippine Industries and Greenlands Community * Trustee of the Bellagio 3 Condominium Association, Inc * 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 * Member of the Society of Fellows of the Institute of Corporate Directors * Trustee of Dualtech Training Foundation as of March 2017
Other Previous Positions	<ul style="list-style-type: none"> * 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	75
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Arts, Ateneo de Manila University * Bachelor of Laws (Member, Law Honors Society), University of the Philippines * Master of Laws, 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	<ul style="list-style-type: none"> * Independent Director of Allianz PNB Life Insurance, Inc., PNB-IBJL Leasing and Finance Corporation, PNB International Investments Corporation and PNB Holdings Corporation * President/Director of Tala Properties, Inc. and Woldingham Realty, Inc. * Director of Apo Reef World Resort, Global Energy Growth System and Sarco Land Resources Ventures Corporation * Proprietor of Green Grower Farm * Partner of the University of Nueva Caceres Bataan Branch
Other Previous Positions	<ul style="list-style-type: none"> * Chairman/Independent Director of PNB General Insurers Co., Inc. * President and General Manager of Government Service Insurance System * President and CEO of Allied Banking Corporation and PNOCC Alternative Fuels 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 * Co-Chairman of the Industry Development Council of the Department of Trade and Industry * Treasurer of BAP-Credit Guarantee * Chairman of Alabang Country Club * President of Alabang Country Club * 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, and Philippine National Oil Corporation

Name	CECILIO K. PEDRO
Age	64
Nationality	Filipino
Education	<ul style="list-style-type: none"> * 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
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> * Independent Director of PNB Savings Bank * Chief Executive Officer (CEO)/President of Lamoian 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 * Chairman of the Asian Theological Seminary, Deaf Evangelistic Alliance Foundation, Inc. and Legazpi Hope Christian School * Member of the Board of Trustees of GT Foundation * Vice President of the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.
Other Previous Positions	* CEO/President of Aluminum Container, Inc.
Awards/Citations	<ul style="list-style-type: none"> * 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, PLDT SME Nation, Go Negosyo Grand MVP Bossing Award, and ASEAN Business Advisory Council (BAC) Social Entrepreneur Award * Recognized by the House of Representatives for his Exemplary Accomplishment in the Promotion of the Welfare of the Deaf Community on October 16, 2012

Name	CARMEN K. TAN
Age	76
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 PAL 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., PAL 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., Cosmic 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	LUCIO C. TAN
Age	83
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Science in Chemical Engineering degree from Far Eastern University * Doctor of Philosophy, Major in Commerce, from University of Sto. Tomas
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"> * Chairman and CEO of Philippine Airlines, Inc. and University of the East * Chairman/President: Tangent Holdings Corporation and Lucky Travel Corporation * 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 & Trade Corp., Foremost Farms, Inc., Dominion Realty & Construction Corp., Shareholdings, Inc., REM Development Corporation, Sipalay Trading Corp., and Progressive Farms, Inc. * 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
Other Previous Positions	* Chairman: Allied Banking Corporation and Allied Leasing and Finance Corporation
Awards/Citations	<ul style="list-style-type: none"> * Honorary degrees from various universities * Lifetime Achievement Awardee by the Dr. Jose P. Rizal Awards for Excellence * Adopted to the Ancient Order of the Chamorri and designated Ambassador-at-Large of the U.S. Island-territory of Guam

- * Diploma of Merit by the Socialist Republic of Vietnam
- * Outstanding Manilan for the year 2000
- * UST Medal of Excellence in 1999
- * Most Distinguished Bicolano Business Icon in 2005
- * 2003 Most Outstanding Member Award by the Philippine Chamber of Commerce and Industry (PCCI)
- * Award of Distinction by the Cebu Chamber of Commerce and Industry
- * Award for Exemplary Civilian Service of the Philippine Medical Association
- * Honorary Mayor and Adopted Son of Bacolod City; Adopted Son of Cauayan City, Isabela and Entrepreneurial Son of Zamboanga
- * Distinguished Fellow during the 25th Conference of the ASEAN Federation of Engineering Association
- * 2008 Achievement Award for service to the chemistry profession during the 10th Eurasia Conference on Chemical Sciences

Name	LUCIO K. TAN, JR.
Age	51
Nationality	Filipino
Education	<ul style="list-style-type: none"> * 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, Inc.
Other Current Positions	<ul style="list-style-type: none"> * President/COO of Tanduay Distillers, Inc. * President of Eton Properties Philippines, Inc. * Director of Bulawan Mining Corporation, PNB Management and Development Corporation, PNB Savings Bank, Allied Commercial Bank, 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., Tanduay Brands International, Inc., The Charter House, Incorporated, Himmel Industries, Incorporated * EVP and Director of Fortune Tobacco Corporation
Other Previous Positions	<ul style="list-style-type: none"> * President and Chief Executive Officer of MacroAsia Corporation * Director of Tanduay Distillers, Inc., Allied Leasing and Finance Corporation, PNB (Europe) Plc and PNB Forex, Inc. * Executive Vice President of Fortune Tobacco Corporation

