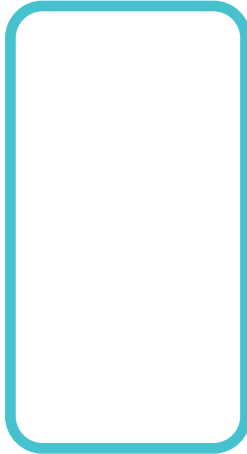


Philippine National Bank

You first.



ASEAN
CORPORATE
GOVERNANCE
SCORECARD REPORT

INTRODUCTION

Today, corporate governance has been receiving closer attention and scrutiny than ever before—from companies, regulators, investors, and even the public at large. Across the globe, there has been an increased focus and reliance to corporate governance as a means to establish responsible and ethical business practices, foster a culture of transparency and accountability, and reinforce the interests of a broad spectrum of stakeholders. In light of the widespread meltdown we've experienced in the past decade, along with recent accounting scandals among companies in neighboring ASEAN countries, cases of fraud, and other visible signs of poor execution of or deliberate disobedience to governance norms and standards, there is no doubt that corporate governance deserves an unprecedented level of interest.

In recent years, the Philippine financial sector witnessed a multitude of reforms in the corporate governance landscape brought about by tough regulatory regimes, growing influence and demands of various stakeholder groups, and emergence of global standards and best practices. Consumers, investors, governments, and the general public continue to put the spotlight on corporate governance as a strategic imperative to build public trust, create stakeholder value, and enhance accountability among publicly-listed companies. Regulators have introduced amendments to existing guidelines on corporate governance, such as BSP Circular 969: Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions, aimed at reinforcing board independence and composition, improving transparency and disclosure practices, and promoting prudence and responsible business conduct.

While corporate governance remains to be a relevant area of focus globally, PNB continues to perform practices that are responsive to a rapidly-changing regulatory and business environment. PNB recognizes that the way to do business is to have an eye for sustainable development while staying within the boundaries of laws, rules, and regulations. Sustainability is a primary source of competitive edge that enables us to maintain our foothold in the financial market and achieve our mission of becoming a leading provider of financial solutions. In the same vein, we believe that corporate governance is a critical component of strategic business management. PNB will undertake every effort necessary to create awareness within the organization to ensure that the principles of fairness, accountability, and transparency are upheld in conducting the day-to-day business of the Bank, its subsidiaries and affiliate.

In the pages ahead, we provide a snapshot of our corporate governance framework and culture, and measures undertaken to align policies and practices with the highest standards and internationally-recognized practices in corporate governance.

Guidelines and Policies of Corporate Governance

The commitment of PNB to implement and uphold best practices in corporate governance is anchored on a number of applicable provisions, as follows:

1. BSP Circular 749, Series of 2012: Guidelines in Strengthening Corporate Governance in BSP Supervised Financial Institutions, as amended
2. SEC: Philippine Corporate Governance Blueprint 2015, Building a Stronger Corporate Governance Framework
3. BSP Circular 889, Series of 2015: Treasury Activities of BSP-BSFIs and Amendments to the Qualifications of Directors and Officers
4. BSP Circular 895, Series of 2015: Guidelines on Related Party Transactions
5. SEC Memorandum Circular 19, Series of 2016: Code of Corporate Governance for Publicly Listed Companies
6. BSP Circular 969, Series of 2017: Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions
7. SEC Memorandum Circular 4, Series of 2019: Sustainability Reporting Guidelines for Publicly Listed Companies
8. BSP Manual of Regulations for Banks
9. ASEAN Corporate Governance Scorecard
10. OECD Principles of Corporate Governance
11. Integrated Annual Corporate Governance Report
12. Internal corporate documents (Code of Conduct and Ethics, Corporate Governance Manual, RPT Policy Manual, Articles of Incorporation and By-Laws)

Corporate Governance Manual

The Corporate Governance Manual, which institutionalizes the principles of good corporate governance in the entire PNB Group, embodies the powers, duties, and responsibilities of the Board of Directors, Management Committee, and Staff in defining and upholding the Bank's culture and values. The Manual likewise serves as the Code of Conduct for the Board of Directors, prescribing appropriate norms of conduct and behavior expected of individual directors of PNB Group.

To manifest our commitment to aligning internal policies and procedures with the ever-changing regulatory framework and responding to international best practices, the Corporate Governance Monitoring Division regularly conducts review and evaluation of the Manual. In 2018, the Manual was revised to incorporate the Retirement and Succession Planning for Directors and the Appointment and Minimum Qualifications of Board Advisors.

The Division revisited anew the pertinent provisions of the Manual in 2019. The diversity requirement in the composition of the Board was expanded and transformed into a formal policy consistent with the standards of the ASEAN Corporate Governance Scorecard. Moreover, the responsibility of the Board and the Corporate Governance & Sustainability Committee in overseeing and ensuring the disclosure of the Bank's non-financial information pertaining to economic, environmental, social & governance (EESG)

issues pursuant to SEC Memorandum Circular 4, Series of 2019, has also been specified.

The Manual is publicly disclosed and accessible through the Bank's website (<https://www.pnb.com.ph/index.php/corporate-governance>).

Corporate Governance Confirmation Statement

The Bank adopts a policy of full compliance with the Code of Corporate Governance. As of December 31, 2018, the Bank has substantially complied with the recommendations of the Code of Corporate Governance for Publicly-listed Companies, except for: 1) Thirty percent (30%) public float requirement to increase liquidity in the market, 2) Secure electronic voting in absentia at the Annual Shareholders' Meeting; and 3) Disclosure of director remuneration and executive compensation on an individual basis.

Moreover, the Bank has substantially complied with the provisions and requirements set forth in the Corporate Governance Manual and there were no reported significant deviations from what is expected to its Directors, Board Advisors, Officers, and employees.

The details of the Bank's compliance with the Code of Corporate Governance can be found in its Integrated Annual Corporate Governance Report (<https://www.pnb.com.ph/index.php/corporate-governance>).

RIGHTS OF SHAREHOLDERS

The rights and responsibilities of shareholders are discussed in detail in the Corporate Governance Manual and By-laws. The Bank encourages all shareholders to attend the Annual Stockholders Meeting (ASM).

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 at the time of the closing of the transfer books for such meeting or on the record date fixed by the Board of Directors pursuant to Section 3.4 of the By-Laws.

Shareholders can exercise the following rights and privileges, among others:

1. Right to vote on all matters that require their consent or approval. All shareholders, including minority shareholders, shall have the right to nominate, elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code, including, but not limited to, amendment in the Bank's Articles of Incorporation and By-Laws, authorization of additional shares, and transfer of all or substantially all assets.
2. Right to inspect corporate books and records.
3. Right to information.
4. Right to dividends. Dividends shall be declared and paid out of the surplus profits of the Bank at such times and in such amounts as the Board of directors may determine in accordance with the provisions of the law and regulations of the BSP and SEC, subject to compliance with financial regulatory requirements, applicable to the Bank.
5. Opportunity to place agenda items prior to and raise questions during the stockholders' meeting.

It is the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for any violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person.

STOCKHOLDERS' MEETING

Pursuant to Section 4.2 of the Bank's Amended By-Laws, the annual meeting of the stockholders shall be held at the principal office of the Bank or any other place within Metro Manila as may be determined by the majority of the Board of Directors, on the last Tuesday of April of each year unless such day is a legal holiday, in which case, the business day next following shall be the meeting day for the particular year.

Special meetings of the stockholders may be called by the Chairman of the Board of Directors, by the President, by the majority of the Board of Directors, or on the demand in writing of the stockholders owning a majority of the voting stock of the Bank.

The call for special meeting shall be made at least fifteen (15) days in advance and shall specify the time, place and purpose of the meeting and no business other than that specified in the call shall be transacted at such special meeting.

The details of the most recent Annual Stockholders' Meeting of the Bank are provided in the table on the next page.

Date and Time	April 30, 2019, Tuesday, at 8:00 a.m.
Location	Grand Ballroom, Upper Lobby, Century Park Hotel, 599 Pablo Ocampo, Sr. St., Malate, Manila, Philippines
Quorum	The total number of shares present in person and represented by proxies and powers of attorney was 971,301,219 shares or 77.76% of the Bank's total outstanding shares, and as such, a quorum existed for the valid transaction of business.
Attendance of the Board of Directors	All members of the Board were present (except for Estelito P. Mendoza, Cecilio K. Pedro, Carmen K. Tan, and Lucio K. Tan, Jr.)
Attendance of the Board Audit and Compliance Committee	Edgar A. Cua, Chairman of the Board Audit and Compliance Committee was present. Florencia G. Tarruela, Member of the Board Audit and Compliance Committee was present. Felix Enrico R. Alfiler, Member of the Board Audit and Compliance Committee was present.
Attendance of the Corporate Governance and Sustainability Committee	Florencia G. Tarruela, Chairperson of the Corporate Governance and Sustainability Committee was present. Felix Enrico R. Alfiler, Member of the Corporate Governance and Sustainability Committee was present. Federico C. Pascual, Member of the Corporate Governance and Sustainability Committee was present. Cecilio K. Pedro, Member of the Corporate Governance and Sustainability Committee was absent.
Attendance of the Risk Oversight Committee	Cecilio K. Pedro, Chairman of the Risk Oversight Committee was absent. Felix Enrico R. Alfiler, Member of the Risk Oversight Committee was present. Florido P. Casuela, Member of the Risk Oversight Committee was present. Edgar A. Cua, Member of the Risk Oversight Committee was present. Leonilo G. Coronel, Member of the Risk Oversight Committee was present. Vivienne K. Tan, Member of the Risk Oversight Committee was present.
Attendance of the Board Oversight RPT Committee	Federico C. Pascual, Chairman of the Board Oversight RPT Committee was present. Edgar A. Cua, Member of the Board Oversight RPT Committee was present. Cecilio K. Pedro, Member of the Board Oversight RPT Committee was absent.
Attendance of the President and Chief Executive Officer	Jose Arnulfo A. Veloso, President and Chief Executive Officer, was present.
Independent party who validated the proxies and votes cast	Roxas delos Reyes Laurel Rosario & Leagogo Law Offices, External Counsel of the Bank

Notice of the Annual Stockholders' Meeting

The Bank encourages all shareholders to attend the ASM. In accordance with the requirements of the Securities Regulation Code, the New Disclosure Rules of the Securities and Exchange Commission, and SEC Memorandum Circular No. 19, series of 2016, written notice of the meeting was sent to all shareholders of record as of record date, on April 2, 2019, at least 28 days prior to the date of the meeting. Moreover, the notice was likewise published daily for one week from April 13 to 22, 2019 in the Philippine Star, Business World, and Manila Bulletin in accordance with Section 4.4, Article IV of the Bank's Amended By-Laws.

The details and rationale of each item in the agenda are explained briefly in the written notice. The notice can be accessed through the website (<https://www.pnb.com.ph/index.php/investor-relations>).

Stockholders who cannot personally attend the meeting may designate his authorized representative by submitting a proxy of his choice to the Office of the Corporate Secretary. Proxy form is made available in written notice.

Voting Procedures

The voting procedures observed during the 2019 Annual Stockholders' Meeting are as follows:

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 the election of directors.

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

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

a) Every stockholder entitled to vote shall have the right to vote, either in person or by proxy, the number of shares registered in his name on record as of the close of business hours on April 1, 2019. Only written proxies, signed by the stockholders and duly presented to the Corporate Secretary on or before 5:00 p.m. on April 25, 2019 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

The voting procedures were enumerated in the Definitive Information Statement and distributed to the stockholders prior to the actual date of the meeting. The Definitive Information Statement may also be viewed and downloaded in the Bank's website and in the PSE Edge.

Electronic Voting in Absentia

To protect shareholders' right to vote and ensure the integrity of the voting procedure, Management is ensuring that all security measures and verification procedures are in place prior to the implementation of electronic voting in absentia. Moreover, the Bank is awaiting the issuance by the SEC of the Implementing Rules and Regulations governing stockholder participation/voting in absentia, as mandated under the Revised Corporation Code, to ensure that our procedures will be aligned with the provisions of pertinent rules and regulations.

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 April 1, 2019 (the "Record Date").

Voting at the stockholders' meetings may be done by ballot or show of hands. Stockholders may also vote either in person or by proxy.

Independent Party Who Validated the Proxies and Votes Cast

The Bank has engaged Roxas delos Reyes Laurel Rosario & Leagogo Law Offices, its external counsel, for the validation of proxies and votes cast for the Bank's 2019 Annual Stockholders' Meeting held on April 30, 2019.

Voting Results of Each Agenda Item

The voting results of each agenda item, as set forth in the Minutes of the 2019 ASM, are described below:

Approval of the Minutes of the 2018 Annual Stockholders' Meeting Held on April 24, 2018

1. Copies of the Minutes were uploaded to the Bank's website on April 25, 2018
2. Copies of the Minutes were made available at the registration table for all the stockholders
3. Summary of the matters discussed at the April 24, 2018 Annual Stockholders' Meeting was flashed on the screen for the examination of the stockholders
4. Salient matters approved at the 2018 Annual Stockholders' Meeting were likewise included in the Information Statement

Approving	Dissenting	Abstaining
971,301,219	0	0

Approval of the 2018 Annual Report, including the audited financial statements of PNB as of December 31, 2018

1. Copies of the 2018 Annual Report were made available at the venue of the Annual Stockholders' Meeting
2. Copy of the Audited Financial Statements was incorporated in the Information Statement

Approving	Dissenting	Abstaining
970,574,180	0	727,039

Ratification of all the Legal Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2018 Annual Stockholders' Meeting

1. Summary of the acts submitted for ratification was flashed on the screen for the examination of the stockholders
2. All the acts, resolutions and proceedings consisted of regular banking transactions and policy formulation which were undertaken in the regular course of business of the Bank. The Bank did not undertake any extraordinary projects for 2018.

Approving	Dissenting	Abstaining
970,574,180	0	727,039

Election of Directors

1. The Bank's Corporate Governance Committee, acting as the Nomination Committee, approved the nomination of the following for election as members of the Board of Directors for the year 2019-2020:
 - Felix Enrico R. Alfiler
 - Florido P. Casuela
 - Leonilo G. Coronel
 - Edgar A. Cua
 - Estelito P. Mendoza
 - Christopher J. Nelson
 - Federico C. Pascual
 - Cecilio K. Pedro
 - Carmen K. Tan
 - Lucio C. Tan
 - Lucio K. Tan, Jr.
 - Michael G. Tan
 - Vivienne K. Tan
 - Florencia G. Tarriela
 - Jose Arnulfo A. Veloso

2. Felix Enrico R. Alfiler, Edgar A. Cua, Federico C. Pascual, Cecilio K. Pedro and Florencia G. Tarriela were nominated as Independent Directors.

Nominee	No. of Votes
Felix Enrico R. Alfiler	971,216,549
Florido P. Casuela	971,216,549
Leonilo G. Coronel	971,216,549
Edgar A. Cua	971,216,549
Estelito P. Mendoza	971,216,549
Christopher J. Nelson	971,216,549
Federico C. Pascual	971,216,549
Cecilio K. Pedro	971,216,549
Carmen K. Tan	968,023,073
Lucio C. Tan	967,480,253
Lucio K. Tan, Jr.	955,714,789
Michael G. Tan	967,480,253
Vivienne K. Tan	971,216,549
Florencia G. Tarriela	967,276,223
Jose Arnulfo A. Veloso	971,216,549

Approval of External Auditor

1. Appointment of the Bank's External Auditor underwent a process mandated by the Bank's Manual of Corporate Governance, which was in compliance with the requirements of the Securities and Exchange Commission
2. The Board Audit and Compliance Committee took into consideration many factors in selecting an External Auditor for the Bank such as (i) size of the auditing firm; (ii) reputation and professionalism of the partners; (iii) track record; (iv) knowledge of current auditing and accounting practices; (v) integrity and competencies of their staff; (vi) resources and facilities; and (vii) the Bank's trust and confidence in their skills.
3. After careful deliberation and compliance with the Bank's rules and procedures for the appointment of External Auditor, the BACC recommended and endorsed the appointment of SGV & Co. as External Auditor of the Bank.
4. The partner-in-charge of the Bank's account, Ms. Janeth Nunez Javier, was appointed only on April 20, 2017. As such, there was no need to request for a change in the partner-in-charge of the Bank's account.

Approving	Dissenting	Abstaining
971,230,249	70,970	0

Questions Raised by Shareholders

Shareholders are given the opportunity to ask questions during the Annual Stockholders' Meeting. Below is the summary of questions raised by shareholders and responses of the members of the Board and Management Committee.

1. Mr. Elvin Salindo took note that other banks had been migrating to digital banking. In this regard, he asked if PNB had its own digital strategy. In response, Mr. Veloso said that while the Bank had a good digital strategy, the same cannot be disclosed yet because Management was still finalizing the details. He assured the stockholders, however, that once this is out, the same will be a disruptor in the market. According to Mr. Veloso, the Bank is conscious that digital banking is the wave of the future. He added that the Bank's digital strategy was something that will surely excite the shareholders.
2. Mr. Mariano Soria, a retiree and a stockholder, thanked the President for the good gesture he received from the President. He also expressed gratitude to members of Management for their continuous support to the PNB Cooperative. He then inquired on when the shareholders can expect a dividend declaration. Mr. Veloso said that while the Bank desired to declare dividends in favor of its shareholders, the Bank was not in a position to do so, considering its safe aggressive growth strategy. Be that as it may, Mr. Veloso remained optimistic that in the succeeding years, the Bank will be able to provide the shareholders dividends as part of the Bank's strategy of serving its stakeholders.

3. Mr. Alfredo Abueg said that it had been a while since the shareholders last received dividends from PNB. He said that the shareholders hoped to receive their share in the good performance of the Bank through dividends. Mr. Veloso explained that while Management was cognizant of the wishes of the stockholders, the Bank still needed the capital to pursue its safe aggressive growth strategy. Mr. Abueg mentioned that PNB had not declared dividends for quite some time compared to other banks. He said that there may be a need to review the Bank's operations. Mr. Soria then remarked that he believed in President Veloso, and that the stockholders will soon receive dividends.
4. Mr. Stephen Soliven had a query regarding the balance sheet entries of the Bank. In response, the Chief Financial Officer, Mr. Nelson Reyes, that the implementation of the new accounting standard, PFRS9, resulted to the reclassification of certain assets. In this regard, balances of 1 account were reclassified to another account.

Minutes of the Meeting

The Minutes of the 2019 Annual Stockholders' Meeting, which contains the results of the votes taken and the list of members of the Board and executive officers who attended the meeting, was disclosed in the Bank's website on May 1, 2019. The Minutes is written in English.

