

	- Basis for the Payment of Filing/Registration Fees relative to the Foreclosure of Collateral	excess availments. - To align with the approving authorities for reduction/waiver of interest, penalties and other charges for problem credits.
Amendments to the Policy on Risk Asset Classification	<p>A. Classification of Loans and Other Credit Accommodations</p> <ul style="list-style-type: none"> • Change in Terminology • Deletion of the “Miscellaneous Exceptions-Loans” classification which is no longer included in the classification guidelines of BSP Circular 855 • Application of the classification guidelines for Loans to include other Credit Accommodations/Credits such as Accounts Receivables, Sales Contract Receivables (SCRs), Accrued Interest Receivables and Advances • Revisions in the characteristics of “Especially Mentioned”, “Substandard”, “Doubtful” and “Loss” classifications <p>B. Additional provisions on the following:</p> <ul style="list-style-type: none"> • Split Classification • Classification of Syndicated Loans • Upgrade in Classification <p>C. Amendment in the Required Approval for Change in Classification</p>	To comply with Section X178.17 – Credit Classification and Provisioning of the BSP Circular No. 855 – Guidelines on Sound Credit Risk Management Practices; Amendments to the Manual on Regulations for Banks and Non-Bank Financial Institutions dated October 29, 2014.
Loan Loss Provisioning Guidelines	<p>Revised loan loss provisioning guidelines for the following:</p> <p>A. Loans with missed payment for at least 31 days</p> <p>B. Loans and advances with no missed payment or with missed payment for at most 30 days</p>	To comply with BSP 855 – Guidelines on Sound Credit Risk Management Practices.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	The remuneration for CEO is determined taking into consideration (a) his/her qualifications; (b) salary range for the rank and position; (c) result of a commissioned Banking Industry Compensation Survey; (d) budget; and (e) other factors which affect compensation	The remuneration to four (4) executives is determined taking into consideration (a) their qualifications; (b) salary range for the rank and position; (c) result of a commissioned Banking Industry Compensation Survey; (d) budget; and (e) other factors which affect compensation
(2) Variable remuneration	Not Applicable	Not Applicable
(3) Per diem allowance	Not Applicable	Not Applicable
(4) Bonus	The Bonus is based on the Bank’s policy under PNB Board Resolution No. 12/07-24-09 of July 24, 2009 (re: “Amendment to the Compensation and Benefit Policy for Officers”)	The Bonus is based on the Bank’s policy under PNB Board Resolution No. 12/07-24-09 of July 24, 2009 (re: “Amendment to the Compensation and Benefit Policy for Officers”)
(5) Stock Options and other financial instruments	Not Applicable	Not Applicable
(6) Others (specify)	Not Applicable	Not Applicable

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company’s policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The remuneration and structures are based on the Bank's policy under PNB Board Resolution No. 06/10-23-09 of October 23, 2009 (re: "Policy on Remuneration of Directors and Officers")	The remuneration and structures are based on the Bank's policy under PNB Board Resolution No. 06/10-23-09 of October 23, 2009 (re: "Policy on Remuneration of Directors and Officers")	The remuneration and structures are based on the Bank's policy under PNB Board Resolution No. 06/10-23-09 of October 23, 2009 (re: "Policy on Remuneration of Directors and Officers")
Non-Executive Directors			

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Yes. Section 5.8 of the PNB's Amended By-Laws re: Compensation states that: "Directors, as such, shall receive such compensation for their services as may from time to time be fixed by the stockholders subject to the limitations set forth in Section 30 of the Corporation Code. Each director shall be entitled to a reasonable per diem, as may be determined by the Board."

Remuneration Scheme	Date of Stockholders' Approval
There has been no proposal on remuneration for directors presented to the stockholder for approval in the Annual Stockholders' Meetings held for the years 2013-2015. As of present, the directors do not receive any compensation apart from per diems.	

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year: (For Final Confirmation)

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	-	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	-	P30,850,000.00	P12,300,000.00
(d) Bonuses	-	-	-
(e) Stock Options and/or other financial instruments	-	-	-
(f) Others (Specify)	-	-	-
Total		P30,850,000.00	P12,300,000.00

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	-	-	-
2) Credit granted	-	-	-
3) Pension Plan/s Contributions	-	-	-
(d) Pension Plans, Obligations incurred	-	-	-
(e) Life Insurance Premium	P820.00	P12,720.00	P4,100.00
(f) Hospitalization Plan	P12,638.83	P195,412.79	P70,971.15
(g) Car Plan	-	-	-
(h) Others (Specify)	-	-	-
Total	P13,458.83	P208,132.79	P75,071.15