Name	MICHAEL G. TAN
Age	51
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 Company, Inc.
Other Current Positions	* Director of PNB Management and Development Corporation, 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 PNB Forex, Inc. * Director of Allied Banking Corporation (ABC) from January 30, 2008 until the ABC's merger with PNB on February 9, 2013

Name	VIVIENNE K. TAN
Age	49
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Science - Double Degree in Mathematics and Computer Science from the University of San Francisco, U.S.A * Diploma in Fashion Design and Manufacturing Management from the Fashion Institute of Design and Merchandising, Los Angeles, U.S.A.
Current Position in the Bank	* Director
Date of First Appointment	* December 15, 2017
Directorship in Other Listed Companies	* None
Other Current Positions	<ul style="list-style-type: none"> * Member of the Board of Trustees of the University of the East and the University of the East Ramon Magsaysay Memorial Medical Center * Founding Chairperson of the Entrepreneurs School of Asia (ESA) * Founding Trustee of the Philippine Center for Entrepreneurship (Go Negosyo)
Other Previous Positions	<ul style="list-style-type: none"> * Executive Vice President, Commercial Group and Manager, Corporate Development, of Philippine Airlines * Founder and President of Thames International Business School * Owner of Vaju, Inc. (Los Angeles, U.S.A.) * Systems Analyst/Programmer of Fallon Bixby & Cheng Law Office (San Francisco, U.S.A.) * Member of the Board of Trustees of Bantay Bata (Children's Foundation) * Proponent/Partner of various NGO/social work projects like Gawad Kalinga's GK-Batya sa Bagong Simula, livelihood programs thru Teenpreneur Challenge spearheaded by ESA, Conserve and Protect Foundation's artificial reef project in Calatagan, Batangas, Quezon City Sikap-Buhay Project's training and mentorship program for micro-entrepreneurs, and as Chairman of Ten Inspirational Entrepreneur Students Award
Awards/Citations	* Recipient of the Ten Outstanding Young Men (TOYM) Award for Business Education and Entrepreneurship (2006), UNESCO Excellence in Education and Social Entrepreneurship Award (2007), Leading Women of the World Award (2007), and "People of the Year", People Asia Award (2008)

Name	MAILA KATRINA Y. ILARDE
Age	34
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	49
Nationality	Filipino
Education	* Bachelor of Science in Mathematics, Notre Dame University, Cotabato City * Bachelor of Laws (Notre Dame University, Cotabato City)
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	MANUEL T. GONZALES
Age	80
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	WILLIAM T. LIM
Age	77
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	<ul style="list-style-type: none"> * President of Jas Lordan, Inc. * Director of PNB Holdings Corporation, BH Fashion Retailers, Inc., and Concept Clothing, Co., Inc. * Board Advisor of PNB Savings Bank * Advisor to the Chairman of the Board of Directors of Allianz PNB Life Insurance, Inc.
Previous Positions	<ul style="list-style-type: none"> * 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 * Worked with Equitable Banking Corporation for 30 years, occupying various positions, including as VP & Head of the Foreign Department

Name	HARRY C. TAN
Age	71
Nationality	Filipino
Education	* Bachelor of Science in Chemical Engineering, Mapua Institute of Technology
Current Position in the Bank	* Board Advisor
Date of First Appointment	* May 31, 2016
Directorship in Other Listed Companies	* Director of LT Group, Inc.
Other Current Positions	<ul style="list-style-type: none"> * Chairman of Bulawan Mining Corporation, PNB Management Development Corporation, and PNB Global Remittance and Financial Company (HK) Limited * Director of PNB Savings Bank * Chairman of the Tobacco Board of Fortune Tobacco Corporation * President of Landcom Realty Corporation and Century Park Hotel * Vice Chairman of Lucky Travel Corporation, Eton Properties Philippines, Inc., Belton Communities, Inc., and Eton City, Inc. * Managing Director/Vice Chairman of The Charter House Inc. * 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., Tanduary Distillers, Inc., Manufacturing Services and Trade Corporation, Foremost Farms, Inc., Grandspan Development Corporation, Absolut Distillers, Inc., Tanduary Brands International Inc., Allied Bankers Insurance Corp., Allied Banking Corporation (Hong Kong) Limited, PMFTC, Inc., and Allied Commercial Bank
Other Previous Positions	<ul style="list-style-type: none"> * Director of Philippine National Bank * Director of Allied Banking Corporation * Director of Philippine Airlines * Director of MacroAsia Corporation

The following constitute the Bank's Corporate Governance, Nomination, Remuneration and Sustainability Committee for the year 2017-2018:

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

* *Independent Director*

The following constitute the Bank's Board Audit and Compliance Committee for the year 2017-2018:

Edgar A. Cua*	-	Chairman
Felix Enrico R. Alfiler*	-	Member
Florencia G. Tarriela*	-	Member
Vivienne K. Tan	-	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., 59, 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, 55, Filipino, Executive Vice President, is the Head of the Treasury Sector. He is a graduate of the Stanford University Senior Executive Leadership Program. He obtained his Bachelor of Science in Commerce degree, Major in Marketing, from the De La Salle University. He is currently a Director of PNB Capital and Investment Corporation and Chairperson of PNB (Europe) Plc. Prior to joining PNB, he was an Executive Vice President and the Treasurer of EastWest Banking Corporation, Director of AIG Philam Savings Bank and PASBERFUND Realty Holdings. 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 N.A. in Manila, Vice President/Chief Dealer of the Treasury Group of Asian Bank Corporation. He brings with him 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, 56, Filipino, Executive Vice-President, is the Head of Retail Banking Sector (RBS) which 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 where he likewise finished the Strategic Business Economics Program. 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 13.7% 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, Hong Kong, 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.