BOARD MATTERS

Overall Responsibility of the Board

The Board of Directors is primarily responsible for approving the objectives and strategies of the Bank and overseeing management's implementation. The Board is composed of distinguished professionals with collective working knowledge, experience, and expertise relevant to the banking sector. Likewise, the Board has the responsibility to determine the Bank's purpose, vision and mission, and strategies to carry out its objectives; ensure compliance with relevant laws, regulations and codes of best business practices; and adopt a system of internal checks and balances. Along with these primary responsibilities, other duties of the Board include: (i) appointing/selecting key members of senior management and heads of control functions for the approval of a sound remuneration and other incentives policy for personnel; (ii) approving and overseeing the implementation of the Bank's corporate governance framework; (iii) defining the risk tolerance level, understanding the nature and degree of risks the bank will be exposed to, and ensuring that these risks are properly addressed; (iv) ensuring that the risk management, compliance and internal audit functions have proper stature in the organization, have adequate staff and resources so responsibilities are carried out independently, objectively and effectively, among others.

Material items requiring Board approval include the following:

1. Changes in organizational structure and functions
2. Vision, mission, and strategic objectives
3. Risk appetite of the Bank
4. Policies and procedures governing major areas of the Bank's operations
5. Remuneration and other incentives policy for personnel
6. Appointment/selection of key members of senior management and heads of control functions
7. Corporate governance framework of the Bank
8. Material RPTs, those that cross the materiality threshold, write-off of material exposures to related parties
9. Changes in the charters of each Board committee or other documents that set out its mandate, scope and working procedures
10. Proposals regarding credit facilities, investments in financial assets, borrowings, and other credit or transactional matters
11. Declaration of dividends

The details of the roles and responsibilities of the Board can be found in the Corporate Governance Manual.

Nomination and Election of Directors

Nomination of the directors shall be conducted by the Committee prior to an Annual Stockholders' Meeting. All recommendations shall be signed by the nominating stockholder/s together with the acceptance and conformity by the would-be nominees. The Committee shall pre-screen the qualifications and prepare the final list of all candidates which shall contain all the information about the nominees.

All shareholders, including minority shareholders, who wish to recommend a person for election as a director of the Bank may submit a written notice of nomination to the Corporate Secretary. The written notice of nomination, duly signed by the nominating stockholder and the nominee, must clearly set out the names and contact information of both the nominating stockholder and the nominee, and must be supported by the biographical data of the nominee, including his or her relevant qualifications and experiences.

Only nominees whose names appear on the final list of candidates shall be eligible for election. No other nominations shall be entertained after the final list of candidates shall have been prepared; and no further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting. The directors shall be elected by the stockholders entitled to vote during the annual meeting of stockholders and shall hold for one (1) year and until their successors are elected and qualified.

As provided under the Corporate Governance Manual, the Bank may also utilize the services of professional search firms or other external sources to search for qualified candidates to the Board.

The nomination process is consistent with Section 132 MORB of the BSP and in accordance with the procedures for the nomination and election of independent directors set forth in Rule 38 of the Securities Regulation Code.

Criteria for the nomination and election of members of the Board of Directors:

1. Knowledge, skills, experience, and particularly in the case of nonexecutive directors, independence of mind given their responsibilities to the Board and in light of the Bank's business and risk profile;
2. Have a record of integrity and good repute;
3. Have sufficient time to carry out their responsibilities;
4. Have the ability to promote a smooth interaction between members of the Board;
5. Have educational background, relevant skills and experience in banking and finance, accounting, economics, or law; and
6. Must contribute to the Board's social and professional diversity consistent with the Board Diversity Policy

Relevant information about board candidates, including, but not limited to: core competencies, qualifications, and professional background; age; directorships in other listed companies; and date of appointment; are provided in the Definitive Information Statement to enable the shareholders in making sound and informed voting decisions.

The Board of Directors, through the Corporate Governance and Sustainability Committee, ensures and observes an effective process for identifying the quality of directors that is aligned with the strategic direction of the Bank.

Name of Director	Competency Areas / Desired Skills and Attributes									
	Management Skills	Industry Knowledge	Banking Expertise	Internal Control	Legal Expertise	Strategy and Policy Formulation	Information Technology Expertise	International Exposure	Risk Management	Gender Diversity
Florencia G. Tarriela	X	X	X	X		X	X	X		X
Felix Enrico R. Alfiler	X	X	X	X		X		X	X	
Jose Arnulfo A. Veloso	X	X	X			X	X	X		
Florido P. Casuela	X	X	X	X		X	X	X	X	
Leonilo G. Coronel	X	X	X	X		X	X	X	X	
Edgar A. Cua	X	X	X	X		X		X	X	
Estelito P. Mendoza	X	X	X		X			X		
Christopher J. Nelson	X	X	X			X	X	X		
Federico C. Pascual	X	X	X	X	X	X		X		
Cecilio K. Pedro	X	X	X	X				X	X	
Carmen K. Tan	X	X	X					X		X
Lucio C. Tan	X	X	X					X		
Lucio K. Tan, Jr.	X	X	X				X	X		
Michael G. Tan	X	X	X			X		X		
Vivienne K. Tan	X	X	X	X		X	X	X		X

Independent Directors

Independence remains to be a relevant determinant of Board effectiveness since it can bring the right balance between demonstrating objective, impartial judgment and taking care of the Bank's well-being and its stakeholders.

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 Bank has five (5) independent directors, representing 1/3 or 33% of the Board, compliant with the SEC Code of Corporate Governance for publicly listed companies. The appointment of the five independent directors was Approved and confirmed by the appropriate regulatory bodies, the appointed five independent directors are as follows: (i) the Board Chairperson, Florencia G. Tarriela; (ii) Board Vice-Chairman, Felix Enrico R. Alfiler; and Board Members (iii) Edgar A. Cua, (iv) Federico C. Pascual, and (v) Cecilio K. Pedro.

Term Limit for Directors

An Independent Director of the Bank may

only serve as such for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from serving as independent director in the same Bank but may continue to qualify for nomination and election as a regular/non-independent director. The nine (9) year maximum cumulative term for independent directors shall be reckoned from 2012.

In accordance with SEC rules, in the instance that a Bank wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

Chairperson of the Board

The Chairperson of the Board of Directors provides leadership in the Board. She ensures effective functioning of the Board, including maintaining a relationship of trust with individual directors.

To promote checks and balances, the Chairperson of the Board of Directors has not served as Chief Executive Officer of the Bank within the past three (3) years. The positions of Chairperson and Chief Executive Officer are not held by one person. None of the directors is a former CEO of the company in the past 2 years.

The Board Chairperson is Florencia G. Tarriela, holding the position since 2005. She has extensive industry experience 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 Executives of the Philippines (FINEX) and Institute of Corporate Directors (ICD). She has also been a Board Trustee of Tulay sa Pag-unlad, Inc. (TSPI) since 2003. A former Undersecretary of Finance, she also used to be an alternate Board Member of the following: Monetary Board of BSP, Land Bank of the Philippines, and the Philippine Deposit Insurance Corporation (PDIC). She was a Managing Partner and the first Filipina Vice President of Citibank N.A., Philippines. Currently, she is a columnist for "Business Options" of the Manila Bulletin and "FINEX Folio" of BusinessWorld.

As an Independent Director, Chairperson Tarriela sits as Chairman of the Corporate Governance and Sustainability Committee and member of the Board Audit and Compliance Committee and the Board IT Governance Committee. She also sits as a Non-Voting Member in the Executive Committee.

The roles and responsibilities of the Chairperson can be found in the Corporate Governance Manual (<https://www.pnb.com.ph/index.php/corporate-governance>).

Chief Executive Officer

The Chief Executive Officer is the overall-in-charge for the management of the business and affairs of the Bank governed by the strategic direction and risk appetite approved by the Board of

Directors. He, among other powers and duties inherent in his office, executes and administers the policies, measures, orders and resolutions approved by the Board of Directors, and directs and supervises Bank's the operations and administration.

The Chief Executive Officer of the Bank is Jose Arnulfo. A Veloso. His complete background and qualifications are available in the Profile of the Board of Directors.

Corporate Secretary

The Corporate Secretary assists the Board and the board committees in the conduct of their meetings, including preparing and issuing an annual schedule of Board and committee meetings and the annual board calendar every December for the forthcoming year, and assisting the chairs of the Board and its committees to set agendas for those meetings. She maintains a fair and objective relationship with the Board, Management and stockholders.

The Corporate Secretary of the Bank is Atty. Maila Katrina Y. Ilarde. She is not the Chief Compliance Officer nor is she a director of the Bank. She possesses appropriate administrative and interpersonal skills, and have working knowledge of the operations of the Bank.

The roles and responsibilities of the Chairperson can be found in the Corporate Governance Manual (<https://www.pnb.com.ph/index.php/corporate-governance>).

Board Meetings

The Directors manifest their ability and commitment to fulfill their fiduciary responsibilities by attending and actively participating in the regular and special meetings of the Board. Board meetings are held monthly and the schedule is set before the start of the financial year. The Corporate Secretary issues the annual schedule of Board and committee meetings and the annual board calendar every December for the forthcoming year.

The Corporate Secretary informs the members of the Board of the agenda of their meetings and distributes materials for board meetings at least five business days before the scheduled meeting. She likewise ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

Majority of the total number of members in the Board shall be necessary at all meetings to constitute a quorum for the transaction of any business and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act unless otherwise provided by law. A minority of the Board present at any regular or special meeting shall, in the absence of a quorum, adjourn to a later date, and shall not transact any business until a quorum has been secured.

In accordance with the Bank's By-Laws, the Directors shall act as a Board, and the individual directors shall have no power to

act as such. meetings of the Board of Directors shall be only within the Philippines.

Orientation and Education Program for Directors

We believe that continuous training and education aids the Board in the performance of their functions and optimizes the expertise and competence of the individual Directors.

All key officers and members of the Board are required to attend, at least once a year, a program on corporate governance conducted by training providers accredited by SEC or BSP. First-time directors shall attend corporate governance training for at least eight hours, while the annual continuing training shall be for at least four hours.

A director, within a period of six months from date of election, is required to attend a seminar on corporate governance conducted by a private or government institution duly accredited by the BSP and SEC.

The Chief Compliance Officer ensures proper onboarding of new directors and facilitates orientation on the Bank's business, charter, articles of incorporation and by-laws, among others.

As part of the Bank's Compliance Academy Program, a home study program for Directors was established to apprise the members of the Board on the latest anti-money laundering trends and threats, risk management, internal policies

and procedures, and sound industry practices. The program also covers updates on global corporate governance standards and revised RPT policies aligned with regulatory guidelines. In-house training programs are in place to ensure that the Directors, Management Committee, and staff are up-to-date in their qualifications for their respective positions and areas of responsibility.

Trainings Attended by the Board of Directors

Name	Training/Workshop/Seminar	Host and Date
Florencia G. Tarriela	5th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission October 23, 2018
	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors June 5, 2018
	4th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission November 22, 2017
Felix Enrico R. Alfiler	5th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission October 23, 2018
	4th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission November 22, 2017
Jose Arnulfo A. Veloso	Sustainability Reporting	LT Group, Inc. December 17, 2018
	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors November 14, 2018
Florido P. Casuela	5th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission October 23, 2018
	4th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission November 22, 2017
Edgar A. Cua	5th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission October 23, 2018
	4th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission November 22, 2017
Estelito P. Mendoza	Corporate Governance & Strategic Management	Center for Global Best Practices & San Miguel Corporation December 6, 2018
	Corporate Governance Seminar	ROAM, Inc. December 11, 2017

Name	Training/Workshop/Seminar	Host and Date
Christopher J. Nelson	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors June 5, 2018
	Corporate Governance Seminar	SGV & Co. December 2017
Federico C. Pascual	Corporate Governance Seminar	SGV & Co. December 6, 2018
	Blockchain and Ripple Technology	Amihan Global Strategies/Ripple August 24, 2018
Cecilio K. Pedro	Robotics	ThinkLab April 20, 2018
	5th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission October 23, 2018
	4th SEC-PSE Corporate Governance Forum	Securities and Exchange Commission November 22, 2017
Carmen K. Tan	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors August 10, 2018
	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors June 5, 2018
Lucio C. Tan	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors August 10, 2018
	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors June 5, 2018
Lucio K. Tan, Jr.	Corporate Governance Seminar	ROAM, Inc. November 13, 2018
	Corporate Governance Seminar	ROAM, Inc. December 21, 2017
Michael G. Tan	Corporate Governance Seminar	SGV & Co. December 6, 2018
	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors August 10, 2018
Vivienne K. Tan	Corporate Governance Seminar	ROAM, Inc., November 13, 2018
	Blockchain and Ripple Technology	Amihan Global Strategies/Ripple August 24, 2018
	Robotics	ThinkLab, April 20, 2018

Board Diversity

Board diversity is not an end of itself. Instead, it is a means to develop an enabling environment which allows the Bank to leverage on the diverse background and expertise of its individual directors, foster innovation, and achieve a balanced approach in making sound and objective board decision. As such, the Bank recognizes and welcomes diversity in the Board of Directors to enhance the quality of its performance.

In designing the Board's composition, diversity shall be considered from various aspects including but not limited to age, gender, ethnicity, cultural and educational background, skills, competence and knowledge. These variables shall be taken into account in the selection and nomination of candidates to the Board. The Board shall also strive to ensure that there is appropriate representation of women in the Board. Moreover, the Bank recognizes that both social diversity (e.g., gender, race/ethnicity, and age diversity) and professional diversity are both important for bringing diverse perspectives in order to arrive at thorough and intelligent decisions on matters that require the board's approval.

The directors shall assess the adequacy, appropriateness, and effectiveness of the Board Diversity Policy as part of the annual self-assessment on the performance of individual directors, board committees, and the board.

The Board of Directors shall regularly

review the composition, representation, and diversity of the Board and board-level committees with the end view of having a balanced and diversified membership. Towards this end, a system and procedure for evaluation of the composition of the board and board-level committees shall be adopted which shall include, but not limited to, benchmarking against best practices in corporate governance and peer group analysis. The results of the assessment shall form part of the ongoing improvement of the Board's diversity efforts.

The Bank continuously strives to meet its diversity targets, as follows:

1. At least one (1) female independent director
2. At least fifty percent (50%) of the members of the Board have educational background in banking and finance, accounting, economics, or law
3. At least fifty percent (50%) of the members of the Board have relevant skills and experience in the areas of banking and finance, accounting, economics, or law
4. At least one member of the Board is a Foreign citizen

For the financial year ended December 31, 2018, the Bank met the above-mentioned diversity targets, as follows:

1. Nationality: Fourteen (14) Directors are Filipino citizens and one (1) Director is a British citizen

2. Education: Educational background of the Board of Directors covers various areas such as economics, law, statistics, accounting and business management
3. Work Experience: Diverse work experience, including former bank presidents, previously affiliated with regulatory bodies such as BSP and PDIC, and various international organizations
4. Age: Two (2) directors are above 80 years old, five (5) are above 70 years old, three (3) and five (5) are in their 60s and 50s, respectively.
5. Gender: Three (3) out of fifteen (15) members or 20% of the Board are women.
6. Type of Directorship: The Board is composed of 1 Executive Director, 5 Independent Directors, and 9 Non-Executive Directors

senior management's compliance with corporate governance standards and practices.

An external facilitator is engaged every three years to assist in the self-assessment exercise. A Management Component Rating Checklist is employed based on the Management criteria per BSP CAMELS rating system. This tool is designed to assess and measure the quality of corporate governance practices of the Bank. Annual results are discussed in the Corporate Governance and Sustainability Committee and to the Board.

Board Performance

At PNB, evaluating the performance of the Board and the Management Committee is the foundation of the Bank's corporate governance assessment and monitoring.

For the Financial Year ended December 31, 2018, the Chairman, Chief Executive Officer, individual members of the Board, and the Committees has conducted an annual self-assessment to evaluate performance in the previous year. The self-assessment was done through an established evaluation system, a tool to determine and measure directors' and

The five (5) point rating scale is described as follows:

Rating	Description
5 - Strong	EXCEED what is considered necessary given the size, risk profile and complexity of operations of the bank. Deficiencies/ weaknesses are considered minor and insignificant.
4 - Satisfactory	MEET what is considered necessary given the size, risk profile and complexity of operations of the bank. Deficiencies/ weaknesses may exist but do not affect the overall quality of governance in a bank.
3 - Less than Satisfactory	DO NOT MEET what is considered necessary given the size, risk profile and complexity of operations of the bank. However, the Board and Management are committed to correct the situation in a timely manner.
2 - Deficient	DEFICIENT in a material way, to meet what is considered necessary given the size, risk profile and complexity of operations of the bank. The ability of the Board and Management to correct the situation in a timely manner is doubtful.
1 - Critically Deficient	CRITICALLY DEFICIENT to meet what is considered necessary given the size, risk profile and complexity of operations of the bank. The deficiencies/weaknesses pose an imminent threat to the safety and soundness of the bank.

The criteria and detailed procedure of the assessment exercise is set forth in the Corporate Governance Manual, accessible through the website (<https://www.pnb.com.ph/index.php/corporate-governance>).

RETIREMENT & SUCCESSION MANAGEMENT PROGRAM

Retirement Policy

The Bank has a Retirement Plan for its employees that provides funds for the payment of separation benefits to employees who are eligible under the Bank's Retirement Plan, including cases of disability or death while on service.

There are three modes of retirement, as follow: (i) Normal Retirement: an employee shall be compulsorily retired from service and shall be entitled to receive the benefits under the Plan upon reaching 60 years of age or upon completing 35 years of service, whichever comes first. (ii) Early Retirement: with the consent of the Bank, an employee who has not yet reached the normal retirement requirement may opt to avail of the early or optional retirement benefits under the Plan upon reaching (a) 55 years of age and rendering at least 10 years of continuous service; or (b) completing at least eleven 11 years of service. (iii) Late Retirement: Any employee may offer his service to the Bank beyond the normal retirement date, but not beyond 65 years of age. Such retirement, however, shall be subject to the approval of the Bank on a case-to-case basis. Employees who intend to resign from service but do not meet the prescribed eligibility requirements are not entitled to any separation pay.

Succession Management Program

The Succession Management Program

(SMP) is a continuing and evolving process of strategically and systematically identifying, assessing, and developing talents for future critical roles to ensure consistent and effective organizational performance. It ensures the availability of talents who have the potential and required competencies and are ready to assume vacant positions as the need arises, due to organizational exigencies, particularly for key or critical positions.

A Talent Board consisting of senior officers has been created to monitor and review the success and progress of the Program. It renders decisions on nominations and acceptance of talents in the Talent Pool. The process involves the following steps:

1. Identification of Key/Critical Positions
2. Nomination of Candidates - the respective Sector or Group Head nominates possible candidates based on (i) results / past performance; (ii) competencies; and (iii) potential, subject to the initial evaluation of the Talent Board.
3. Conduct of Talent Audit – the process of evaluating / assessing the shortlisted nominees' competencies through online assessment, 360-degree feedback survey, and interviews with the members of the Talent Board, if necessary. Those who qualify based on the evaluation of the Talent Board shall be recommended for inclusion in the Talent Pool, subject to the approval of the President.

4. Learning and Development – to address the development needs of each talent, an Individual Development Plan (IDP) consisting of on-the-job training, interractional development programs, and classroom training shall be created by the Group Head and/or designated mentor. For a more objective and in-depth assessment of the talent’s competencies, he may be required to train in the Assessment and Development Center. The training result is made an integral part of the IDP. The implementation of the development plan is done in coordination with HRG.
5. Talent Review – the progress of the talent is monitored and evaluated.
6. Engagement – strategies are employed to sustain the desired level of performance as well as the employee’s commitment to the program.
7. Placement – the review process and development interventions continue until the need or opportunity arises for the talent to assume the key / critical position he or she trained for.

RENUMERATION POLICY

PNB aims to sustain a strong, performance-conducive environment that would attract, motivate, and retain the best talents. For this purpose, the Bank maintains a Remuneration Policy that commensurately compensates its directors and officers for high levels of performance. Such policy complements the Bank's efforts to hire and develop the best talents through its competitive recruitment program and continuing learning programs. A well-compensated and rewarded human resource enables the Bank to provide the highest quality of products and services to the public.

The PNB Remuneration Policy provides a sustainable compensation structure and fringe benefits program for directors and officers, allowing the Bank to be competitive with industry counterparts. It identifies basic compensation, incentives, recognition and rewards for those who meet their performance targets and goals.

Directors' Emolument and Benefits

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 in Section 30 of the Corporation Code.

The remuneration and fringe benefits of the directors consist of per diem for every Board and Board Committee meeting and noncash benefits like healthcare plan,

group life insurance, and group accident insurance.

The total per diem given to the Board of Directors can be found in the 2019 Definitive Information Statement (<https://www.pnb.com.ph/index.php/investor-relations>).

There has been no proposal on remuneration for directors presented to the stockholders for approval in the 2019 Annual Stockholders' Meetings.

Officers' Compensation and Benefits

The Board of Directors establishes a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers. It also provides oversight over remuneration of Senior Management and other key personnel ensuring that compensation is consistent with the Bank's culture, financial capacity, business strategy, and control environment.

The compensation package for bank officers consists of monetary and non-monetary benefits, fringe benefits, and long-term schemes: (i) Monetary emoluments consist of monthly compensation, guaranteed bonuses equivalent to four monthly basic salary, allowances for business-related expenses, official travel, etc., and cash award upon reaching service milestones of at least 10 years and every five years thereafter; (ii)

Non-monetary benefits consist of healthcare plan for the officer and two of his qualified primary dependents, group life insurance, group accident insurance, leave privileges, car plan, and loan facilities such as general-purpose loan, motor vehicle loan and housing loan. Likewise, all officers are covered by the Bank's Retirement Plan as earlier cited.

The details of compensation of the President and four most highly compensated executive officers of the Bank can be found in the 2019 Definitive Information Statement (<https://www.pnb.com.ph/index.php/investor-relations>).

Compensation Policy that Factors in Performance of the Bank Beyond Short-term Financial Measures

The Bank, in keeping with its commitment to recognize employee loyalty, provides stock option / bonus programs for employees most notably in 2016 when it granted a centennial bonus in the form of stocks as a way of celebrating its 100th year. Employees were allocated specific number of shares based on their rank. To make it symbolic, each eligible employee as of July 22, 2016 was given 100 PNB shares and the remaining shares are to be distributed equally in five (5) tranches every anniversary date to eligible and active employees. In 2019, about 82% of the total employee population across all levels who hold PNB shares are given the opportunity to exercise their rights to purchase PNB shares through the Stock

Rights Offering. Likewise, the third (3rd) tranche of the remaining shares is due for distribution to eligible employees. The granting of PNB shares to employees has proven to be effective in retaining talents and ensuring steady business growth.

Performance-based Remuneration Aligned with Long-term Interests of the Bank

The Bank designed its compensation and benefit package as a competitive tool to attract and retain highly qualified individuals who will support the Bank's implementation of its business directions and to achieve business goals. Hence, provisions of the compensation and benefit policies show the clear linkage with employee contributions which are measured through a balanced scorecard approach in its performance management system. Employees who are unable to meet their targets become ineligible to certain benefits and / or incentive programs such as the Car Plan benefit, Employee Loans, and performance bonus to name a few. The same is true for employees who get involved in administrative cases where certain benefits are temporarily withheld in case an administrative sanction is imposed. In case of dismissal, benefits are forfeited and taken back including but not limited to the Car Plan benefit, the guaranteed bonuses equivalent to a three (3)- month salary (i.e. 14th, 15th and 16th month pay) and the Centennial PNB shares for the remaining years.

BOARD COMMITTEES

The Board has delegated certain functions to board-level committees to enable more focused and specialized attention on specific areas. Currently, there are eight Board Committees that have been instrumental in setting the tone for the corporate governance practices of the Bank, its subsidiaries and affiliate: Corporate Governance and Sustainability Committee; Board Audit and Compliance Committee; Risk Oversight Committee; Board Oversight RPT Committee; Executive Committee; Trust Committee; Board IT Governance Committee; and Board Strategy and Policy Committee.

The authority, duties and responsibilities, as well as the frequency of the Board committee meetings are stated in their respective charters. Meetings are generally held on a monthly basis which may include special Board committee meetings when necessary. The Board committee secretariats are responsible for ensuring that 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 Board and records the attendance of the committee members.

Corporate Governance and Sustainability Committee

14 meetings held for the year ended Dec. 31, 2018

Member	Role	Meetings Attended
Florencia G. Tarruela	Committee Chairperson and Independent Director	14 (100%)
Felix Enrico R. Alfiler	Committee Member and Independent Director	14 (100%)
Federico C. Pascual	Committee Member and Independent Director	14 (100%)
Cecilio K. Pedro	Committee Member and Independent Director	11 (79%)

The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, ensuring compliance with and proper observance of corporate governance principles and global practices. It oversees the implementation of the corporate governance framework and periodically reviews the framework to ensure that it remains appropriate in light of material changes to the Bank's size, complexity and business strategy, as well as its business and regulatory environments. It is also responsible for ensuring that the Bank has clear & focused policy on disclosure of non-financial information emphasizing on management of economic, environmental, social & governance (EESG) issues, which underpin sustainability.

The Chairperson of the Committee convenes the members whenever he deems it necessary, either on his own initiative, or upon the request of the members of the Committee, at least once every month. She presides over all the Committee meetings and maintains efficient lines of communication and information between the Board and Management.

The Committee oversees the nomination & election process for members of the Board of Directors and for positions appointed by the Board of Directors, defines the general profile of board members including the appropriate knowledge, competencies and expertise that complement the existing skills of the Board. It reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board.

The Committee, acting as the Bank's Remuneration Committee, is likewise responsible for overseeing the design and implementation of the remuneration and other incentives policy of directors and officers. It designates the amount of remuneration and fringe benefits, which shall be at a sufficient level to attract and retain directors and officers who are needed to run the Bank successfully.

Board Audit and Compliance Committee

15 meetings held for the year ended Dec. 31, 2018

Member	Role	Meetings Attended
Edgar A. Cua	Committee Chairperson and Independent Director	15 (100%)
Florencia G. Tarriela	Committee Member and Independent Director	12 (80%)
Felix Enrico R. Alfiler	Committee Member and Independent Director	15 (100%)

The Board Audit & Compliance Committee is responsible for assisting the Board in the performance of its oversight function relating to financial reporting process, systems of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.

The Committee also provides oversight for internal and external auditors and ensures that they act independently from each other; provides oversight for compliance functions and/or compliance programs; conducts annual independent audit of PNB's financial statements; and evaluates the engagement of the external auditors, including qualifications, independence, and performance. Moreover, the Committee oversees the compliance of the Bank with legal and regulatory requirements, including disclosure controls and procedures. The Committee also investigates significant issues/concerns and escalates results to the Board.

The Committee is composed of three independent directors, with accounting, auditing or related financial management expertise. The Chairman of the Committee is not the Chairman of the Board or any other Board Committees.

The Committee held 16 meetings during the year – 12 regular meetings and 4 special meetings. A separate meeting was also held by the Committee with the external auditors, without anyone from Management present, as mandated by BSP Memorandum 2014-11 and BSP Circular 969. The details of the meeting can be found in the Integrated Annual Corporate Governance Report (<https://www.pnb.com.ph/index.php/corporate-governance>).

Risk Oversight Committee

20 meetings held for the year ended Dec. 31, 2018

Member	Role	Meetings Attended
Cecilio K. Pedro	Committee Chairperson and Independent Director	18 (90%)
Felix Enrico R. Alfiler	Committee Member and Independent Director	20 (100%)
Florido P. Casuela	Committee Member and Non-executive Director	20 (100%)
Edgar A. Cua	Committee Member and Independent Director	20 (100%)
Leonilo G. Coronel	Committee Member and Non-executive Director	19 (95%)
Vivienne K. Tan	Committee Member and Non-executive Director	13 (81%)

Vivienne K. Tan was elected as member of the Committee effective April 24, 2018

The Risk Oversight Committee assists the Board in overseeing the risk profile and approves the risk management framework of PNB and its related subsidiaries and affiliate. It is mandated to set risk appetite; approve frameworks, policies and processes for managing risk; and accept risks beyond the approval discretion provided to management. It has the authority to direct management to submit regular reports on current risk exposures on credit, market, interest rate, liquidity, operational, legal, compliance, strategic, reputation, technology, and other areas, as well as to address such risks.

The members of the Committee possess a range of expertise as well as adequate knowledge of the Bank's risk exposures. They all satisfy the requirements of the SEC, BSP, and other applicable laws and regulations.

The Committee invites resource persons, such as the President, the Head of Operations, the Sector Heads, Chief Audit Executive, Chief Compliance Officer, Chief Technology Officer, Chief Legal Counsel, Chief Risk Officer, and concerned officers to render a report, clarify and provide guidance to the Committee on any relevant issue the Committee is confronted with.

Board Oversight
RPT Committee

13 meetings held for the
year ended Dec. 31, 2018

Member	Role	Meetings Attended
Federico C. Pascual	Committee Chairperson and Independent Director	13 (100%)
Edgar A. Cua	Committee Member and Independent Director	13 (100%)
Cecilio K. Pedro	Committee Member and Independent Director	13 (100%)
Isagani A. Cortes	Non-voting member and Chief Compliance Officer	
Martin G. Tengco, Jr.	Non-voting member and Chief Audit Executive	

The Board Oversight RPT Committee assists the Board in performing its oversight functions of monitoring and managing potential conflicts of interest of shareholders, Board members, management, and other stakeholders. The Committee oversees the evaluation of related party transactions (RPTs) that present the risk of potential abuse and ensures that the Bank's RPT policy guidelines are effectively implemented. It exercises sound and objective judgment on the RPTs for the best interest of the Bank and sees to it that the processes and approvals are conducted at arm's length basis.

The Committee is composed of three independent directors. In case a member has conflict of interest in a particular RPT, he should refrain from evaluating that particular transaction. The Chief Compliance Officer and Chief Audit Executive sit as non-voting members in the Committee.

Executive Committee

53 meetings held for the year ended Dec. 31, 2018

Member	Role	Meetings Attended
Florido P. Casuela	Committee Chairperson and Non-executive Director	53 (100%)
Leonilo G. Coronel	Committee Member and Non-executive Director	52 (98%)
Jose Arnulfo A. Veloso	Committee Member and Non-executive Director	4 (100%)
Christopher J. Nelson	Committee Member and Non-executive Director	52 (98%)
Lucio K. Tan, Jr.	Committee Member and Non-executive Director	31 (58%)
Michael G. Tan	Committee Member and Non-executive Director	47 (89%)
Vivienne K. Tan	Committee Member and Non-executive Director	41 (85%)

Vivienne K. Tan and Jose Arnulfo A. Veloso were elected as members of the Committee effective January 22, 2018 and November 23, 2018, respectively

The Executive Committee is responsible for the review, discussion, approval and/or endorsement to Board, of the following: (a) management proposals on credit facilities; investment in financial assets; and borrowings and capital raising, updates and reports on credit, transactional, administrative and other matters; and (b) policies, procedures, and manuals of products and services other than personnel policies, as proposed or initiated by Management. It also provides oversight and focus on specific areas to ensure long term viability of the Domestic and Foreign Offices/Subsidiaries consistent with the Parent Bank strategic goals.

The Committee meets every week at a time set by its members or the Board. The presence of a majority of the members of the Committee shall constitute a quorum. The unanimous vote of all the members present at the meeting shall be required to approve any act in all the meetings of the Committee, otherwise the proposal under consideration shall be elevated to the Board for approval. For referendum approvals, the approval of a majority of the members shall be required.

Trust
Committee

12 meetings held for the
year ended Dec. 31, 2018

Member	Role	Meetings Attended
Christopher J. Nelson	Committee Chairperson and Non-executive Director	12 (100%)
Vivienne K. Tan	Committee Member and Non-executive Director	8 (100%)
Federico C. Pascual	Committee Member and Non-executive Director	12 (100%)
Jose Arnulfo A. Veloso	Ex-officio and Executive Director	1 (100%)
Joy Jasmin R. Santos	Ex-officio and Chief Trust Officer	

Vivienne K. Tan and Jose Arnulfo A. Veloso were elected as members of the Committee effective April 24, 2018 and November 23, 2018, respectively

The Trust Committee, a special committee reporting directly to the Board of Directors, is primarily responsible for overseeing the fiduciary activities of the Bank. It ensures that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices. The Committee is also responsible for the initial review of assets placed under the custody of the Trust Banking Group in its capacity as trustee or fiduciary; investment, re-investment and disposition of funds or property; and review and approval of transactions between trust and/or fiduciary accounts, among others.

The Committee invites resource persons including the Trust Division Head, Trust Legal Officer, Trust Compliance Officer and Trust Risk Officer, to render a report, clarify and provide guidance to the committee on any relevant issue the committee is confronted with.

The presence of the majority of the members of the committee less 1 member shall constitute a quorum; but the vote of the majority of the quorum which in no case is less than 2 members is required to approve any act in all the meetings of the Committee.

Board IT
Governance Committee

14 meetings held for the
year ended Dec. 31, 2018

Member	Role	Meetings Attended
Vivienne K. Tan	Committee Chairperson and Non-executive Director	14 (100%)
Florido P. Casuela	Committee Member and Non-executive Director	14 (100%)
Christopher J. Nelson	Committee Member and Non-executive Director	13 (93%)
Lucio K. Tan, Jr.	Committee Member and Non-executive Director	12 (86%)
Leonilo G. Coronel	Committee Member and Non-executive Director	14 (100%)
Florencia G. Tarriela	Committee Member and Independent Director	12 (86%)
Jose Arnulfo A. Veloso	Committee Member and Executive Director	

Jose Arnulfo A. Veloso was elected as member of the Committee effective April 30, 2019

The Board IT Governance Committee assists the Board in performing its oversight functions of reviewing, approving, and monitoring the IT Risk Management Framework and IT Strategic Plan of PNB. It reviews and endorses for approval of the Board the Enterprise IT Strategic Plans of the Parent Bank, its subsidiaries, and affiliate. The Committee also reviews and monitors significant IT concerns including disruption, cyber security, and disaster recovery to ensure that all key risks are identified, managed and reported to the Board.

The Committee conducts meetings on a monthly basis or whenever necessary to properly discharge its functions, keep minutes of its actions and report thereon to the Board of Directors. The Information Technology Group Head acts as the Committee Secretariat, responsible for handling the administrative requirements of the Committee.

Board Strategy and Policy Committee

43 meetings held for the year ended Dec. 31, 2018

Member	Role	Meetings Attended
Felix Enrico R. Alfiler	Committee Chairperson and Independent Director	42 (98%)
Florido P. Casuela	Committee Member and Non-executive Director	43 (100%)
Leonilo G. Coronel	Committee Member and Non-executive Director	43 (100%)
Edgar A. Cua	Committee Member and Independent Director	43 (100%)
Christopher J. Nelson	Committee Member and Non-executive Director	43 (100%)
Federico C. Pascual	Committee Member and Independent Director	40 (100%)
Michael G. Tan	Committee Member and Non-executive Director	40 (93%)
Vivienne K. Tan	Committee Member and Non-executive Director	36 (84%)
Florencia G. Tarriela	Committee Member and Independent Director	43 (100%)
Jose Arnulfo A. Veloso	Committee Member and Executive Director	

Jose Arnulfo A. Veloso was elected as member of the Committee effective April 30, 2019

The Board Strategy and Policy Committee is the governing board committee exercising authority and delegating to management the implementation of the board approved strategic plans and policies. The Committee reviews, evaluates, approves and/or endorses for Board approval the following: new products; amendments to product; marketing programs; and policies, procedures and manuals pertaining thereto. It also performs oversight function on the business plans, initiatives, risk and regulatory compliance. Likewise, it reviews the strategic objectives and business priorities, direction, overall plans, and result areas that relate to the thrusts and programs of the Bank.

The Committee Chairman convenes the members of the Committee whenever he deems it necessary, either on his own initiative, or upon the request of at least two (2) members of the Committee. He presides over all the Committee meetings and performs such other functions as may be assigned to him by the Board of Directors.

For the Financial Year ended December 31, 2018, the Committee has reviewed the vision and mission of the Bank, as well as its strategic plans, and evaluated actual outcomes that deviated from these plans so that alternative approaches are formulated to make sure that the original objectives are met.

In order to maintain the viability and strength of the Bank, results of the review were endorsed to the Board to ensure that the Board adequately exercises its oversight functions over the development and approval of corporate strategies and monitoring of its ongoing implementation.

Summary of Directors' Attendance at Board Meetings and Board Committee Meetings During the Year Ended December 31, 2018

Name of Director	Board of Directors			Corporate Governance and Sustainability Committee			Board Audit and Compliance Committee			Risk Oversight Committee			Board Oversight RPT Committee			Executive Committee			Trust Committee			Board IT Governance Committee			Board Strategy and Policy Committee			
	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	Meetings Held	Meetings Attended	% Attendance	
Florencia G. Tarruela	16	15	94	14	14	100	15	12	80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Felix Enrique R. Alfiler	16	15	94	14	14	100	15	15	100	20	20	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jose Arnulfo A. Veloso	2	2	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Florido P. Casuela	16	16	100	-	-	-	-	-	-	20	20	100	-	-	53	53	100	-	-	-	-	14	14	100	43	43	100	
Leonilo G. Coronel	16	16	100	-	-	-	-	-	-	20	19	-	-	-	53	52	100	-	-	-	-	14	14	100	43	43	100	
Edgar A. Cua	16	16	100	-	-	-	15	15	100	20	20	100	13	13	100	-	-	-	-	-	-	-	-	-	43	43	100	
Estelito P. Mendoza	16	12	75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Christopher J. Nelson	16	16	100	-	-	-	-	-	-	-	-	-	-	-	53	52	100	12	12	100	12	12	100	14	13	93	43	43
Federico C. Pascual	16	16	100	14	14	100	-	-	-	-	-	-	13	13	100	-	-	-	-	-	-	-	-	-	-	-	-	
Cedilio K. Pedro	16	14	88	14	11	79	-	-	-	20	18	90	13	13	100	-	-	-	-	-	-	-	-	-	-	-	-	
Carmen K. Tan	16	15	94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lucio C. Tan	16	15	94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lucio K. Tan, Jr.	16	11	69	-	-	-	-	-	-	-	-	-	-	-	53	31	58	-	-	-	-	14	12	86	-	-	-	
Michael G. Tan	16	16	100	-	-	-	-	-	-	-	-	-	-	-	53	47	89	-	-	-	-	-	-	-	-	43	40	
Vivienne K. Tan	16	16	100	-	-	-	-	-	-	16	13	81	-	-	53	41	85	8	8	100	14	14	100	43	36	84	84	

CONCURRENT DIRECTORSHIPS

In order to safeguard against the excessive concentration of economic power, unfair competitive advantage or conflict of interest situations to the detriment of others through the exercise by the same person or group of persons of undue influence over the policymaking and/or management functions of similar FIs while at the same time allowing to benefit from organizational synergy or economies of scale and effective sharing of managerial and technical expertise, the Corporate Governance Manual provides a policy on concurrent and interlocking directorships.