ALICE Z. CORDERO, 61, 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 is a Director of the Association of Bank Compliance Officers (ABCOMP) since 2007. She obtained her 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 almost twenty eight (28) 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 eight (38) 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.

AIDA M. PADILLA, 68, Filipino, is First Senior Vice President and the Head of the Enterprise Services Sector. 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, 61, Filipino, First Senior Vice President, is the Bank's Chief Risk Officer and Data Protection Officer of the PNB Group. A Certified Public Accountant, she obtained her Bachelor of Science in Business Administration and Accountancy degree from the University of the Philippines and Masters in Business Administration degree 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 left Citibank with the rank of Vice President and moved to Banco Santander to open its operations in the Philippines. She moved back to Citibank, N.A. (Phils.) in 1996 to head various operation units. Prior to joining PNB on October 9, 2006, she was a Consulting Services Practice Manager at Oracle Corporation (Phils.) from 1999 to 2005, with project implementation at the Asian Development Bank (ADB). Further to her role as Chief Risk Officer, she also coordinates the Internal Capital Adequacy and Assessment Process (ICAAP)

implementation of the PNB Group. The ICAAP is the enterprise-wide program to ensure the group continually reviews its level of risk and ensures the adequacy of capital commensurate to its risk taking abilities. She assumed the role of Data Protection Officer (DPO) for PNB Group in December 2017 and is tasked to roll out the implementation of RA 10173 - Data Privacy Act. With more than 33 years of corporate experience, she provides a well-rounded expertise in the operations, technology and risk management areas of the bank.

SCHUBERT CAESAR C. AUSTERO, 53, Filipino, Senior Vice President, is the Head of the Human Resource Group. He has been connected with PNB since 2006 as Head of Human Capital Development Division and as Deputy HR Head. A Bachelor of Arts graduate at the Leyte Normal University where he earned a number of academic and non-academic distinctions. He has been an HR professional for more than 30 years. Prior to joining PNB, he was connected with the First Abacus Financial Group as Vice President and Group Head of the 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 for Learning and Development, as Director for Strategic Planning, and as the current Chairperson of the Council of Presidents. 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.

MANUEL C. BAHENA, JR., 56, 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.

EMELINE C. CENTENO, 59, 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 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.

MARIE FE LIZA S. JAYME, 55, Filipino, Senior Vice President, is Head of the Operations Group. She graduated with a degree in Bachelor of Arts, Major in Communication Arts and Business Administration, from the Assumption College and completed academic units in Master in Business Administration from the Ateneo de Manila University. She joined PNB in 2007 as Head of Cash Product Management Division to establish the bank's cash management services. Ms. Jayme began her career in banking in 1990 as an account officer with Land Bank of the Philippines. From then on, she assumed expanded and multiple roles and responsibilities in account management as Senior Manager with United Coconut Planters Bank; risk management, cash and trades sales, cash products as Assistant Vice President in Citibank, N.A.'s Global Transaction Services/E-business; and marketing and product management as Vice President and Head of Marketing and Product Management Group of Export and Industry Bank. Prior to banking, Ms. Jayme held senior staff positions with the Office of the Secretary of Finance, Department of Trade and Industry and former Office of the Prime Minister.

MARIA PAZ D. LIM, 57, 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.

ROLAND V. OSCURO, 54, Filipino, Senior Vice President, is the Chief Information Security Officer and, in concurrent capacity, the Chief Security Officer and Head of Enterprise Security Group. He obtained his Bachelor of Science in Electronics and Communications Engineering degree from Mapua Institute of Technology and took up units in Master in Business Administration for Middle Manager at the Ateneo de Manila Graduate School. He is an Electronic and Communications Engineering Board passer. He took and passed the Information Systems Audit and Control Association's (ISACA) Certified Information Security Manager (CISM) certification last December 2016 and is currently completing documentation for the said certification. Prior to his present position, Mr. Oscuro was hired as IT Consultant of the Bank on November 2, 2003. In May 2004, he was appointed as the Head of Network Management Division of Information Technology Group with the rank of First Vice President. He was the Operational Support System Group Manager of Multi-Media Telephony, Inc. (Broadband Philippines) prior to joining PNB. He was also connected with various corporations such as Ediserve Corp. (Global Sources), Sterling Tobacco Corporation, Zero Datasoft (Al Bassam), Metal Industry Research and Development Center, and Pacific Office Machines, Inc.

NORMAN MARTIN C. REYES, 52, 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.