A non-executive director may concurrently serve as director of a maximum of five (5) publicly listed companies. In applying this provision to concurrent directorship in entities within the conglomerate, each entity where the non-executive director is concurrently serving as a director shall be separately considered in assessing compliance with this requirement.

A director of the Bank should notify the Board before accepting a directorship in another company.

Name of Director	Position in PNB	Position in Other Listed Companies
Florencia G. Tarriela	Chairperson and Independent Director	LT Group, Inc., Independent Director
Felix Enrico R. Alfiler	Vice Chairman and Independent Director	
Jose Arnulfo A. Veloso	President & CEO and Executive Director	
Florido P. Casuela	Non-executive Director	
Leonilo G. Coronel	Non-executive Director	Megawide Construction Corporation, Independent Director
Edgar A. Cua	Independent Director	
Estelito P. Mendoza	Non-executive Director	San Miguel Corporation, Director Petron Corporation, Director
Christopher J. Nelson	Non-executive Director	
Federico C. Pascual	Independent Director	
Cecilio K. Pedro	Independent Director	
Carmen K. Tan	Non-executive Director	LT Group, Inc., Director MacroAsia Corporation, Director PAL Holdings, Inc., Director
Lucio C. Tan	Non-executive Director	LT Group, Inc., Chairman & CEO MacroAsia Corporation, Chairman & CEO PAL Holdings, Inc., Chairman & CEO
Lucio K. Tan, Jr.	Non-executive Director	LT Group, Inc., Director MacroAsia Corporation, Director PAL Holdings, Inc., Director
Michael G. Tan	Non-executive Director	LT Group, Inc., Director & President MacroAsia Corporation, Director PAL Holdings, Inc., Director
Vivienne K. Tan	Non-executive Director	

SHAREHOLDINGS

Summary of Directors' Shareholdings as of December 31, 2018

A Director is required to advise the Corporate Secretary of their shareholdings in the Bank within three (3) business days after his appointment or any acquisition, disposal, or change in the shareholdings. In this regard, all directors shall disclose and report to the Bank any dealings in the Bank's shares within three (3) business days.

Directors, management, and employees considered as "insiders" (i.e., their functions in the Bank give them access to material information about the issuer or the security that is not generally available to the public) are prohibited from selling or buying a security of PNB or another company while in possession of material information with respect to the issuer or the security that is not generally available to the public.

Name of Director	No. of PNB Common Shares as of December 31, 2017	Direct (D) or Indirect (I)	No. of PNB Common Shares as of December 31, 2018	Direct (D) or Indirect (I)
Felix Enrico R. Alfiler	10,215	I	10,215	I
Florido P. Casuela	133	I	133	I
Leonilo G. Coronel	1	I	1	I
Estelito P. Mendoza	1,150	I	1,150	I
Christopher J. Nelson	100	I	100	I
Federico C. Pascual	39	D & I	39	D & I
Cecilio K. Pedro	5,000	D	5,000	D
Lucio C. Tan	14,843,119	D	14,843,119	D
Lucio K. Tan, Jr.	2,300	D	2,300	D
Michael G. Tan	250	D	250	D
Edgar A. Cua	100	D	100	D
Carmen K. Tan	5,000	I	5,000	I
Vivienne K. Tan	10	I	10	I
Florencia G. Tarriela	2	D	2	D
Jose Arnulfo A. Veloso	---		131,001	I

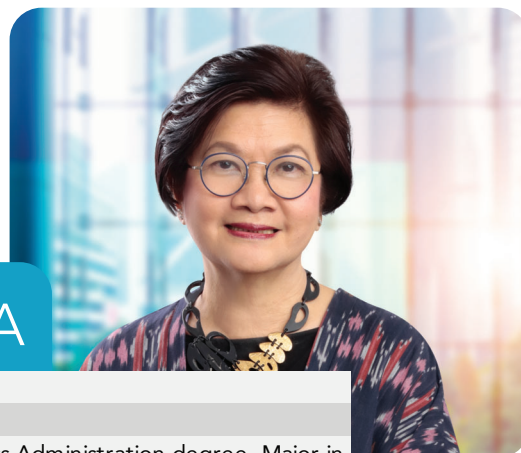
Summary of Key Officers' Shareholdings as of December 31, 2018

Name of Director	No. of PNB Common Shares as of December 31, 2017	Direct (D) or Indirect (I)	No. of PNB Common Shares as of December 31, 2018	Direct (D) or Indirect (I)
Cenon C. Audencial, Jr.	1,594	D & I	3,088	D & I
Nelson C. Reyes	1,594	D & I	3,088	D & I
Bernardo H. Tocmo	1,594	D & I	3,088	D & I
Alice Z. Cordero	1,318	D & I	2,536	D & I
Aida M. Padilla	1,318	D & I	2,536	D & I
Carmela Leticia A. Pama	1,318	D & I	2,536	D & I
Allan L. Ang	745	I	1,390	I
Schubert Caesar C. Austero	745	D & I	1,390	D & I
Manuel C. Bahena, Jr	745	D & I	1,390	D & I
Ponciano C. Bautista, Jr	760	D & I	1,405	D & I
Emeline C. Centeno	1,362	D & I	2,007	D & I
Elisa M. Cua	745	D & I	1,390	D & I
Christian Jerome O. Dobles	745	D & I	1,390	D & I
Erwin C. Go	745	D & I	1,390	D & I
Marie Fe Liza S. Jayme	745	D & I	1,390	D & I
Ma. Adelia A. Josen	745	D & I	1,390	D & I
Ana Rose T. Kwan	745	D & I	1,390	D & I
Maria Paz D. Lim	855	D & I	1,500	D & I
Ma. Lourdes S. Liwag	3,045	D & I	3,690	D & I
Roland V. Oscuro	745	D & I	1,390	D & I
Edilberto S. Ramos	-	-	948	D & I
Norman Martin C. Reyes	745	D & I	1,390	D & I
Humildad M. Santelices	745	D & I	1,390	D & I
Mary Ann A. Santos	745	D & I	1,390	D & I
Teresita U. Sebastian	745	D & I	1,400	D & I
Lee Eng Y. So	745	D & I	1,390	D & I
Mariza L. Tiburcio	-	-	948	D & I
Nanette O. Vergara	745	D & I	1,390	D & I
Antonio T. Baculi	-	-	810	D & I
Roberto V. Medalla	552	D & I	976	D & I
Joy Jasmin R. Santos	-	-	810	D & I
Martin G. Tengco, Jr.	455	D & I	810	D & I
Maila Katrina Y. Ilarde	455	D & I	810	D & I
Cristy M. Vicentina	465	D & I	820	D & I

Control Information

Security Ownership of Certain Record and Beneficial Owners (more than 5% of any class of voting securities as of February 28, 2019) is disclosed in the Definitive Information Statement, accessible through the website (<https://www.pnb.com.ph/index.php/investor-relations>).

BOARD OF DIRECTORS PROFILE



FLORENCIA G. TARRIELA

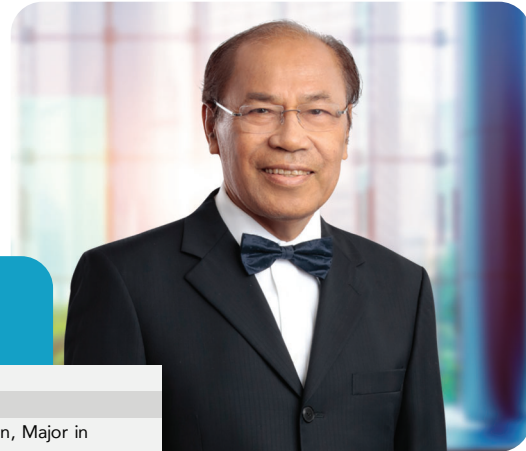
Age	72
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Science in Business Administration degree, Major in Economics, University of the Philippines * Masters in Economics degree from the University of California, Los Angeles, where she topped the Masters Comprehensive 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 * Director of Bankers Association of the Philippines * 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 Tulay sa Pag-unlad, Inc. (TSPI) Development Corporation, TSPI MBA, and Foundation for Filipino Entrepreneurship, Inc.
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. * Country Financial Controller of Citibank N.A. Philippines for 10 years * President, Bank Administration Institute of the Philippines
Awards/Citations	* 2014 Most Outstanding Citibank Philippines Alumni awardee for community involvement

FELIX ENRICO R. ALFILER



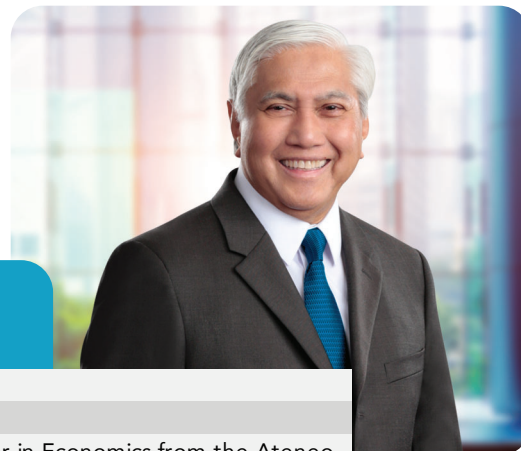
Age	69
Nationality	Filipino
Education	Bachelor of Science and Masters in Statistics from the University of the Philippines
Current Position in the Bank	Vice Chairman/Independent Director
Date of First Appointment	January 1, 2012
Directorship in Other Listed Companies	None
Other Current Positions	<ul style="list-style-type: none"> * Chairman/Independent Director of PNB General Insurers Co., Inc., PNB RCI Holdings Co., Ltd. and PNB International Investments Corp * Independent Director of PNB Savings Bank
Other Previous Positions	<ul style="list-style-type: none"> * 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

FLORIDO P. CASUELA



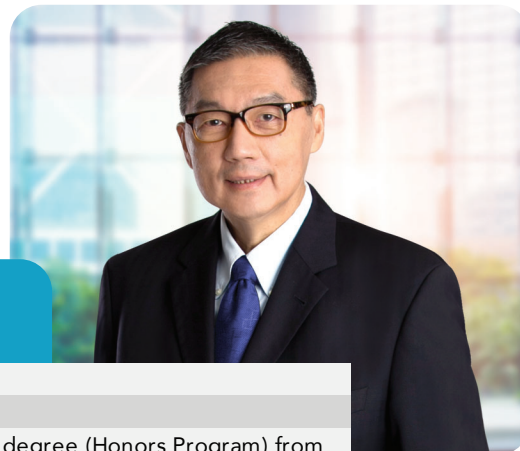
Age	77
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Science in Business Administration, Major in Accounting from the University of the Philippines * Masters in Business Administration from the University of the Philippines * Advanced Management Program for Overseas Bankers from the Philadelphia National Bank in conjunction with Wharton School of the University of Pennsylvania * Study Tour (Micro Finance Program and Cooperatives), under the Auspices of the United States Agency for International Development
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 (a Savings Bank), Inc.
Other Previous Positions	<ul style="list-style-type: none"> * President of Land Bank of the Philippines, Maybank Philippines, Inc., 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 Bangko Sentral ng Pilipinas * 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 (Isla Lipana & Co.)
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 – Surigao Chapter

LEONILLO G. CORONEL



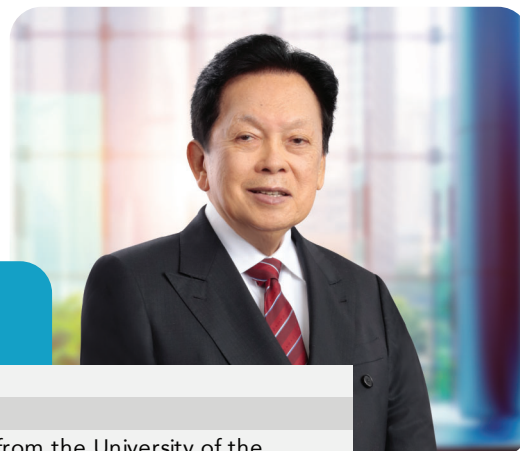
Age	72
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Arts degree, Major in Economics from the Ateneo de Manila University * Advance Management Program of the University of Hawaii
Current Position in the Bank	Director
Date of First Appointment	May 28, 2013
Directorship 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

EDGAR A. CUA



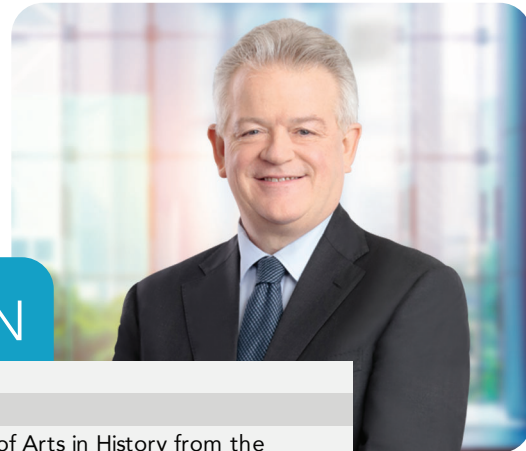
Age	63
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Arts in Economics degree (Honors Program) from the Ateneo de Manila University * Masters of Arts in Economics degree from the University of Southern California * Masters of Planning Urban and Regional Environment degree 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 and Allied Commercial Bank, Xiamen * Director of Davao Unicar Corporation
Other 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.

ESTELITO P. MENDOZA



Age	89
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's 1975 "Professional Award in Law" and 2013 "Lifetime Distinguished Achievement Award"

CHRISTOPHER J. NELSON



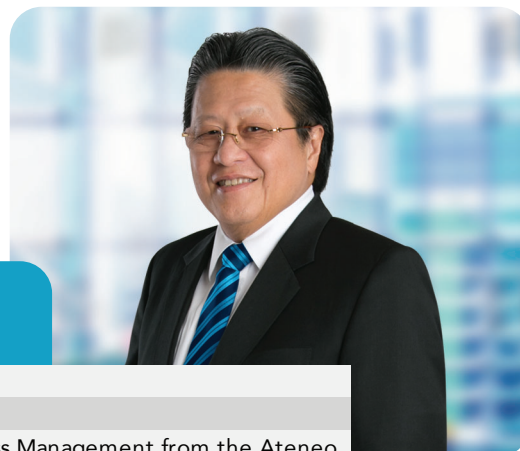
Age	59
Nationality	British
Education	<ul style="list-style-type: none"> * Bachelor of Arts and Masters of Arts in History from the Emmanuel College, Cambridge University, U.K. * Diploma in Marketing from the Institute of Marketing, Cranfield, U.K.
Current Position in the Bank	Director
Date of First Appointment	<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

FEDERICO C. PASCUAL



Age	76
Nationality	Filipino
Education	<ul style="list-style-type: none"> * Bachelor of Arts from the Ateneo de Manila University * Bachelor of Laws (Member, Law Honors Society) from the University of the Philippines * Master of Laws from the 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 * Chairman of Bataan Peninsula Educational Institution, Inc. * President/Director of Tala Properties, Inc. and Woldingham Realty, Inc. * Director of Apo Reef World Resort 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 PNOG 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 Global Energy Growth System, 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

CECILIO K. PEDRO



Age	65
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 Lamoayan Corporation * Chairman and CEO of Pneumatic Equipment Corporation and Action Container, Inc. * Director of CATS Motors, Manila Doctors Hospital and Philippine Business for Social Progress * 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 and Go Negosyo's 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

CARMEN K. TAN



Age	77
Nationality	Filipino
Current Position in the Bank	Independent Director
Date of First Appointment	May 31, 2016
Directorship in Other Listed Companies	Director of MacroAsia Corporation, LT Group, Inc., and PAL Holdings, Inc. * Independent Director of Allianz PNB Life Insurance, Inc., PNB-IBJL Leasing and Finance Corporation, PNB International Investments
Other Current Positions	* Director of Asia Brewery, Tanduary 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

LUCIO C. TAN



Age	84
Nationality	Filipino
Education	* 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 of LT Group, Inc., PAL Holdings, Inc., and MacroAsia Corporation
Other Current Positions	* Chairman and CEO of Philippine Airlines, Inc. and University of the East * Chairman/President of Tangent Holdings Corporation and Lucky Travel Corporation * Chairman of Air Philippines Corporation, Eton Properties Philippines, Inc., Eton City, Inc. Belton Communities, Inc., Asia Brewery, Inc., Tanduy Distillers, Inc., Tanduy 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 of 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. * Founder of the Tan Yan Kee Foundation, Inc., of which he is the Chairman and President
Other Previous Positions	* Chairman of Allied Banking Corporation and Allied Leasing and Finance Corporation
Awards/Citations	* 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

LUCIO K. TAN, JR.



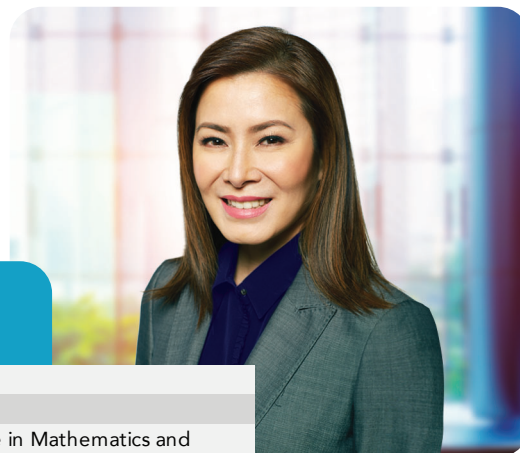
Age	52
Nationality	Filipino
Education	<p>* Bachelor of Science degree in Civil Engineering (Minors in classical Chinese Mandarin and Mathematics) from the University of California Davis, U.S.A.</p> <p>* Master of Business Administration, J.L. Kellogg School of Management, Northwestern University and The School of Business and Management, The Hong Kong University of Science and Technology, Hong Kong</p> <p>* Courses in Basic and Intermediate Japanese Language, Languages International, Makati and Asia Center for Foreign Languages, Ortigas</p>
Current Position in the Bank	Director
Date of First Appointment	September 28, 2007
Directorship in Other Listed Companies	<p>Director of MacroAsia Corporation, LT Group, Inc., PAL Holdings, Inc. and Victorias Milling Company, Inc.</p> <p>* Vice Chairman of Philippine Airlines, Inc.</p> <p>* President/COO of Tanduay Distillers, Inc.</p> <p>* President of Eton Properties Philippines, Inc.</p> <p>* Director of 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</p> <p>* Director of PMFTC, 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</p> <p>* Executive Vice President and Director of Fortune Tobacco Corporation</p>
Other Current Positions	<p>* President and Chief Executive Officer of MacroAsia Corporation</p> <p>* Director of Tanduay Distillers, Inc., Allied Leasing and Finance Corporation, PNB (Europe) Plc, Bulawan Mining Corporation and PNB Forex, Inc.</p> <p>* Executive Vice President of Fortune Tobacco Corporation</p>
Other Previous Positions	<p>* Executive Vice President of Fortune Tobacco Corporation</p>

MICHAEL G. TAN



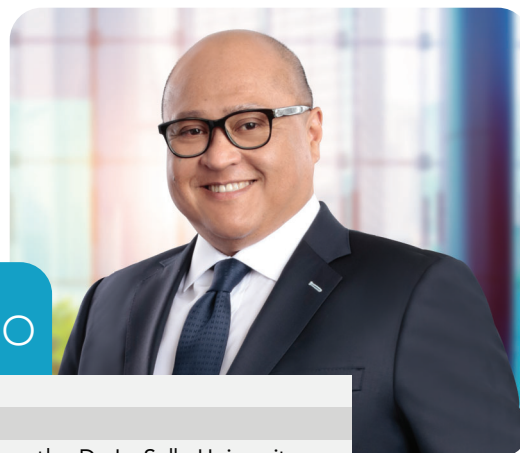
Age	52
Nationality	Filipino
Education	Bachelor of Applied Science in Civil Engineering, Major in Structural Engineering, from the University of British Columbia, Canada
Current Position in the Bank	Director
Date of First Appointment	February 9, 2013
Directorship in Other Listed Companies	<ul style="list-style-type: none"> * Director and President of LT Group, Inc. * Director of PAL Holdings, Inc. and Victorias Milling Company, Inc.
Other Current Positions	<ul style="list-style-type: none"> * Director of PNB Management and Development 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	<ul style="list-style-type: none"> * Chairman of PNB Holdings Corporation * Director of Bulawan Mining Corporation and PNB Forex, Inc. * Director of Allied Banking Corporation from January 30, 2008 until the merger of Allied Banking Corporation with PNB on February 9, 2013

VIVIENNE K. TAN



Age	50
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"> * Director of PNB Management and Development Corporation and Eton Properties Philippines, Inc. * Board Advisor of LT Group, Inc. * 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 through 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	<ul style="list-style-type: none"> * 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)

JOSE ARNULFO "WICK" A. VELOSO



Age	52
Nationality	Filipino
Education	BSC Marketing Management from the De La Salle University
Current Position in the Bank	President and CEO
Date of First Appointment	November 16, 2018
Directorship in Other Listed Companies	None
Other Current Positions	<ul style="list-style-type: none"> * Director of PNB Global Remittance and Financial Co. (HK) Ltd., Allianz-PNB Life Insurance, Inc. * Director of Philippine Dealing & Exchange Corporation, Philippine Securities Settlement Corporation, Asian Bankers Association, and Bancnet, Inc.
Other Previous Positions	<ul style="list-style-type: none"> * President and CEO of HSBC Philippines * Chairman and Director of HSBC Insurance Brokers (Philippines), Inc. * Chairman and Director of HSBC Savings Bank (Philippines), Inc. * Managing Director, Treasurer and Head of Global Banking and Markets of HSBC Global Markets * Treasurer and Head of Global Markets of HSBC Treasury * Head of Domestic Treasury of PCI Bank/PCI-Capital * Fixed Income Portfolio Head of Citibank * Fixed Income Trader of Asia Trust * Supervisor of Urban Bank * Management Trainee and Supervisor of Urban Bank

EXECUTIVE OFFICERS PROFILE

Cenon C. Audencial, Jr., 60, 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 25-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.

Jovencio B. Hernandez, 66, Filipino, Executive Vice President, is the Head of Marketing and Brand Management Sector. A Certified Public Accountant, he obtained his Bachelor of Science in Commerce, Major in Accounting, from De La Salle College. Prior to his appointment, he was the President of PNB Savings Bank and Head of PNB Retail Banking Group. He was also a Senior Vice President and Head of the Consumer Banking Group of Security Bank, Senior Vice President for the Retail Banking of Union Bank of the Philippines in 2004, Commercial Director of Colgate Palmolive in 1996, Senior Country Operations Officer of Citibank in 1995, and Group Product Manager of

CFC Corporation and Unilever in 1982 and 1980, respectively. He was formerly the President of Security Finance in 2004 and First Union Plans in 2003. He was also a director of SB Forex and Security – Phil Am. He served as Treasurer, director and Executive Committee Member of Bancnet in 2004- 2006, Bancnet director, Treasurer and Executive Committee Member from 2013 to 2015.

Chester Y. Luy, 50 years old, Filipino, Executive Vice President, is the Head of the Strategy and Financial Advisory Sector. The Strategy Group is responsible for crafting the bank's overall business strategy as well as its competitive positioning within the industry. The Bank's Financial Advisory Sector is comprised of the Wealth Management Group and the Trust Group. Most recently, Mr. Luy served as the Senior Executive Vice President and Treasurer of Rizal Commercial Banking Corporation (RCBC). He served as the Group Head for the Financial Advisory and Markets Group which is comprised of the Treasury Group and the Wealth Management Group at RCBC. Mr. Luy has 26 years of experience in banking and finance. He served in leadership roles as Managing Director across a variety of businesses with several international banks and was based in New York, Singapore and Manila. His leadership experience includes Treasury, Wealth Management and Private Banking, Trust-related businesses like Investment Management and Research, Corporate Finance and Investment Banking and Credit Risk Analysis. Mr. Luy has worked

with a number of banks including JPMorgan, Bank of America Merrill Lynch, Barclays Capital, HSBC, Julius Baer, Bank of Singapore and RCBC. He graduated from the University of the Philippines with a Bachelor of Science degree in Business Administration (Magna Cum Laude) and was awarded as the “Most Outstanding Business Administration Student for the Class of 1990”. He earned his Masters in Management (MBA) degree from the J.L. Kellogg Graduate School of Management at Northwestern University. He is a CFA (Chartered Financial Analyst). During his stint with various global banks in the U.S., for several years, he was consistently awarded as Top Senior Analyst in his field by Institutional Investor Magazine during its annual survey of investors, including money management firms. He served as a member of the Singapore Institute of Directors, an association of independent directors in Singapore and served on the board of a Singapore-based hospitality and real estate entity.

Nelson C. Reyes, 55, 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 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, 57, Filipino, Executive Vice President, is the Head of Retail Banking Sector who manages the Branch Banking Group, Global Filipino Banking Group and Cards Banking Solutions Group of the Bank. Mr. Tocmo obtained his Masters in Business Economics from the University of Asia and the Pacific and 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 PNB 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 from 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.

Aida M. Padilla, 69, Filipino, Executive Vice President, is 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.

Isagani A. Cortes, 51, Filipino, First Senior Vice President, is the Chief Compliance Officer and Head of the Global Compliance Group. He obtained his Bachelor of Arts degree in English from the University of the East, and his Bachelor of Laws from the University of the Philippines. He was a Senior Vice President and Deputy Head of Regulatory Affairs Group at Rizal Commercial Banking Corporation. He also spent 14 years in Hongkong Shanghai Banking Corporation (HSBC) as Senior Vice President and Country Head of Financial Crime Compliance. He served as the subject matter expert and risk steward in financial crime risk. His stint in the banking industry includes his employment with Eastwest Bank where he was a Chief Compliance Officer and with ABN AMRO Savings Bank/ Great Pacific Savings Bank/BA Savings Bank where he was an Assistant

Vice President for Legal and Remedial Management.

Maria Paz D. Lim, 58, Filipino, First Senior Vice President, is the Corporate Treasurer. She is also the incumbent 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.

Schubert Caesar C. Austero, 55, Filipino, Senior Vice President, is the Head of the Human Resource Group. He has been connected with PNB since 2006 as the 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 for Human Resources, with the Philippine Bank of Communications as Assistant Vice President and Training Director, and with Solidbank Corporation as Recruitment and Training Manager, and later as Senior Manager and Head of Corporate

Communications and Public Affairs. He was the 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 and as Director for Strategic Planning. He was appointed by President Benigno Aquino as Employer Representative to the National Tripartite Industrial Peace Council in 2012, where he continues to sit as Employer Representative. He is at present a director of the Organization Development Practitioners Network and is a member of various professional organizations.

Manuel C. Bahena, Jr., 57, 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, including 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, 60, 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, 56, 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.

Noel C. Malabag, 47, Filipino, Senior Vice President, is the Officer-in-Charge of the Treasury Sector. Mr. Malabag brings with him over 24 years of experience in the financial markets, rising up the ranks from Junior Trader to Head of Treasury. He spent 16 years in HSBC Philippines expanding his expertise in global interest rate markets, foreign exchange, derivatives and liquidity management. In 2015 he became the Treasurer of the Philippine Veterans Bank where he spearheaded innovation not only in trading practices but also in and across risk policy, compliance, control procedures and business models -- all of which helped unlock and increase efficiency and profit scale for the enterprise. As a respected member of the banking industry, he has been a key resource for reforms and policy-making in our country's financial markets through various industry associations, including the Open Market Committee of the Bankers Association of the Philippines, Money Market Association of the Philippines and ACI Philippines. He obtained his Bachelor of Science degree

in Commerce, major in Marketing Management from the De La Salle University.

Michael M. Morallos, 50 years old, Filipino, Senior Vice President, is the acting Head of the Information Technology Group. He obtained his Bachelor of Arts degree major in Philosophy and Political Science from the University of the Philippines and completed advanced computer studies at the National Computer Institute of the Philippines. His company trainings include Wharton Senior Executive Program, IBM Project Management, Ateneo Banking Principles and extensive systems training at the FIS Training Center, LR, Arkansas. He brings with him over 25 years of work experience and was a Senior FIS Systematics Consultant. Prior to joining PNB, he was First Senior Vice President and Head of Technology Platform at the Siam Commercial Bank, the largest Thai bank with over 28,000 Customer Accounts and 1,200 domestic branches. He was Technical Consultant for Systematics Health Check for Digital Transformation, retro-fitting new Systematics features such as Native ALERTS and Web Services. He was tasked to push the core source data to the Enterprise Operational Data Store to support ongoing Enterprise Digital projects for Mobile and Internet, Bundling and Pricing Engine, On-Boarding, Wealth and Data Analytics. He was a business process analyst and solutions provider, helped establish the Solutioning Team as a focal point of better business solutions.

Roland V. Oscuro, 55, Filipino, Senior Vice President, is the Chief Information Security Officer and Head of Enterprise Information 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, 53, 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 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, 58, Filipino, Senior Vice President, is the Head of Global Filipino Banking Group, 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 37 years of banking experience under her belt. She started off her career with PNB 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 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 April 2017.

Nanette O. Vergara, 58, 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.

Joy Jasmin R. Santos, 45, Filipino, First Vice-President, is the Chief Trust Officer and Head of Trust Banking Group. She has served as Vice-President and

Corporate Trust Division Head from 2013 to 2018 and Business Development Division Head from 2010 to 2012. Prior to joining PNB in June 2010, she was the International Business Development Head for Asia of Globe Telecom. She was also Vice-President for Retail Banking of Citibank Savings, Inc. from 2005 to 2009. She has also served managerial positions in American Express Bank in 2004, Keppel Bank in 2001 and Bank of the Philippine Islands from 1994 to 1999. Ms. Santos graduated as Cum Laude in 1994 from the Ateneo de Manila University with a degree of Bachelor of Arts, Major in Management Economics and obtained her Masters in Business Administration from the Australian National University, Canberra, Australia in 2002.

Martin G. Tengco, Jr., 53, 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 obtained his Master in Business Administration degree 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 CAE and Information Systems Audit Division Head until his appointment as CAE of PNB on

June 1, 2017. He also served as the Business Continuity Coordinator of Allied Banking Corporation 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), ISACA and Association of Certified Fraud Examiners-Philippines.

Simeon T. Yap, 57, Filipino, First Vice President, is the Bank's Chief Risk Officer and Head of the Risk Management Group. He is an economics graduate from the University of the Philippines' School of Economics. Prior to joining PNB, he was the Market Risk Officer of Security Bank from 2009 to 2018. He was also the Associate Director for Product Development of PDEX in 2008. He was also with Citibank where he was a trader, Money Market Head of Citibank Shanghai and Market Risk Officer.

COMPLIANCE SYSTEM

PNB staunchly upholds compliance in the conduct of business, ensuring that everything it does is within the boundaries of laws, rules, and regulations. The Bank actively promotes the safety and soundness of its operations by maintaining an environment that is governed by best practices of good corporate governance.

The Global Compliance Group, which reports directly to the Board Audit and Compliance Committee (BACC), is primarily responsible for promoting compliance with laws and regulations of various regulating bodies and adherence to international best practices. The Chief Compliance Officer is directly responsible for the implementation and management of the enterprisewide compliance system covering domestic and foreign branches, offices, subsidiaries, and affiliate. To further strengthen good corporate governance, the Board of Directors appointed the Chief Compliance Officer as the Corporate Governance Executive tasked to assist the Board and the Corporate Governance and Sustainability Committee in the conduct of their corporate governance oversight functions.

Isagani A. Cortes is the Chief Compliance Officer, Corporate Governance Executive, and Head of the Global Compliance Group. He is not a member of the Board of Directors. His complete background and qualifications are available in the Profile of Executive Officers.

Anti-Money Laundering Compliance

We play an active role in preserving the integrity of the financial system and preventing the occurrence of financial crimes. The Bank manifests its commitment to support AMLC's global fight against money laundering (ML) and terrorist financing (TF) through its anti-money laundering unit, the Global AML Compliance Division. Under the guidance and supervision of the Chief Compliance Officer, the Division ensures that policies, controls, and procedures are in place to manage and mitigate ML/TF risks.

The Board and the Management Committee have the ultimate responsibility to fully comply with the provisions of the Anti-Money Laundering Act (AMLA) of 2001 and its implementing rules and regulations. In the same manner, the Board and Management Committee are consistently being apprised on the latest anti-money laundering laws, rules, and regulations, risk management, internal policies and procedures, and sound industry practices to enable them to comply with their obligations and responsibilities.

A comprehensive and risk-based Money Laundering and Terrorist Financing Prevention Program has been defined and implemented by the Bank, which is geared towards the promotion of high ethical and professional standards and the prevention of the Bank being used, intentionally or unintentionally, for money laundering and terrorist financing. A Senior

AML Compliance Officer was designated as the lead implementor of the program and is also tasked to liaise between the Bank, the BSP, and the AMLC on matters relating to the Bank's AML/CFT compliance.

Regulatory Compliance

The Regulatory Compliance Division ensures adherence to banking laws, rules, regulations, and guidelines issued and mandated by the Bank's various regulators. The Division observes ongoing dissemination of regulatory issuances to various units through the appointed Compliance Officer Designates. Likewise, it builds a constructive dialogue between the Global Compliance Group and the various offices to properly identify any compliance deficiencies and, subsequently, take corrective action in a timely and consistent manner.

Business Vehicle Management Compliance

The business vehicles under Philippine National Bank, as the Parent Bank, are divided into two: (i) domestic subsidiaries; and (ii) foreign branches, subsidiaries and offices. The Business Vehicle Management Compliance Division is tasked to monitor and ensure consistent compliance of the Bank's legal vehicles to local laws, rules, and regulations and those issued by the different host country regulators governing the operations of the foreign branches and business vehicle entities. The Chief Compliance Officer is working closely with the legal vehicles to ensure clarity, understanding, and effectiveness

of the implementation of new regulatory requirements.

Compliance Testing and Review

Robust compliance monitoring and testing play a key role in identifying weaknesses in existing compliance system controls and is a critical component of an effective compliance program. Compliance testing is necessary to validate that key assumptions, data sources, and procedures utilized in measuring and monitoring compliance issues are consistently reliable.

Corporate Governance

The Corporate Governance Monitoring Unit has evolved to a Division to provide support to the Chairman of the Board, thru the Chief Compliance Officer as the designated Corporate Governance Executive. The Division is dedicated to strengthening the governance norms of the Bank. Championing globally recognized standards and best practices, the Division provides support for the effective implementation of the Corporate Governance and RPT Compliance frameworks. Through continued dialogue and collaborative working relationship with regulators and various organizations, such as the SEC, PSE, and ICD, the Division is poised to continue upholding principles of good corporate governance.

AUDIT

Internal Audit

The Internal Audit Group, headed by the Chief Audit Executive (CAE), performs the internal audit activity for the Bank. Its functions include assessment of internal controls and the recommendations to implement measures to ensure adequate control. In addition, it is expected to assist in the Bank's risk management activities and corporate governance initiatives.

The Board Audit and Compliance Committee is responsible for the appointment, reappointment and replacement of the Chief Audit Executive and Deputy Chief Audit Executive. The responsibility of the Committee includes the annual performance review of the CAE, accepting the resignation and/or dismissal subject to due process.

The Chief Audit Executive develops and manages a broad, comprehensive program of internal auditing covering the Bank and its subsidiaries and overseas businesses for the purpose of providing the Board and senior management with independent, timely assessment of and reasonable assurance that key organizational and procedural controls and risk management systems are adequate, appropriate, effective and complied with.

The Chief Audit Executive and Head of the Internal Audit Group is Martin G. Tengco, Jr. His complete background and

qualifications are available in the Profile of Executive Officers.

External Audit

The External Auditor ensures the establishment and maintenance of an environment of good corporate governance as reflected in the financial records and reports of the Bank.

The Board Audit and Compliance Committee shall have the sole authority to select, evaluate, appoint, and replace the External Auditors (subject to stockholder ratification) and shall approve in advance all audit engagement fees and terms and all audit related, and tax compliance engagements with the External Auditors.

The external auditor is expected to charge only reasonable audit fees. In determining reasonable fees, the following may be considered: (i) Expected hours needed to complete the scope of work envisioned in the audit plan; (ii) Complexity of the activities and structure of the Bank; (iii) Level of internal audit assistance; (iv) Level of fees being charged by other audit firms; and (v) Quality of audit services.

The table below shows the breakdown of fees paid in 2017 and 2018.

Fees	2017 (in P million)	%	2018 (in P million)	%
Audit	17.450	55	22.054	61
Non-audit	14.480	45	14.372	39
Total	31.930	100	36.426	100

RISK MANAGEMENT

Headed by the Chief Risk Officer, the Risk Management Group is independent from the business lines and is organized into 7 divisions: Credit Risk Division, BASEL/ICAAP/Operational Risk Management Division, Market & ALM Division, Information Technology Risk Division (to include Business Continuity Management, Outsourcing Risk, Project Management Monitoring), Data Privacy Management Division, Trust Risk Division and Business Intelligence & Data Warehouse Division. RMG oversees risk-taking activities of the Bank and evaluates consistency with risk-appetite & strategic direction.

The approach to managing risk is outlined in the bank's Enterprise Risk Management (ERM) Framework, which creates the context for setting policies and standards, and establishing the right practices throughout the PNB Group. It defines the risk management processes and sets out the activities, tools, and organizational structure to ensure material risks are identified, measured, monitored and managed.