TERESITA U. SEBASTIAN, 57, Filipino, 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 and the Pacific, Europe, the Middle East and North America. Ms. Sebastian obtained her Bachelor of Science degree in Management Engineering (Cum Laude) from Ateneo de Davao University and finished her MBA at the Ateneo de Zamboanga University. She has 35 years of banking experience under her belt. She started off her career with Philippine National Bank as a casual employee in June 1981 at Western Mindanao Regional Office and rose from the ranks. She held various managerial positions from 1990-1999 until she became the Regional Business Manager of PNB Western Mindanao Region in 2002. She was promoted to AVP on February 1, 2003 and after six months, became Senior Assistant Vice President. With her excellent performance, she was promoted to Vice President in 2007 and became the Area Head of Western Mindanao in 2008. From year 2010 to 2013, she was the Region Head of Mindanao. On October 1, 2013, Ms. Sebastian was promoted to First Vice President and was assigned as the Region Head of PNB Visayas from March to June 2016. On July 1, 2017, she became Senior Vice President. Ms. Sebastian was appointed as the Deputy Head of GFBG on October 1, 2016, then became the Head of GFBG in June 2017.

NANETTE O. VERGARA, 57, Filipino, Senior Vice President, is the Chief Credit Officer and Head of Credit Management Group. She obtained her degree in Bachelor of Science in Statistics (Cum Laude) in 1981 from the University of the Philippines in Diliman. She joined PNB in 2006 and was appointed as First Vice President & Head of Credit Management Division. She started her banking career with Bank of Commerce in 1981. She moved to the Credit Rating Services Department of the Credit Information Bureau in 1983 and went back to banking in 1992 when she joined Union Bank of the Philippines. She later transferred to Solidbank Corporation in 1993 to head various credit-related units. Prior to joining PNB, she worked with United Overseas Bank from 2000-2006 as VP/Head of Credit Risk Management.

MARTIN G. TENGCO, JR., 52, Filipino, First Vice President, is the Chief Audit Executive (CAE) of the Bank. A Certified Public Accountant, he holds a Bachelor of Science in Business Administration degree, Major in Accounting, from the Philippine School of Business Administration. He completed his Master in Business Administration at Ateneo de Manila University under the Ateneo-Regis University MBA program. He started his career as a working student in 1984 as an

accountant in a construction company before joining Allied Banking Corporation on June 1, 1992 as a Junior Auditor. He rose from the ranks to become an officer in 1996, and in 2009, was designated as Deputy Chief Audit Executive and IS Audit Division Head until his appointment as Chief Audit Executive of PNB on June 1, 2017. He also served as the Business Continuity Coordinator of Allied Bank from June 2007 to April 2008. He served as a member of the Audit Committee of Bancnet from 2009 to 2014. He is a member of the Philippine Institute of Certified Public Accountants, Institute of Internal Auditors (IIA), Information Systems Audit and Control Association (ISACA) and Association of Certified Fraud Examiners-Philippines.

ROBERTO S. VERGARA, 66, 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 positions in Trust Banking, Treasury, Investment Banking and Global Banking/Overseas Remittances in various banks, including Metrobank, 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, 54, Filipino, First Vice President, was appointed as Head of Information Technology Group on July 1, 2013 after Allied Banking Corporation (ABC) was merged with Philippine National Bank (PNB) on February 11, 2013. He supervised the operations of two (2) different banking systems, Systematics (for ABC) and Flexcube (for PNB) with 300 personnel. He was a Steering Committee member of the Systematics Core Banking Integration Project (CBIP) from 2014 to 2017 that went live in two phases: on March 27, 2017 with 285 branches of ABC, and on August 14, 2017 with 345 branches of PNB. Other major banking projects he oversaw were the ATM Switch Conversion, ATM EMV Migration, Check Image Conversion System, Trust Banking System, and Information Security Projects. 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 Dean of the College of Engineering and College of Computer Studies and Systems at the University of the East (Manila) from 2005 to 2007. He graduated from Purdue University (West Lafayette, Indiana, USA) with a Master of Science degree in Electrical Engineering in 1986.

(b) Identify Significant Employees

All employees of the Bank are valued for their contribution to the business. No employee who is not an executive officer is expected to make any significant contribution to the business of the Bank.

(c) Family Relationships

Directors Lucio C. Tan and Carmen K. Tan are spouses. Directors Lucio K. Tan, Jr., Michael G. Tan and Vivienne K. Tan are children of Director Lucio C. Tan. Board Advisor Harry C. Tan is the brother 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, (hereinafter also referred to as the “Parent Company”), has loans and other transactions with its subsidiaries and affiliates, and with certain directors, officers, stockholders and related interests (DOSRI). Under the Parent Company’s policy, these loans and other transactions are made substantially on the same terms as with other individuals and businesses of comparable risks. The amount of direct credit accommodations to each of the Parent Company’s DOSRI, 70.00% of which must be secured, should not exceed the amount of the respective deposits and book value of the respective investments of the DOSRI in the Parent Company.

In the aggregate, DOSRI loans generally should not exceed the Parent Company’s equity or 15% of the Parent Company’s total loan portfolio, whichever is lower. As of December 31, 2017 and 2016, the Bank and its subsidiaries (collectively, 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 shareholders, 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 2 resource persons (the Chief Audit Executive and the Chief Compliance Officer). The Chairman of the committee is an independent director and appointed by the Board.