The PNB risk management framework banks on a dynamic process that supports the development and implementation of the strategy of the bank. The process revolves around methodically addressing risks associated with the business lines of the bank. The ERM Framework, with regular reviews and updates, has served PNB well and has been resilient through economic cycles. The organization has

placed a strong reliance on this risk governance framework and the three lines-of-defense model, which are fundamental to PNB's aspiration to be world-class at managing risk.

The Chief Risk Officer, Data Protection Officer, and Head of the Risk Management Group is Simeon T. Yap. His complete background and qualifications are available in the Profile of Executive Officers.

The Board of Directors, through the Risk Oversight Committee, has conducted the annual review of material controls and risk management system. The details of the review, along with the key risk exposures of the Bank, can be found in the 2018 Annual Report (<https://www.pnb.com.ph/index.php/investor-relations>).

The attestation of the Chief Executive Officer and the Chief Audit Executive confirming that a sound internal audit, control and compliance system is in place and working effectively is likewise available in the Integrated Annual Corporate Governance Report (<https://www.pnb.com.ph/index.php/corporate-governance>).

RELATED PARTY TRANSACTIONS

The Bank recognizes that conflicts of interest may arise due to dealings and transactions with related parties. In conformity with Bank's policy, RPT dealings should be treated in the normal course of business, on an arm's length basis. This means that the RPTs are undertaken in the same manner as similar transactions with nonrelated parties. No corporate or business resource of the Bank are to be misappropriated or misapplied and sound judgment is always to be exercised for the best interest of the Bank. Material RPTs are to be reviewed and endorsed by the BORC to the Board for approval/notation.

In this light, PNB ensures that individual and aggregate exposures to related parties are within prudent levels, consistent with defined limit; monitored through independent reviews by Internal Audit and Global Compliance Groups; and covered by disclosures and/or reporting requirements. There is sustained awareness of the RPT Policy Framework through RPT Training Programs conducted by the Bank.

The members of the Board, Management Committee, and stockholders are required to disclose to the Board if they are 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 conflicts of interest shall inhibit themselves from the decision-making process and abstain from participating in

the discussion, approval and management of such transactions or matters affecting the Bank. The BORC may inform the Corporate Governance and Sustainability Committee of the directors/officers' actual or potential conflicts of interest with the Bank, as necessary.

The following critical factors are to be considered in the evaluation of RPTs: (i) the related party's relationship to the Bank and interest in the transaction; (ii) the material facts of the proposed RPT, including the proposed aggregate value of such transactions; (iii) the benefits to the Bank of the proposed RPT; (iv) the availability of other sources of comparable products or services; and (v) the comparative assessment between the proposed RPT and similar non-related party transactions.

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 of monitoring and managing potential conflicts of interest, and to ensure that exposures to related parties are effectively managed, and appropriate steps to control or mitigate the risks and write-offs of such exposures are made according to standard policies and processes.

In 2016, the Bank focused on sustaining existing RPT policies and procedures. The policies were enhanced to align with the new BSP Circular on RPT, the principles of

the ASEAN Corporate Governance Scorecard, and with Basel III Guidelines on Good Corporate Governance. The expanded RPT Policy Framework covered the: (i) oversight functions of the Board and the BORC while implementation by the Management Committee was reflected in the revised Operations Manual procedure; (ii) development of the RPT database system; (iii) enhancement of the review and audit programs conducted by the independent teams of Internal Audit Group and Global Compliance Group; and (iv) the external auditors and examinations performed by regulatory bodies.

After sustaining existing RPT policies, the Bank enhanced its RPT practices in 2017 through the following: (i) expanded classification of RPTs into four (4) major categories: DOSRI, Subsidiaries/Affiliates, Other Related Parties; and Related Parties with economic interdependencies; (ii) annual review of the materiality threshold which serves as basis for the individual and aggregate limits to reflect the Bank's risk appetite, risk profile and transactions, and capital strength; and (iii) enhanced policy on articulating the price discovery mechanism used in loan pricing, contract price, and market valuation of collaterals for purposes of vetting the transactions.

In 2018, the Bank further adopted robust measures to ensure that RPTs are conducted within prudent levels. Throughout the year, compliance bulletins were issued and disseminated through the Bank's intranet facility regarding: (i) RPT internal ceilings/limits; (ii) revised

materiality thresholds for RPT limits and covered persons; (iii) material and non-material RPT reporting; (iv) exemption from the materiality threshold and reporting to BSP; and (v) reiteration of the availability of related party database.

All legal acts, resolutions and proceedings of the Board of Directors, including approvals on related party transactions endorsed by the Board Oversight RPT Committee, shall be included in the agenda of the Annual Stockholders' Meeting for ratification of disinterested stockholders.

Details on significant related party transactions, including amount/volume, outstanding balance, nature, terms and conditions, are disclosed in Note 33 of the Notes to Financial Statements, available in the the website of the Bank (<https://www.pnb.com.ph/wp-content/uploads/docs/2018-AnnualReport.pdf>).

The detailed guidelines on the approval process of RPTs are enumerated in the 2018 RPT Policy Manual, which can be accessed through the Bank's website (<https://www.pnb.com.ph/index.php/corporate-governance>).

CODE OF ETHICS AND CONDUCT

Code of Ethics for Directors

The Bank is steadfast and dedicated in upholding and promoting ethics, integrity, and accountability in the conduct of its business. The Bank is likewise consistent in its adherence to a strict moral and ethical code manifested through honesty, professionalism, fairness, prudence and respect for the law.

The Code of Ethics for Directors serves as a guide of principles designed to enable the Board of Directors to exercise its powers, duties and responsibilities in accordance with the fit and proper standards. It defines and provides the minimum standards of conduct expected of all directors. As such, the Code shall be read in conjunction with the Bank's Corporate Governance Manual, Amended Articles of Incorporation, Amended By-Laws, and internal policies and procedures.

The provisions of the Code shall apply to all members of the Board of Directors, whether executive, non-executive or independent, of PNB Group. All members of the Board are expected to observe and uphold the principles set out in this Code. The Code provides the following standards, among others, which shall guide and govern the conduct and behavior of the Board of Directors, including their decisions and actions when performing their respective duties and responsibilities: (a) Compliance with Laws,

Rules, and Regulations; (b) Fit and Proper standards; (c) Discharge of Duties and Responsibilities; (d) Honesty and Good Faith; (e) Relationship with Stakeholders and (f) Diversity.

Code of Conduct for Employees

The Code of Conduct is constituted to prescribe a moral code for employees which would not only instill discipline but would yield higher productivity at the workplace and enhance and safeguard the corporate image of the Bank. While this Code defines the offenses as well as the corresponding disciplinary measures that may be imposed, its overall intent is more of prevention of the infraction rather than the administration of disciplinary measures.

The provisions of the Code apply to all employees including its overseas branches/offices and PNB foreign and domestic subsidiaries. The term employees shall refer to officers and rank and file including probationary employees.

Each employee, senior officer, or director is furnished with a copy of the Bank's Code of Conduct Manual. Moreover, an employee can access the Manual through the Bank's intranet.

Each employee accomplishes an Acknowledgement Receipt certifying therein that he/she has been furnished with a copy of the Code of Conduct Manual; that he/she has fully read and

understood the provisions embodied in the Code of Conduct Manual and that he/she promises to abide with the rules/regulations of the Code of Conduct Manual. Any failure to abide with Bank's Code of Conduct Manual is reported by the Head of Office concerned to Human Resource Group. HRG subsequently validates/evaluates the report to determine if any sanction or disciplinary action should be taken against the erring employee.

Any failure to abide with the provisions of the Code is reported by the immediate supervisor and/or Head of Office concerned to the Human Resource Group and/or Corporate Governance and Sustainability Committee. A designated committee may subsequently validate/evaluate the report to determine if any sanction or disciplinary action should be taken against the erring employee or director.

The details of the Codes, including the process of its implementation, can be accessed through the website (<https://www.pnb.com.ph/index.php/corporate-governance>).

Whistleblowing Policy

It is the responsibility of all Directors, officers and staff to report suspected or actual occurrence of fraud and/or violation of any law, rule, policies, misconduct, etc., in accordance with the PNB Whistleblower Policy.

Under the Bank's Whistleblower Policy, employees can report or complain about (internally any suspected or actual commission of theft/fraud, corruption, etc.). Whistleblowers are protected from retaliation by ensuring that his identity will be kept in strict confidence. The whistleblower may report to the Head of Security Group or any of the Group Heads (i.e., Legal Group, Internal Audit Group or Human Resource Group) any retaliation or adverse personnel action taken against him/her by any individual or office in the Bank.

Hence, anyone who retaliates against the whistleblower is subject to disciplinary action, including the possibility of termination/dismissal from the Bank service.

STAKEHOLDER ENGAGEMENT

Becoming cognizant of our stakeholders' key concerns and expectations is a universal goal in our organization—one that is embedded at the heart of our operations, strategy, and culture. We recognize the inseparable link between the health of our business and the long-term interests of our stakeholders.

At PNB, we seek to provide solutions that meet the fast-paced and ever-changing issues, concerns, and expectations of a broad spectrum of stakeholders—internal and external to effectively build a truly sustainable organization.

The Bank proactively engages shareholders through annual meetings, one-on-one meetings with the President and other senior officers, teleconferences & phone calls, and email conversations.

Date	Event
January 12, 2018	Gamification learning session with Moritz Gastl, Managing Director at moneymx.ph
February 20, 2018 February 26, 2018 March 2, 2018	Chinese New Year Roadshow in Century Park Hotel in Manila, Marco Polo Cebu, and Marco Polo Davao
March 20, 2018	Launching of the new PNB-PAL Mabuhay Miles NOW Mastercard Credit Card at the Brewery at the Palace, BGC
April 24, 2018	2018 Annual Stockholders' Meeting
May 18, 2018	Practical steps to wealth creation and estate planning hosted by Trust Banking Group at Mandarin Plaza, Cebu
June 22, 2018	Closing ceremony to mark the successful issuance of USD 300 million in Fixed Rate Senior Notes under PNB's European Medium Term Note Programme
July 26, 2018	Launching of the new PNB-PAL Mabuhay Miles Debit Mastercard at the Blue Leaf Filipinas, Paranaque

Date	Event
July 31, 2018	Appreciation ceremony of the Institute of Corporate Directors (ICD) where PNB was recognized as one the top-performing publicly-listed companies (PLCs) that ranked high under the ASEAN Corporate Governance Scorecard (ACGS)
September 31, 2018	Financial planning seminar conducted by Allianz PNB Life at St. Scholastica's Academy and St. John's Institute, Bacolod
October 26, 2018	"NOW! Night" appreciation event of PNB Cards at Revel at the Palace in BGC
November 19, 2018	Special Pulong ng Bayan where former PNB President Reynaldo Maclang formally turnover the reins to the new CEO, Wick A. Veloso
January 22, 2019	Market outlook session hosted by PNB Securities at the Pinnacle Lounge in PNB Makati Center
February 12, 2019	PNB Savings Bank 4th Auto Dealers' Golf Cup at the Wack Wack Golf and Country Club
February 27, 2019	PNB listed PHP8.22 billion worth of Long-Term Negotiable Certificates of Time Deposit (LTNCTD) on the Philippine Dealing & Exchange Corp. (PDEX) bourse
March 14, 2019	Philippine Dealing System (PDS) Annual Awards Night where PNB was recognized for taking the number one spot in the list of Top Fixed-Income Brokering Participants and for being one of the top five Fixed-Income Cash Settlement Banks
April 30, 2019	2019 Annual Stockholders' Meeting

Date	Event
May 28, 2019	President and CEO Wick Veloso met with Nina Hachigian, Los Angeles Deputy Mayor for International Affairs
May 30, 2019	PNB formally opened the doors of PNB Remittance Centers, Inc. (RCI) corporate office in its new home at 225 West Broadway, Suite 301, Glendale, Los Angeles County, California
June 11, 2019	PNB was recognized by the Institute of Corporate Directors (ICD) for being one of the awardees of its ASEAN Corporate Governance Scorecard (ACGS) Arrow for 2018

Press Releases

Date	Press Release
March 15, 2018	PNB net income up 14% to P8.2B
May 8, 2018	PNB net income up 20% to P1.5 billion in the first quarter of 2018
August 6, 2018	PNB sustains strong profitability in the first half of 2018
August 24, 2018	PNB announces Maclang's retirement, names Veloso as new president
September 28, 2018	Philippine National Bank acquires PNB Savings Bank
November 8, 2018	PNB net income up 67% to P7.5 billion
February 21, 2019	PNB Successfully Raises PHP8.22 billion LTNCDs
March 18, 2019	PNB net income up 17% to P9.6B in 2018
April 30, 2019	PNB breaks trillion mark in assets, 1Q19 profits up 30%
May 8, 2019	PNB successfully issues maiden peso bond offer
May 8, 2019	PNB Inks First Syndicated Loan for Tokyo Branch
June 21, 2019	PNB to issue USD750 million Notes

The Bank also embraces media briefings and press conferences as a relevant communication channel due to its wide reach and accessibility. The Bank has engaged the media to cover significant events such as the Annual Stockholders' Meeting.

INVESTOR RELATIONS

Investor relations enable us to maintain our foothold in the financial market, while we stand to obtain capital for the effective conduct of our business. The Bank has made a conscious effort in deepening its engagement with shareholders, investors, analysts and the media.

PNB has implemented its Investor Relations Program with the objective of promoting investors' and stockholders' awareness and name recognition through participation in domestic and international conferences sponsored by fund managers. It is also designed to effectively address concerns/issues of stockholders and investors that could materially affect the Bank's good image, operations and viability.

The Investor Relations Program is anchored on three main principles:

- Accuracy and Timeliness – PNB is committed to provide analysts, credit rating agencies, investors, and stockholders with correct and up-to-date information to keep them abreast of the developments in the Bank
- Transparency – Relevant information is being disclosed to investors and stockholders in accordance with the prescribed standard of disclosure by regulatory agencies
- Consistency and Impartiality – PNB makes the same, unbiased information accessible to all interested analysts, credit rating agencies, investors and existing stockholders through various modes of communication

The contact information of the Investor Relations Officer is made available for interested parties.

Analysts' and Investors' Briefings

Date	Venue	Subject
March 16, 2018	11th floor Unit 3 Bench Tower 30th Street corner Rizal Drive, Crescent Park West 5 Bonifacio Global City, Taguig City	Financial Results for the Full Year 2017
May 11, 2018	11th floor Unit 3 Bench Tower 30th Street corner Rizal Drive, Crescent Park West 5 Bonifacio Global City, Taguig City	Financial Results for the First Quarter 2018
August 13, 2018	11th floor Unit 3 Bench Tower 30th Street corner Rizal Drive, Crescent Park West 5 Bonifacio Global City, Taguig City	Financial Results for the First Half of 2018
November 12, 2018	11th floor Unit 3 Bench Tower 30th Street corner Rizal Drive, Crescent Park West 5 Bonifacio Global City, Taguig City	Financial Results for the First Nine Months of 2018
May 10, 2019	11th floor Unit 3 Bench Tower 30th Street corner Rizal Drive, Crescent Park West 5 Bonifacio Global City, Taguig City	Financial Results for the First Quarter of 2019
June 13, 2019	Kachina Room (Upper Lobby), Century Park Hotel, 55 P. Ocampo Street, 1004 Malate, Manila	Stock Rights Offering

DISCLOSURE AND TRANSPARENCY

PNB Website and Social Media

Being awarded as the Website of the Year in the Asian Banking & Finance Retail Banking Awards 2015, the official website of the Bank serves as an avenue to reach out to customers, investors, shareholders, and various stakeholder groups. As such, the Bank aspires to promote transparent and open communication to the public by ensuring timely and accurate disclosure of relevant and material information, including:

Financial statements/reports (latest quarterly)	https://www.pnb.com.ph/index.php/investor-relations/quarterly-financial-statements
Materials provided in briefings to analysts and media (e.g., investor presentation, investor briefing notes)	https://www.pnb.com.ph/index.php/investor-relations#
Downloadable Annual Report	https://www.pnb.com.ph/index.php/investor-relations/annual-report
Notice of Annual Stockholders' Meeting	https://www.pnb.com.ph/index.php/investor-relations#
Minutes of Annual Stockholders' Meeting	https://www.pnb.com.ph/index.php/investor-relations#
Articles of Incorporation	https://www.pnb.com.ph/wp-content/uploads/docs/aoi-2014-07-18-2.pdf
By-laws	https://www.pnb.com.ph/wp-content/uploads/docs/bl-2019-03-29.pdf
Facebook	facebook.com/PNBph/
Twitter	twitter.com/PNBPH
YouTube	youtube.com/pnbph/
Instagram	instagram.com/pnbph/
Linkedin	linkedin.com/company/philippine-national-bank/

QUARTERLY AND ANNUAL REPORTS

The annual and quarterly reports are the primary disclosure mechanisms used by the Bank to convey its financial performance in a comprehensive, accurate, reliable and timely manner. The reports provide a fair and complete picture of the Bank's financial condition, results and business operations.

The reports are also being disclosed in accordance with the reportorial requirements of the Securities and Exchange Commission and Philippine Stock Exchange.

The Annual Report with the Audited Financial Statements was disclosed through the PSE Edge on April 15, 2019, or 105 days from the financial year end. The statement of management's responsibility for the preparation of the financial statements can also be found in the Annual Report.

2018 Annual Report

The Bank is one with the Bangko Sentral ng Pilipinas (BSP) and other regulatory bodies in promoting greater disclosure and transparency to the public. Consistent with the disclosure requirements set forth in Section 175 of the Manual of Regulations for Banks (MORB) and the standards of the ASEAN Corporate Governance Scorecard (ACGS), the 2018 Annual Report of the Bank contains the following information:

Mission Statement

We are a leading, dynamic Filipino financial services group with a global presence committed to delivering a whole range of quality products and services that will create value and enrich the lives of our customers, employees, shareholders and the communities we serve.

Vission Statement

To be the most admired financial services organization in the country in terms of:

- Financial performance – rank #1 or #2 in its businesses in terms of return on equity
- Innovativeness – in products, services, distribution and the use of cutting-edge technology
- Customer perception
 - o The preferred financial services provider
 - o The customer-centered organization with a passion for service excellence
- Social responsibility – the employer of choice, a good corporate citizen and partner in nation-building
- Long-term vision – developing competitive advantage on a sustained basis by anticipating changes in customer's preferences and in the manner of doing business

Corporate Objectives

PNB aims to continually provide the best customer experience to generations of Filipinos here and abroad.

Financial Performance Indicators

The Financial Summary of the Bank is likewise presented in the first page of the 2018 Annual Report, accessible through the website (<https://www.pnb.com.ph/index.php/investor-relations/annual-report>).

Operational Highlights/ Nonfinancial Performance Indicators

Retail Banking Sector:

Branch Banking Group

Branch Banking Group grew its low-cost deposits ADB by 11% despite a huge drop in government deposits due to the mandate requiring government agencies to bank only with government banks. Similarly, BBG's time deposit ADB also rose by 12% within the year.