Information related to transactions with related parties and with certain 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 2016 and 2017 amounted to ₱43.150 million and ₱39.485 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

Annual Compensation (In Pesos)					
Name and Principal Position	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 2016	64,766,296	21,873,148	-	86,639,444
	Actual 2017	69,379,691	23,335,205	-	92,714,896
	Projected 2018	75,624,000	25,435,000	-	101,059,000
All other officers and directors (as a group unnamed)	Actual 2016	3,498,087,977	998,343,329	-	4,496,431,306
	Actual 2017	3,575,143,838	1,034,573,766	-	4,609,717,604
	Projected 2018	3,896,907,000	1,127,686,000	-	5,024,593,000

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., CPAs (SGV) is the current external auditor of the Bank and its domestic subsidiaries for the calendar year 2017. Representatives of SGV are expected to be present at the 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. Janeth Nunez Javier is the engagement partner of the Bank for the year 2017.

The Board Audit and Compliance Committee (BACC) 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. The Bank intends to retain SGV & Co. as its external auditor for the year 2018 subject to BACC endorsement, approval of the Board of Directors and ratification of Stockholders.

For the years reported, there were no changes in and disagreements with the Bank's external auditors on accounting and financial disclosure.

OTHER MATTERS

Item 8. AMENDMENT OF THE AMENDED BY-LAWS

The amendment of the following sections of the By-Laws will be presented for approval of the stockholders during the Annual Stockholders Meeting:

- a. Section 4.4, Article IV, to include the preparation and sending out of supporting documents to the notice of the meeting in electronic form;
- b. Section 4.8, Article IV, to delete the list of specific items to be included in the agenda of the annual stockholders meeting;
- c. Section 5.17, Article V, to update the manner of reporting of Board Committees to the Board of Directors; and
- d. Sections 6.1, 6.4 and 6.6, Article VI, to update the classification and duties and responsibilities of certain officers of the Bank.

Item 9. 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 2017 Annual Stockholders Meeting held on April 25, 2017

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

- a. Ratification of All Legal Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2016 Annual Stockholders Meeting
 - b. Election of Directors
 - c. Appointment of External Auditor
2. Approval of the 2017 Annual Report

A copy of the 2017 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 2017 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 upon request by the stockholders of record as of March 26, 2018 at the Office of the Corporate Secretary during business hours.

Item 10. OTHER ACTIONS

- (a) Election of Directors

Fifteen (15) directors will be elected for the year 2018 & 2019.

(b) Appointment of External Auditor

The BACC 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. The Bank intends to retain SGV & Co. as its external auditor for the year 2018 subject to BACC endorsement, approval of the Board of Directors and ratification of Stockholders.

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 2017 and prior years.

Item 11. 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 Items 6 and 8 of the Agenda, on the amendment of the Amended By-Laws and election of directors.

For Item 6, on the amendment of the Bank's Amended By-Laws, the favorable vote of the stockholders representing at least a majority of the outstanding capital stock of the Bank is required.

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 26, 2018. Only written proxies, signed by the stockholders and duly presented to the Corporate Secretary on or before 5:00 p.m. on April 19, 2018 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 12. CORPORATE GOVERNANCE

The Bank acknowledges that corporate governance is the dynamic system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligation towards their stakeholders with the purpose of maximizing the organization's long-term success, creating sustainable value for its stockholders, other stakeholders and the nation. 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 also takes 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 to provide sustainable contribution to the development of Philippine capital markets, to the economy, to the society and to the environment in which the Bank operates.

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.

The Bank's operations is managed through an established organizational structure and adequate policies and procedures embodied in the manuals approved by the Management, Board Committees and the Board. 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 Philippine Stock Exchange (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 ICD, to identify the strengths and weakness of its corporate governance practices vis-a-vis the ASEAN Corporate Governance Scorecard (ACGS) standards.

PNB consistently strengthened its corporate governance practices. In 2017, PNB raised the bar on sustainability reporting by exploring Global Reporting Initiative (GRI) documentation and requirements. It engaged the services of the ICD to conduct Corporate Governance Health Check and released ACGS Report identifying strengths and areas for improvement. It maximized the presence of the four (4) ICD fellows in the Board, affiliated with non-profit-organizations, LGUs and other organizations active in financial literacy programs, environmental, social and other corporate social responsibility projects, and introduced the semi-annual meetings of Independent Directors.

1. Annual Directors Performance Evaluation. The Board conducts an annual self-assessment through an established evaluation system, a tool to determine and measure directors and management compliance with the code of corporate governance standards and practices. All members of the Board are required to accomplish two (2) sets of evaluation forms as part of the process. Form I is for the evaluation of the individual as a Director, the Board as a body and the Board Committees, as a Chairman or member while Form II is to assess the management team corporate governance practices based on criteria for Management per the BSP CAMELS rating system. Annual results were discussed in the Corporate Governance/Nomination/Remuneration/Sustainability Committee and to the Board.
2. Annual Review of Corporate Governance Policies and Procedures. Corporate Governance Policies and Procedures including the Board-level committee charters are reviewed at least annually to include new regulations, document relevant practices and align with best practices. For the year 2017, the Corporate Governance Manual was reviewed twice to include the requirements of the Securities and Exchange Commission (SEC) Code of Corporate Governance for Publicly Listed Companies and BSP

Circular No. 969 Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions. As a result of the review of the Board-level committees, the following changes were made:

- i. Reorganization of the members of the Corporate Governance/Nomination/Remuneration and Sustainability Committee to be composed of all Independent Directors to comply with the ASEAN Corporate Governance Scorecard (ACGS) requirement.
- ii. Increase in membership of the Risk Oversight Committee from three (3) to five (5), majority of which are Independent Directors, including the Chairman. Appointment of two (2) Non-Executive Directors as new members.
- iii. Appointment of Director Christopher J. Nelson as the Chairman of the Trust Committee, vice Director Federico C. Pascual, who will continue to serve as member of the Trust Committee. Trust Committee membership is retained at five (5): one (1) Independent Director, two (2) Non-Executive Directors, including Chairman, Ex-Officio: President and Trust Head.
- iv. Expansion of the Board Audit and Compliance Committee to articulate two (2) functions: (a) investigate significant issues/concerns; and (b) establish a whistle blowing mechanism.

3. Initiatives towards reporting the sustainability efforts of the Bank.

- i. Explored Global Reporting Initiatives (GRI) documentation reporting requirements. In January 2017, as part of the commitment of the Bank to sustainability documentation and reporting, an overview of the GRI was reported to the Board which led to the attendance of two (2) participants to the GRI Standards Certified Training Course conducted by the National Center for Sustainability Reporting (NCSR). In the 2016 Annual Report of the Bank, the CSR portion was expanded to include "Taking Steps to Sustainability" disclosing sustainability initiatives of the Bank. For 2017, the annual report would include an expanded section on sustainability efforts and activities of the Bank.
- ii. Revised the Corporate Governance Manual to align with the requirements of the SEC and the BSP. In May 2017, the Board approved the 2017 Revised Corporate Governance Manual and the Revised Charter for Corporate Governance/Remuneration/Nomination and Sustainability Committee to expand duties of the committee to oversee the sustainability framework of the Bank covering policy & disclosures on non-financial information emphasizing on management of economic, environmental, social and governance policies. In October 2017, PNB revised the Corporate Governance Manual, conducted an annual review of the Board-level committee charters and partnered/attended with the SEC on the Annual Corporate Governance Training of the Board and Key Officers. Formed part of the Manual are the approved revised committee charters, including the charters of Executive Committee and Risk Oversight Committee revised in February 2017 to incorporate the BSP recommendation.
- iii. Introduced the semi-annual Independent Directors Meeting. In July 2017, the first Independent Directors Meeting was held revisiting the Director's Role, ID functions & qualifications, trainings, top priorities, committee memberships, directorship in subsidiaries & attendance. In December 2017, the second Independent Directors Meeting was held focusing on 2017 PNB Accomplishments, Role of Board, Directors and Independent Directors, Board Committee Composition & Significant Regulations, Three (3) Lines of Defense and the 2018-2020 Top Priorities.
- iv. Strengthened corporate governance practices aligned with ASEAN Corporate Governance Scorecard (ACGS). In June 2017, the ICD 2016 ACGS Report disclosed a better PNB score compared to 2015. With the commitment of the Board to aim for a higher score, the ACGS results were discussed by the Board. The Board identified the strengths and areas for improvement plus recommendations in the Corporate Governance/Nomination/ Remuneration/Sustainability Committee. In September 2017, PNB focused on ACGS additional points to improve score by disclosing in PNB Corporate Governance website additional documentation and proof of compliance.

- v. Participated in PSE Bell Awards. In August 2017, PNB participated in the 2017 PSE Bell Awards ó Excellence in Corporate Governance and PSE Bell Awards ó Best Compliance & Ethics Program, where it documented PNB's 2016 CG success story, the three (3) pronged CSR and Sustainability Framework, namely, to promote social philanthropic activities, empower Filipinos through education and protect the environment, and the 2016 ó 2017 Awards & Recognitions
- vi. Ensured that PNB complies with the Annual Continuing Training Requirements of SEC. In November 2017, seventy three (73) attendees from PNB Group participated in the 4th SEC-PSE Corporate Governance Forum at the Philippine International Convention Center entitled Improving the Philippine Investment Climate by Balancing Bank Secrecy and Transparency. Chairperson Florencia G. Tarriela was one of the Panelist in the said Forum. Four (4) Topics were covered, namely, (1) Cyber Security & IT Governance (2) Improving the Philippine Investment Climate by Balancing Bank Secrecy and Transparency (3) Millennials and the Future of Corporate Governance & (4) SEC-PSE Integrated Annual Corporate Governance Report. For the past two (2) years, PNB has been in partnership with the SEC whereby the Bank sends the most attendees to SEC-PSE Forums as part of the Annual Continuing Training of Board and Key Officers. In 2017, all the Directors attended training on Corporate Governance.

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) highly qualified 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 in order to consistently build and preserve its sustainable franchise.