These results were achieved as the group continued its major strategy to 'Get, Keep, and Grow' which means Getting new-to-bank Customers; Keeping/Growing business with existing customers by offering other products and services; and converting them into complete customers. The group also intensified the daily execution of its PCMS sales activity with the use of its 'Sales Kit' on Prospecting new-to-bank clients, doing Calls and Meetings with prospects and closing Sale. In 2018, BBG's leads rose by 154% while the closed sales surpassed previous year's record by 92%.

The cross-selling programs of the group

delivered significant results in 2018. On the Bancassurance business with Allianz PNB Life, BBG contributed 93% of the annualized net premium comprising of various groups. PNB's Business Card is a credit card facility designed for small and medium enterprises, which is non-collateralized, with a credit limit of Php200,000 up to Php3 million. It offers competitive interest rate with a minimal joining fee of two thousand pesos only.

To improve service delivery of the branches, technical competency training of branch front-liners was intensified. Continuing seminars on internal control consciousness were rolled out. PNB branches completed the certification requirements mandated by DOLE to ensure a safe and conducive working environment for employees and clients. These trainings enabled the branches to achieve significant improvements in service quality. These technical trainings were complemented by initiatives reinforcing proper work ethics and values, consistent with PNB's brand promise of "You First".

PNB expanded its domestic branch network, with a year-end total of 644 branches. The Mindanao State University extension office in Marawi City was converted to a regular branch to provide full-service banking to the community after the siege. In support of the Bangko Sentral ng Pilipinas' (BSP) objective of financial inclusion, PNB opened branch-lite units in far-flung areas to reach out to the unbanked, unserved and underserved communities.

The Bank recorded a total of 1,395 ATM units by the end of the year, inclusive of 70 Cash Accept Machines (CAMs).

Cash Management Solutions Division

Created by the Retail Banking Sector in 2017, the Cash Management Solutions Division (CMSD), was established to deliver end-to-end financial solutions to the business clients of the Branch Banking Group.

For 2018, CMSD endeavored to improve the cross-selling of cash management solutions to commercial accounts and to use it to drive income. The division registered a 5% increase in enrolled accounts and sold 991 new core solutions.

To create more value, CMSD proactively conducted roadshows and introduced new products to business customers, along with a relaunch of enhanced services. CMSD's close coordination with the branches resulted in several projects, generating increased deposits and fee-based income. The division looks forward to maximizing network opportunities and cascading initiatives in and out of its product network.

Global Filipino Banking Group

The Global Filipino Banking Group (GFBG) continued to operate the bank's overseas business, serving more than 10 million overseas Filipino workers (OFWs) across Asia, the Middle East, North America and Europe. With 72 overseas branches and offices, 196

tie-ups/agents/partners, and 545 correspondent banks world-wide, PNB's extensive overseas network remained the largest among Philippine universal banks.

In 2018, GFBG expanded the bank's remittance business by securing new domestic and overseas partnerships to ensure a more convenient and accessible experience for OFWs and their beneficiaries. GFBG acquired over 160 overseas tie-ups, agents and partners. Locally, the bank partnered with Villarica Pawnshop and Robinsons Department Store, which significantly increased the total number of payout outlets to over 7,400 across the country. To support the bank's digital initiatives, the business platform forged a partnership with fintech provider, Xchanged Inc., enabling mobile remittance service to over 40,000 Filipino customers in the United States.

Moreover, GFBG provided its OFW and foreign clients with a wide array of banking services and supplementary programs that promote financial inclusion. The group broadened the reach of its flagship home loan program, Own a Philippine Home Loan (OPHL), in more countries, particularly in the Middle East. Through aggressive marketing campaigns and participation in various international roadshows, the OPHL portfolio increased by 22%, with clients coming mostly from Hong Kong. In the fourth quarter, an Advice and Pay promo was launched in support of the bank's thrust for financial inclusion. The campaign encouraged non-PNB account holders to explore the bank's wide array of services, from

remittance to ATM-based deposit accounts, where they can conveniently claim succeeding remittances in over 20,000 ATMs across the country.

As part of corporate social responsibility, financial literacy programs and seminars were conducted overseas by the Bank's employees and key officials:

- Partnership with the Filipino Maranao community in Dubai and Sharjah in the United Arab Emirates
- Participation as a financial literacy mentor in the Post-Arrival Orientation Seminar (PAOS) of the Philippine Consulate in Hong Kong
- Recognition by the Malacañang Palace Banaag Awards for constant support to the financial literacy drive in Hong Kong and Macau
- Hosting of visiting Filipino students in the Financial Markets Certification program in Singapore
- Collaboration with the Philippines' Social Security System (SSS) to promote the Bank's overseas bills payment facility to OFWs in paying for their monthly contributions
- Various OFW orientation seminars in coordination with the government and the private sector

Cards Banking Solutions Group

The Cards Banking Solutions Group (CBSG) documented substantial increases in its key performance indicators and rolled out various marketing campaigns and loyalty programs that boosted the group's overall growth.

The group offered major installment promos such as Convert to Cash (C2C), Balance Transfer (BT) and Transaction Conversion (TC) with very competitive rates that tremendously increased merchant installment and, consequently, hiked profits. Improved media presence greatly helped in expanding the group's billing and acquisition efforts, responding to the market needs, and catering to a wide variety of cardholder base.

In April, the credit card functionality of the PNB Mobile Banking App and PNB Internet Banking was implemented, enabling cardholders to on-board and view their credit card balances and transactions. As of December, an estimate of 28,000 cardholders have enrolled their credit cards to the new digital features.

With a strengthened brand recall, PNB Cards introduced new card products with rewarding features. The PNB-PAL Mabuhay Miles NOW Mastercard, launched particularly for 'millennials', generated around 60,000 turn-ins/8,000 plus active accounts and half a billion billings since its launch in March 2018. Following this successful release was another co-branded card, the PNB-PAL Mabuhay Miles Debit Mastercard, which was inaugurated with a "Debit for Miles" promotion to encourage customer acquisition and usage. Customers were awarded with free Mabuhay Miles and earned entries for travel rewards via PAL. By the end of the year, the group achieved a significant 43% increase in all of its approved card statistics.

To proactively engage employees as 'brand ambassadors' of the new and improved card products, the group introduced a bankwide PNB Cards Friday Shirt Campaign in partnership with Mastercard. The campaign aimed to increase employee knowledge on the different card payment products and revitalize brand awareness.

Pinnacle Priority Banking Division

The year 2018 was a milestone for Pinnacle Priority Banking Division (PPBD), a specialized team created under the guidance of the Retail Banking Sector. The division continued to function as the Bank's wealth management solution provider, catering to the needs of high-net-worth clients.

PPBD's portfolio registered 88% growth, and its assets under management (AUM) increased by Php4.5 billion from last year, tallying a gross of Php42 billion. The increases were mostly driven by the availability of new issues in the capital markets.

The division's client base grew by 63% from last year, with a total of 138 branch-referred and self-sourced nominated accounts. In cooperation with the Bank's business units as well as its subsidiaries and affiliate, the division acquired new customers through PPBD Relationship Managers' leads, capitalizing on branch banking network as well as client referrals.

To strengthen Pinnacle Priority Banking's

brand image, the division collaborated with product providers and affiliates such as Allianz PNB Life, PNB Securities, and PNB Capital and Investment Corporation to organize client events such as Market Insights in Makati and Manila areas during the year. In addition, the division maximized cross-selling opportunities through collaboration with various business groups, pursuant to the prescribed risk and compliance parameters. These events were supplemented with daily wealth management news and timely advisories on market developments disseminated by PPBD wealth managers.

Another notable accomplishment of Pinnacle Priority Banking was the establishment of its second Wealth Management Hub at the Bonifacio Global City in Taguig. The newly inaugurated hub was opened in August as part of the division's strategy to strengthen connections and create new client bases. The hub serves as a comfortable and accessible place where customers can reach out to PPBD's highly skilled relationship managers for wealth management solutions and market updates.

Institutional Banking Sector:

The Institutional Banking Sector (IBS) continued to expand local and international reach and supported some of the most remarkable projects in the country. The sector increased asset level and market share without compromising profit, through selective participation in deals and maintaining top-of-mind strategic relationships with clients.

Impressive performance was seen from all lending units, spearheaded by the growth of the Commercial Banking Group, resulting to the sector's significant growth in terms of loan level, loan ADB, and gross interest income.

IBS continued to participate in various landmark corporate finance deals to support the government's thrust for national development using a speed-to-market strategy and appointment of highly competent and experienced relationship managers.

PNB was recognized by The Asset Triple A Country Awards 2018, together with PNB Savings Bank and investment arm, PNB Capital Corporation, for its proactive support in Bloomberry Resorts and Hotels' Php73.5-billion syndicated term loan facility. The transaction was cited by The Asset as one of the largest corporate syndications arranged in the Philippine debt market.

The sector's Corporate Banking Group also paved the way for the Bank's participation in international

aircraft-related financing in cooperation with another Lucio Tan-owned company, Philippine Airlines (PAL).

IBS grew its ancillary business, earning the Bank additional fees from cash management and trade, deposits, and income from PNB subsidiaries. Greater efforts were taken to capture serviceable needs of clients relating to cash management solutions, trade requirements, insurance, and debt funding needs.

Likewise, IBS enhanced the cross-selling efforts of the Bank using PNB Connect to capture the entire value chain anchored on institutional clients from the suppliers, wholesalers, logistic providers, all the way to the tertiary market and end-users. To promote the Bank's latest innovations, PNB Connect conducted several campaigns and participated in various events. Likewise, new technology-based products, services, and solutions were launched with the integration of the Cash Management team and the expansion of Corporate Banking Group.

IBS also established credit product programs in partnership with non-traditional financial institutions such as pawnshops, payment centers, and remittance companies to cater to the unbanked population in far-flung areas.

Treasury Sector:

Despite the challenges presented to the banking industry in 2018, the Treasury Sector provided the Bank with liquidity support while generating interest earnings and trading gains amidst high inflation rates in the domestic market, and subdued global inflation risk.

The tight liquidity in the domestic market inspired the Treasury Sector to explore new, low-cost alternative liquidity sources to better manage funding costs.

As part of Treasury's overall liability management strategy, the Bank established a \$1B Euro Medium Term Note (EMTN) programme and a PhP20B Long Term Negotiable Certificates of Deposits (LTNCD) program to broaden the Bank's base for fund-raising and distribute the maturity profile of its liabilities. Under the first tranche of the EMTN program, the Bank issued \$300 million in fixed-rate senior notes in April.

The proceeds of these issuances would raise long-term stable funding for the Bank's general corporate purposes and support funding of the Bank's asset growth targets without compromising compliance with the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

Moving forward, Treasury Sector will continue to take advantage of sourcing low cost funds from non-traditional sources to support the Bank's goal of aggressive but safe growth.

Trust Banking Group:

The Trust Banking Group capitalized on strengthening its Unit Investment Trust Fund (UITF) products and innovating in the group's electronic distribution channels. TBG focused on automating the standard manual processes and launching new and enhanced products to respond to market needs.

Meanwhile, Phase 1 of the PNB UITF Mobile Banking was introduced to the public through the PNB Mobile Banking App. The group made major product upgrades to improve the competitive position of its funds, as well as to attract more customers to invest.

In line with the Bank's thrust towards financial inclusion and literacy, Trust Banking Group rolled out various investor forums in Metro Manila, Pampanga, Cebu, and Davao. Attendees were taught practical steps in estate planning and wealth creation, as well as investment forecasts and strategies. The group also implemented several tactical promos and incentive programs for branches to support its initiatives.

Subsidiaries and Affiliates:

Allianz PNB Life Insurance, Inc.

In December 2015, global insurance firm Allianz SE entered into an agreement with PNB to acquire 51% and management control of PNB Life. As part of the deal, it entered into a 15-year exclusive distribution partnership with PNB. The joint venture company operates under the name of "Allianz PNB Life Insurance, Inc. (Allianz PNB Life)"

The Allianz Group is a global financial services provider with services predominantly in the insurance and asset management business. It has 85 million retail and corporate clients in more than 70 countries. Allianz SE, the parent company, is headquartered in Munich, Germany. On the other hand, PNB Life is among the major life insurers in the Philippines, which began its operations in 2001. It is the leading provider of Variable Life products, complemented by a full line of Life protection offerings for individuals and institutions.

PNB branches remain to be the main distribution channel of Allianz PNB Life, with over 400 financial advisors and 1,200 active life changer agents nationwide. Allianz PNB Life also has a distributorship arrangement with HSBC Insurance Brokers Philippines, making its insurance products available to HSBC bank clients.

Allied Banking Corporation (Hong Kong) Limited

Allied Banking Corporation (Hong Kong) Limited (ABCHKL) is a majority-owned (51%) subsidiary of PNB as a result of the merger of PNB and Allied Banking Corporation (ABC). ABCHKL is a private limited company incorporated in Hong Kong in 1978. It is a restricted-licensed bank under the Hong Kong Banking Ordinance. ABCHKL provides a full range of commercial banking services such as deposit taking, lending and trade financing, documentary credits, participation in loan syndications and other risks, money market and foreign exchange operations, money exchange, investments banking and general corporate services. ABCHKL has a wholly-owned subsidiary, ACR Nominees Limited, a private limited company incorporated in Hong Kong, which provides non-banking general services to its customers.

Allied Commercial Bank

Allied Commercial Bank (ACB) is a majority-owned (99.04%) subsidiary of PNB. ACB was formerly known as Xiamen Commercial Bank. It obtained its commercial banking license in July 1993 and opened for business in October 1993. ACB maintains its head office in Xiamen, Fujian, China. It has a branch in Chongqing which was established in 2003.

In December 2015, China's banking regulator, the China Banking Regulatory Commission (CBRC), Xiamen Office approved ACB's application to engage in CNY-denominated business for all clients

except citizens within the territory of China.

In April 2016, ACB completed the preparatory work for its CNY business and the CBRC Xiamen Office issued the opinions on passing the inspection on ACB's application for its CNY business.

On January 16, 2017, the Fujian Administration for Industry and Commerce (FAIC) issued a business license to ACB to engage in foreign currency-denominated business servicing all types of clients and in CNY-denominated business servicing all clients except Chinese resident citizens.

ACB formally launched its CNY business on April 12, 2017.

PNB Savings Bank

PNB Savings Bank is a wholly-owned subsidiary of PNB as a result of the merger of PNB and Allied Banking Corporation (ABC). PNB Savings Bank traces its roots from First Malayan Development Bank which ABC bought in 1986 and renamed as First Allied Savings Bank in 1996 following the grant of license to operate as a savings bank. The latter was subsequently renamed as Allied Savings Bank in 1998. In November 2014, Allied Savings Bank formally changed its name to PNB Savings Bank to give credence to PNB's expansion and status as a major player in the consumer finance industry as well as to align the image of the savings bank with its mother bank and to capitalize on

the brand equity of PNB in the banking industry.

PNB Savings Bank offers a wide array of deposit products, remittance services, loans and trade finance. Deposit products being offered are savings account, Power Saver, demand deposits, check plus, Negotiable Order of Withdrawal (NOW) account, short- and long-term time deposits. PNB Savings Bank also offer consumer loan products such as housing loans, motor vehicle loans and multi-purpose loans like salary loans and SSS pension loans, as well as, small-and medium- enterprise loans. Other services offered include remittance, safety deposit box, bills payment, payroll account and smart courier.

PNB-IBJL Leasing and Finance Corporation

PNB-IBJL Leasing and Finance Corporation is a joint venture company between PNB and IBJ Leasing Co., Ltd. It operates as a financing company under Republic Act No. 8556 (the amended Finance Company Act). The joint venture company commenced commercial operations in February 1998.

It provides the following services: financial lease (direct lease, sale-leaseback, lease-sublease and foreign currency leasing), operating lease (through PNBIBJL Equipment Rentals Corporation), term loans (for productive capital expenditures secured by chattel mortgage and real estate mortgage for foreign nationals acquisition of

condominium units and commercial office units and buildings), receivable discounting (purchase of short-term trade receivables and installment papers) and floor stock financing (short term loan against assignment of inventories such as motor vehicles).

PNB-IBJL Equipment Rentals Corporation is a wholly-owned subsidiary of PNB-IBJL Leasing and Finance Corporation, incorporated as a rental company and started commercial operations in July 2008. It was established to meet the equipment acquisition requirements of clients who wish to enjoy added advantages of an operating lease.

PNB Capital and Investment Corporation

PNB Capital and Investment Corporation is the wholly-owned investment house subsidiary of PNB. It provides a full range of investment banking services such as loan syndications, retail bond offerings, private placement of shares, public offering of shares, securitization, and financial advisory including liability management, corporate restructuring, pre-IPO preparation, and mergers and acquisitions advisory.

Philippine National Bank (Europe) PLC

Philippine National Bank (Europe) PLC is a wholly-owned subsidiary incorporated in the United Kingdom with a full banking license. It is also authorized to provide cross border services to member states of the European Economic Area. In April 2014, Allied Bank Philippines (UK) PLC

was merged with Philippine National Bank (Europe) PLC.

PNB Global Remittance and Financial Company (HK) Limited

PNB Global Remittance and Financial Company (HK) Limited is a wholly-owned subsidiary of PNB which provides remittance services and grants retail loans to Filipino overseas workers and professionals in Hong Kong. Its main office is located in Wan Chai District while its six branches are situated in Shatin, Yuen Long, Tsuen Wan, North Point and two in Worldwide House in Central Island.

PNB Holdings Corporation

PNB Holdings Corporation is a wholly-owned holding subsidiary of PNB that was established on May 20, 1920.

PNB General Insurers Co., Inc.

PNB General Insurers Co., Inc. was incorporated in the Philippines on December 29, 1965. PNB has 66% direct ownership in the company. PNB Holdings Corporation owns the remaining 34%. The Company is engaged in fire, marine, motor car, personal accident, fidelity and surety, aviation and all other kinds of non-life insurance business.

PNB International Investments Corporation

PNB International Investments Corporation is a non-bank holding subsidiary and is the parent company of

PNB Remittance Centers, Incorporated (PNB RCI). PNB RCI has a network of 17 money transfer offices in six states of the United States of America.

PNB RCI also owns PNB Remittance Company, Nevada (PNBRCN) and PNBRCI Holding Company, Limited (PNBRCI Holding). On November 1, 2018, PNB RCI took over the business of PNB RCN and operated it as a branch under PNB RCI's money transmitter license in Nevada. PNBRCI Holding was established to be the holding company of PNB Remittance Company (Canada) [PNBRCC]. PNBRCC has eight offices (7 branches and 1 sub-branch) servicing the remittance requirements of Filipinos in Canada.

PNB Securities, Inc.

PNB Securities, Inc. is a wholly-owned stock brokerage subsidiary which engages in the brokerage and dealership of shares of common and preferred shares of stock listed in the Philippine Stock Exchange. PNB Securities, Inc. also offers various stock market research products to inform and assist clients in making decisions with their investments in the equities market.

Sustainability

We believe that sustainability starts from within. Our capacity to sustain our business is contingent on the quality of our human capital, the condition of our physical resources, the viability of the businesses that we support, and our

relationship with the communities.