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. Two Directors are above 80 years old, five are above 70 years old, four (4), three (3) and one (1) are in their 60s, 50s and 40s, respectively. To date, 20% or 3 out of 15 members of the Board are women, the highest percentage or representation so far. One of the Directors is a British citizen. 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. For the past two (2) consecutive years, PNB partnered with the SEC and sent the most attendees for PSE-SEC Forums as part of the Annual Continuing Training of Board and Key Officers. On November 22, 2017, seventy three (73) participants from the PNB Group led by Chairperson Florencia G. Tarriela, who was one of the panelist in the said forum. In 2017, all the Directors attended training on Corporate Governance.

Four (4) out of the fifteen (15) PNB Directors are ICD Fellows. Chairperson Florencia G. Tarriela, Director Florido P. Casuela, Director Leonilo G. Coronel and Director Christopher J. Nelson were confirmed by the ICD as the directors possess distinguished reputation and commitment to the highest standards of corporate governance principles, ethics and social responsibility. Fellows are part of a learned society of trained professional directors and contributes to the development of corporate governance policy and best practices and participates in ICD training and workshops.

Changes in the Board

In October 2017, PNB joined the financial community in mourning the passing of one of its esteemed directors, Mr. Washington Z. Sycip, who joined our creator on October 7, 2017 at the age of 96. A director of PNB for almost 18 years, Mr. Sycip's guidance was a key factor in making the Bank one of the leading financial institutions in the country. His legacy of excellence will always be remembered and will continue to inspire future generations of leaders. Mr. Sycip will always be remembered as a man of principle, brilliance and compassion. His remarkable work ethics have inspired countless professionals and helped develop leaders across many generations and industries.

In December of 2017, the Board approved the election of Ms. Vivienne K. Tan as member of the Bank's Board of Directors, and her appointment as member of the Board IT Governance Committee and Board Audit and Compliance Committee.

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 1/3 or 33% of the Board, which is in compliance with SEC Code of Corporate Governance for publicly listed companies (PLCs). 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 Chairperson of the Board is an Independent Director. Moreover, consistent to the SEC, BSP and ASEAN Scorecard guidelines, the Chairman of the board level committees that perform independent oversight/control functions such as the Corporate Governance/Nomination/ Remuneration/Sustainability Committee, Board Audit and Compliance Committee, Board Oversight Related Party Transaction Committee and Board Risk Oversight Committee are all Independent Directors. Majority of the members of the said committees are Independent Directors except for the Corporate Governance/Nomination/ Remuneration/Sustainability Committee and Board Oversight RPT Committee where all members are Independent Directors.

In 2017, PNB introduced the semi-annual Independent Directors' Meeting as part of assessing their functions, qualifications and performance to further strengthen corporate governance practices. The meetings were held in July and December 2017.

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), Financial Executive of the Philippines (FINEX) and ICD. She has also been a Board Trustee of Tulay sa Pag-unlad, Inc. (TSPI) since 2003. She was a former Undersecretary of Finance, a former Alternate Board Member of the Monetary Board of BSP, Alternate Board Member of Land Bank and PDIC, and was a Managing Partner and the First Filipina Vice President of Citibank N.A., Philippines. She is a columnist for "Business Options" of the Manila Bulletin and "FINEX Folio" of Business World. As an Independent Director, Chairperson Tarriela sits as Chairman of the Corporate Governance/Nomination/Remuneration/Sustainability 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 and Chief Executive Officer. This complementary relationship provides appropriate balance of power, increased accountability, and independent decision making by the Board while Management has the responsibility to execute the 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/Sustainability Committee; Board Audit and Compliance Committee; Board Risk Oversight Committee; Board Trust Committee; Board Oversight RPT Committee; Board IT Governance Committee and Board Strategy and Policy Committee. In May 2017 the Corporate Governance Charter was expanded to include sustainability in order to comply with the SEC Memorandum Circular No. 19, Re: Code of Corporate Governance for PLCs.

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/Sustainability Committee, Board Audit and Compliance Committee, Board Risk Oversight Committee, and Board Oversight RPT Committee. All the four (4) oversight control committees are composed at least 3 board members, majority of which are Independent Directors, including the Chairman.

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.

Conflicts of interest that may arise with respect to related parties of the bank are managed through a Board approved enterprise-wide RPT Policy Framework. The BORC was created to assist the Board in performing its oversight functions in monitoring and managing potential conflicts of interest, and to ensure that exposures to related parties are made on an arm's length basis, are effectively monitored, and appropriate steps 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 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 from the discussion, approval and management of such transactions or matters affecting the Bank. The BORC may inform the Corporate Governance/Nomination/Remuneration/Sustainability 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.

In 2017, the Bank enhanced the RPT practices as recommended by the BSP examination Team as follows: (a) Expanded the classification of RPTs into four (4): (i) DOSRI; (ii) Subsidiaries & Affiliates; (iii) Other Related Parties; and (iv) Related Parties (RP) with economic interdependencies; (b) Enhanced BORC Memo template to include price discovery mechanism to align with the primary objective of the BORC members to ensure that RPT proposals reviewed and endorsed to Board are conducted at an arm's length basis and terms and conditions accorded to RPT accounts are also granted to third party borrowers/clients; (c) Formalized and documented the approving authority for RPT dealings below the materiality threshold - RPTs below the threshold shall go through the normal course of vetting and approval processes by authorities following the Bank's existing Manual on Signing Authorities (MSA); (d) Established and documented internal limits for individual and aggregate exposures to other related parties and related parties with Economic Interdependencies to ensure that RPTs are within prudent levels, consistent with the Bank's risk appetite, risk profile and capital strength; and (e) Continue periodic review of RPT database.

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, three (3) Independent Directors (IDs), *including the Chairman*; 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 RPTs. In conformity with Bank's policy, RPT dealings should be treated in the regular course of business on an 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:

É Code of Conduct ó 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, and agree to be bound by the said policy, fully aware that a violation of the Code will subject them to disciplinary action.

É Whistleblower Policy ó 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.

- É Soliciting and/or Receiving Gifts Policy ó 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.
- É Personal Investment Policy ó 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, Capital Management Sub-Committee, Promotions Committee, Operations Committee, IT Evaluation Committee, Branch Site-Selection Committee, Procurement Committee, Acquired Asset Disposal Committee, Asset Disposal Committee, Ethical Standards Committee, Accreditation of Overseas Remittance Agents, Selection Committee for Expatriate Personnel, Branch Site Selection (Overseas Offices), Product Committee, Senior Management Credit Committee, PNB Retirement Fund Board, PNB Succession Management Program-Talent Board, Metro Manila Commercial Credit Committee, Provincial Commercial Credit Committee for Luzon Accounts, Provincial Commercial Credit Committee for Visayas/Mindanao Accounts, Institutional Banking Sector Credit Committee, Retail Banking Sector Credit Committee, Committee on Decorum and Investigation, Occupational Safety, Health and Family Welfare Committee, Philippine AML Review Committee, Senior Management ICAAP Steering 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 of 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/Sustainability Committee in the discharge of their corporate governance oversight functions.

PNB's various Compliance Frameworks are carried out by the Global Compliance Group through six (6) major divisions, namely, Global Anti Money Laundering (AML) Compliance Division, Compliance System Support 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/Sustainability Committee and the BORC on corporate governance matters. Two (2) Deputy Compliance Officer Positions were created to assist the Chief Compliance Officer in providing oversight to the Divisions under supervision and fast track implementation of succession planning to identify personnel who will take on higher level positions/responsibilities and intensify on-the-job training.

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 2017-2018 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 by the Global Compliance Group. The Compliance Programs of PNB remains effectively implemented across businesses.

In October 26, 2017, the Board approved, under Board Resolution No. 30/10-26-17, the 2017-2018, PNB Compliance Program. The 2017-2018 Compliance Program (the "Program") is aligned with BSP Circular No. 972: Enhanced Guidelines in Strengthening Compliance Frameworks dated August 22, 2017 amending relevant provisions of BSP 747 to establish a dynamic and responsive compliance risk management system. It also reiterates the Bank's commitment to implement an effective Compliance System that adheres to banking laws, rules and regulations governed by high standards and best practices of good governance. The significant updates of the Program are the following: (1) Section IV- Compliance Structure on Re-organization of Compliance Group taking into consideration succession planning, change in the core banking system, continuous/sustaining the transaction monitoring activities attuned to the latest trends, in-sourcing by other offices of transaction monitoring and enhanced due diligence of alerts of Compliance Group, upgrading the compliance testing review programs to incorporate new regulatory requirements and enhancing the compliance trainings programs to align with the Bank's 2017 Business Plan/Strategic Plan; and (2) Section VI- Monitoring and Assessment Revised AML and Regulatory Compliance Certifications to further enhance the certification processes in conducting self-assessment and documentation for audit trail implemented this 3Q 2017 and the Compliance Testing Review Division (CTRD) developed a Compliance Testing & Review Manual incorporating all compliance testing policies and procedures. Moreover, a standard compliance testing procedure and checklist were also created to document the compliance testing conducted by Compliance Officers/Designates to support quarterly compliance certification.

The major Compliance Manuals include the Bank's AML/CFT Policy Guidelines, Money Laundering and Terrorist Financing Prevention Manual (MLPP), FATCA Compliance Manual, and Remittance Third

Party Arrangement Compliance Program, Consumer Protection Compliance Program, AML Cybercrime Compliance Framework, Compliance Program for Foreign Exchange Dealers and Money Changes, Compliance Program for Remittance Agents, Revised Corporate Governance Manual, Related Party Transaction (RPT) Policy Manual, Data Privacy Act Compliance Program and Correspondent Banking Compliance Program. Moreover, in 2017, the Compliance Testing Review Manual was formalized and compliance testing program was developed for financial consumer protection, operational risk, trust banking operations and statutory limit validation procedure 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. Recognizing the important role of continuous education in effectively carrying out the compliance function and implementing a sound compliance framework, the Global Compliance Group developed the Compliance Academy program that formalizes the AML and regulatory training conducted by the Group and also updated the Level II AML Compliance Mastery Program.

With a comprehensive compliance system consistently implemented within the Group and an effective compliance framework for PNB, and its subsidiaries and affiliates, no material deviation has been noted by the Bank.

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 March 2, 2018.

PHILIPPINE NATIONAL BANK

By:


MAILA KATRINA Y. ILARDE
Corporate Secretary