When we are able to take care of our own people and make sound business decisions, we become more capable of fulfilling our role as a partner in nation-building. In all our efforts, our constant mandate is to create long-term value for our various stakeholders.

The deep-rooted mission of achieving sustainability is ingrained into the culture and tradition of PNB. Coupled with our commitment to provide meaningful contributions to nation building and enhance our economic, social, and environmental performance, we also hold a voracious appetite for transparency and accountability.

The 2018 Annual and Sustainability Report has been prepared in accordance with the GRI Standards: Core option. It covers initiatives within the period of January 1 to December 31, 2018. It provides a snapshot of our overall financial, environmental, social, and governance performance and how we create stakeholder value.

The report is available in the Bank's site (<https://www.pnb.com.ph/index.php/investor-relations>).

Reporting Process:

1. Exploring the Global Initiative (GRI) Reporting

In January 2017, an overview of the GRI has been reported to the Board which led to the attendance of two participants on GRI Standards Certified Training Course conducted by the National Center for Sustainability Reporting (NCSR).

2. Establishing stakeholder engagement

Headed by the President, a specialized cross-functional project team was created to review the Bank's existing reporting practices, identify material and applicable ESG topics, and satisfy selected GRI standards.

3. Formalizing the reporting process

The Corporate Governance and Sustainability Committee, a board-level committee tasked to promote ESG advocacies and exercise corporate governance oversight functions, is responsible for identifying and managing the Bank's economic, environmental, and social topics and their impacts. Likewise, the Committee demonstrated the Bank's commitment to supplement its transparency and disclosure practices by venturing into GRI

Sustainability Reporting. On a monthly basis, the Committee discusses and reviews the Bank's significant economic, environmental, and social contributions and their impacts, risks, and opportunities.

4. Data gathering, interpretation, and validation

A comprehensive, all-embracing assessment of needs and key concerns was conducted to appropriately determine material topics with significant influence on stakeholder decision-making. Relevant information pertaining to the Bank's existing and future economic, environmental, and social initiatives were collected, validated and subsequently standardized vis-à-vis the GRI reporting requirements.

Contact Information:

For questions, comments, and suggestions, contact:

PNB – Office of the Corporate Secretary
9/F, PNB Financial Center, Pres. D. Macapagal Blvd., Pasay City
Tel. No. (+632) 526 3131 Local 4106
Stockholder Relations Officer: Atty. Maila Katrina Y. Ilarde
Email: ilardemky@pnb.com.ph

PNB – Investor Relations Unit
9/F, PNB Financial Center, Pres. D. Macapagal Blvd., Pasay City
Tel. No: (632) 526-3131 local 2120
Investor Relations Officer: Ms. Emeline C. Centeno
E-mail address: centenoec@pnb.com.ph,
iru@pnb.com.ph

Customer Service Hotline: (632) 573-8888
Email: customercare@pnb.com

Economic:

As a financial institution, PNB generates and delivers economic values to its various stakeholders: salaries and fringe benefits for employees; taxes for the government; payments for suppliers and service providers; dividends for stockholders; donations and contributions for the disadvantaged members of society; and fees for industry associations.

Dividend Policy

The Bank's ability to pay dividends is contingent on its ability to set aside

unrestricted retained earnings for dividend distribution. In addition, the Bank's declaration of dividends, including computation of unrestricted retained earnings, is subject to compliance with certain rules and regulations prescribed by the BSP as provided under the Manual of Regulations for Banks (MORB), and subject to compliance with such financial regulatory requirements as may be applicable to the Bank at the time of such declaration.

PNB has adopted the following general policy on the declaration of dividends: "Dividends shall be declared and paid out of the surplus profits of the Bank at such times and in such amounts as the Board of Directors may determine in accordance with the provisions of law and the regulations of the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC), subject to compliance with such financial regulatory requirements as may be applicable to the Bank."

On July 22, 2016, the Board of Directors of PNB approved a cash dividend declaration of P1.00 per share for an aggregate payout of P1.25 billion to be taken out of the Bank's unrestricted Retained Earnings as of March 31, 2016. The cash dividend was paid to all stockholders of record as of August 19, 2016 on September 15, 2016. This marks the first dividend declaration of the Bank after its full rehabilitation in 2007.

Procurement Practice

We continuously work for the steadfast development and enrichment of our partnership with a broad spectrum of stakeholders. Our reputation of being a leading financial institution cannot be sustained without the unwavering support of our partners: suppliers, vendors, and third-party service providers.

Taking another step on our journey to create a more cohesive stakeholder engagement, we have developed an enterprise-wide Outsourcing and Vendor Management Policy consistent with existing statutory, regulatory, and supervisory requirements. It sets out the framework for engaging with our suppliers, along with the responsibilities of the Board and Senior Management in the review and evaluation of all new and existing outsourcing arrangement and vendor relationships.

A dedicated vendor relationship manager, who actively builds and maintains commercial relationship with vendors and service providers, has been appointed in each business unit. We employ a comprehensive on-boarding process which encompasses risk assessment, elaborate due diligence procedure, contract structuring and review, and continuous monitoring and oversight. Moreover, appropriate Management Committees have been organized for the effective management of relationships with third parties.

As with any aspect of our business, we

believe that continuous monitoring and appraisal of performance is of paramount importance to evaluate the overall effectiveness of the vendor relationship and the consistency of the relationship with our strategic, overarching goals. Mechanisms are in place for the development of relevant performance metrics, vendor performance management, and competency evaluation.

As a financial services organization, PNB follows a simple and practical procurement process. Sourcing of requirements is being facilitated by the Corporate Services Department (CSD). The objective of the procurement process is to minimize risks in case of disruption. CSD is also required to keep a pool of accredited suppliers and service providers to ensure availability of materials and services when required.

Enabling Infrastructure Investments

PNB implements financing programs to support eco-friendly businesses and sustainable infrastructure that promote economic development. By supporting these types of projects, the Bank is able to fulfill its role as the country's financial partner in nation building.

San Miguel Glass Packaging Plant

PNB financed the construction of a glass production facility of SMY Asia Corp., a subsidiary of San Miguel Corporation, located in Cavite. This facility is capable of producing around 438 million of glass packaging for food, beverage and pharmaceutical products. Glass is made from natural raw materials such as sand, cullets, limestone and soda ash which are eternally and perpetually recyclable, thus, reducing carbon emission and consumption of raw materials.

Clark International Airport Expansion Project

PNB supported Megawide GMR Construction JV, Inc. (MGCJVI) as the EPC contractor of the government's first hybrid PPP project – construction of the new passenger terminal at Clark International Airport (CIA). Project shall increase CIA's capacity from 4.2 million passengers per annum to 8 million passengers per annum.

Aircraft Refleeting

PNB participated in the financing of the acquisition of two brand new Airbus A321NEO (new engine option) aircraft in line with the aircraft re-fleeting program of Philippine Airlines (PAL). The Airbus A321NEO aircraft utilizes the latest technologies which result to as much as 15% to 20% reduction in fuel consumption.

Archipelago Philippines Ferries Corporation (APFC)

PNB signed a loan agreement with APFC to partially finance the acquisition of five brand new catamaran roll-on/roll-off vessels. The new vessels will be part of APFC's modernization drive to complete its goal of operating 30 RoRo vessels by 2020. The newly designed ferries will have a capacity of 275 passengers and have incorporated enhanced features for added safety, power efficiency and comfort. The vessel also has a car deck that can hold up to 34 cars and seven trucks or buses; roll on roll off ramp & safety life rafts that can serve up to 396 persons in case of emergency; elevator for people with disabilities; a cafeteria; and an engine room that is compliant with international maritime standards and has a state-of-the-art navigation and control system.

Manila Water Company, Inc.

PNB partially financed capital expenditure requirements of Manila Water Company Inc. (MWC), a concessionaire that has the exclusive right to provide water and used water services to the eastern side ("East Zone") of the franchise area of the Metropolitan Waterworks and Sewerage System (MWSS). MWC serves more than six million people in the East Zone across 23 cities and municipalities, comprising a broad range of residential, commercial, and industrial customers.

Arendelle Cold Logistics, Inc. and Eisberg Cold Logistics, Inc.

PNB supported ISOC Group's venture into automated cold storage facilities

located in Taguig and Caloocan, with aggregate capacity in excess of 30,000 pallets. Facilities will utilize Automated Storage and Retrieval System (ASRS) technology, the first of its kind in the Philippines. ASRS consists of a variety of computer-controlled systems for automatically placing and retrieving loads from defined storage locations.

Athlete's Village - Sta. Cruz, Laguna

Under the approved Php2-billion term loan facility for the Province of Laguna, one of the projects that PNB financed was the construction of the Athlete's Village located at Brgy. Bubukal, Sta. Cruz, with total contract cost of Php289,529,872.14. The project aims to contribute to the progress of the Municipality of Sta. Cruz which is a first-class urban municipality as well as the capital town in the province. The Athlete's Village will provide convenient, safe and accessible lodging for sports delegates. This structure has a floor area of 8,800 square meters and a capacity of 400 beds, providing secured rooms and quarters for all the players, coaches, trainers and committees.

Mandani Bay Quay (MBQ) Residential Towers 1 and 1

PNB will be financing the construction of two residential towers and retail podium of the Mandani Bay Project, a 20-hectare mixed-use property located in Mandaue City Cebu. MBQ is designed as a green building which, upon completion, will comply with the BERDE Green Building Rating System, a matrix formulated by the

Philippine Green Building Council. Compliance with the BERDE Matrix is in line with the Green Building Ordinance of Mandaue City, with the aim of constructing buildings using environment-friendly methods and resources that are least disruptive to the environment.

Environmental:

Promoting Energy Efficiency

PNB, through the Administration Group, implemented year-round initiatives to reduce energy consumption.

The Administration Group conducted energy management audit for the PNB Financial Center head office with focus on the following aspects:

- Remote monitoring of energy consumption
- Installation of Variable Speed Drive because energy is consumed through electric motors (66% of energy used in the building is consumed by electric motor and air conditioning system)
- Analysis of the electric utility bills of power providers, Meralco and AC Energy (demand charge, energy charge, energy charge per kwhr)
- Electric Monthly Sharing of PNB Tenant / Department
- Conduct of power quality and power factor correction
- Upgrade of electrical system and equipment. For 2018, the following steps were taken:

- o Upgrading or replacement of chillers – the old chiller’s efficiency was at 1 kilowatt per ton while the new chiller is at .56 per ton, thereby saving 44% on the chiller usage. Approximate consumption is at 650 kW per hour per chiller.
- o Replacement of all air handling units (AHUs) – the Bank has replaced the 20-year-old AHU cooling coil with new ones, increasing efficiency to 100% and, consequently, decreasing the load of chillers.
- o Replacement of conventional lights bulbs with LED lights – the previous electron-stimulated luminescence (ESL) bulbs, which consumed 11 watts were replaced with LED lights which only consume five watts. The 28-watt T5 fluorescent tubes were replaced with 16-watt LED tubes.

With these measures, around 135 kW per hour is saved or 1,135,775.46 kwhr per month, or 13,629,305.5 kwhr annually. This translates to monetary savings of Php10,572,668.56 a year. The Bank is currently studying the possibility of utilizing solar power as the main source of electricity in select areas of the head office.

Reducing Water Consumption

PNB remains vigilant in monitoring water consumption in its premises. The Bank implements year-round efforts to reduce water consumption by decreasing the volume of “used” water for toilet and urinal flushing; and replacing three leaking units of hydropneumatics tank, leaking water valves, defective faucets, urinals flusher and water closet flushers. Through these measures, the Bank saved a total of Php207,900 in water consumption.

At the head office, water supplied by Manila Water are stored in the cistern tank located at the basement. Water is pumped to the storage tank at the roof deck. Water is distributed through gravity and by booster pumps.

Four drinking fountains are installed in the building and are being maintained by a private contractor. Water going to the drinking fountain is purified using two units of five-micron filter, charcoal filter, and ultraviolet light. Water is tested periodically for bacterial contamination.

As for treatment and management of effluent or wastewater, PNB Makati Center works with concessionaire, Manila Water, while PNB Financial Center processes wastewater at PNB’s existing sewage treatment plant (STP). Water discharged from the existing STP meets the requirements of DENR Administrative Order 1990-35 wastewater effluent standards. The Bank is presently constructing a new STP to ensure compliance with the additional stringent parameters on wastewater effluent per DENR Administrative Order 2016-08.

Reducing Carbon Footprint

PNB endeavors to help reduce carbon footprint by observing proper waste disposal. Domestic waste is collected by the Makati Commercial Estate Association, Inc. (MACEA). Hazardous waste is collected by a private contractor accredited by the Department of Environment and Natural Resources (DENR).

The Bank is planning to invest in infrastructure projects that would further support the reduction of carbon footprint.

A study is currently being done to replace 80 units of package-type air-conditioning due to its high energy consumption. Soon, the Bank will also phase out the use of ozone-depleting substance such as refrigerant R 22 and replace it with the more environment friendly refrigerant R401A.

By using high-efficiency technologies, PNB aims to lessen the use of energy and, eventually, be able to reduce carbon footprint. Through simple but effective ways, the Bank hopes to contribute in preserving the planet for future generations.

Social:

Nurturing Philnabankers

Employees are PNB's key asset and the Bank is consistent in its efforts to ensure a steady pool of qualified talents and to promote their overall well-being.

As of year-end 2018, PNB has an 8,266-strong workforce worldwide, with those at the rank-and-file level numbering slightly higher than the officers. The Retail Banking Sector, by virtue of the Bank's extensive nationwide branch network, continues to have the biggest number of manpower at more than half of the employee population.

The Bank has maintained gender parity with a 2:1 ratio as 67% of the workforce are female and 33% are male. In terms of key management positions, the same ratio holds as 59% of key management positions are held by women.

PNB has a remarkably young population, where 50% of employees are below 35 years old, 34% are classified as "millennials", and 16% are considered part of "Generation Z". Out of the 8,266 employees, 3,438 or 42% are covered by the Collective Bargaining Agreement.

PNB increased its hiring rate by 25% from 509 new employees in 2017 to 635 in 2018. Moreover, 63% of the newly hired employees in 2018 are women, with 72% belonging to the 20- to 25-year-old age range. Meanwhile, 66% of the newly hired male employees belong to the said age range. This age bracket is comprised of the so-called Generation Z and millennials. Likewise, the Bank slightly improved its turnover rate from 7.81% in 2017 to 7.25% in 2018.

As part of its strategic recruitment efforts, PNB has partnered with leading academic

institutions as a participant in university job fairs. In 2018, the Bank participated in 19 university job fairs. HR Group continues to explore sources of fresh talents to meet the diverse job requirements of the Bank.

Continuous Learning and Development

People development remains a priority of PNB. The Human Resource Group, through its Institute for Banking Excellence, sees to it that employees are upskilled to sustain the Bank's overall competitiveness in a rapidly changing financial environment.

Out of the total population, 7,394 Philnabankers or 89% underwent training programs to better equip them to fulfill their jobs. The average training hours per employee is 87.36 hours per year. Of the total number of trained employees, 68% were female and 32% were male.

In terms of rank, 50% of the training participants came from the rank-and-file level; 42% were junior officers (assistant manager to manager); 6% were mid-level officers (senior manager to senior assistant vice president); and 2% hold senior management positions (vice president and up).

Moreover, 6,938 or 84.26% of total employee population underwent annual performance appraisal and development process where significant performance areas such as core competencies and quantifiable targets are assessed and evaluated.

Competitive Remuneration and Benefits Package

As one of the top five banks in the country, PNB continues to value its human capital by providing a competitive and holistic rewards program.

In January 2018, the Human Resource Group launched PNB's total rewards program dubbed, COMPLETE, which stands for Compensation and Benefits, Monetary Allowance, Perks and Privileges, Life-Work Effectiveness, Employee Rewards and Recognition, Training and Development, and Engagement.

To remain competitive and relevant in a fast-evolving banking industry, the Bank regularly reviews its compensation and benefits package. For rank and file employees, review is done through the Collective Bargaining Agreement (CBA). The recent / existing three-year agreement took effect in July 2017. For officers, review is done annually based on officers' performance and results of the industry compensation survey.

The Bank exercises fairness in designing the remuneration package. Employees' compensation is not determined by their gender. The employee's role in the organization, competency level, work performance, previous work experience, certifications, and employment tenure are some of the factors that determine remuneration. Improvements on remuneration are presented to the Corporate Governance and Sustainability

Committee for discussion, and then endorsed to the Board for final approval.

PNB's benefits package continues to be one of the most competitive in the industry. Full-time employees are covered by a comprehensive health care plan, on top of the standard group life insurance coverage. The health care plan is extended to full-time employees' qualified dependents. Eligible officers are entitled to avail of car plans. Also, their eligible dependents may avail of scholarship programs under the Tan Yan Kee Foundation.

The Bank recognizes that employees experience various life events outside work. Apart from the standard vacation and sick leaves, the following leave types are also available for eligible employees: maternity and paternity leaves, birthday leave, emergency leave, solo parent leave, bereavement leave, special leave for female employees, and special leave for victims under the Anti-Violence Against Women and Their Children Act of 2004.

Other standard benefits for eligible full-time employees are retirement plan; guaranteed bonuses; loyalty awards; employee loans; perfect attendance awards; free uniforms; holiday pay; rice subsidy and meal allowance for rank-and-file employees; and financial death assistance.

Health and Safety

Cognizant of the need to provide a safe

environment to its employees and clientele, the Bank created an Occupational Safety, Health and Family Welfare Committee that takes care of safety and health concerns within bank premises. The committee is composed of representatives from both management and employees, with the latter represented by employee union officers. Meetings are held regularly, and reports are submitted to monitor and evaluate the committee's programs.

The Bank engages employees through the appointment of Safety Officers who are tasked to identify hazards and contribute to risk assessment and control. These officers are formally trained and certified in the Basic Occupational Safety and Health (BOSH) program. In 2018, select Safety Officers completed the Loss Control Management seminar and the Safety Program Audit.

In partnership with health care provider, ValuCare, HRG conducted wellness lectures for head office employees. To keep employees abreast with relevant health issues, 16 email wellness bulletins and e-newsletters were disseminated nationwide, with topics ranging from stress management, to lifestyle diseases, to nutrition. Practical knowledge on health and wellness not only helps employees get fit; it also enhances productivity at work.

The Bank also maintains two well-equipped gyms at its head office in Pasay City wherein employees can work out and use amenities for a very minimal

membership fee. Periodically, the bank, through the HR Group, partners with external health and fitness establishments to provide substantial discounts to employees who want to avail of services. The Bank also allows employees to organize sports-related interest groups and supports them by allowing the use of office facilities.

Throughout the year, a continuing training program is held to promote safety awareness and to inculcate safe working habits among Philnabankers.

Diversity and Inclusion

PNB has strengthened its commitment to a non-discriminatory culture. In November 2018, the Bank approved and implemented the Policy on Diversity and Inclusion. To date, there has been no incident of discrimination in the Bank. As mentioned earlier, there is diversity in employee population in terms of gender and age.

Lawful and Ethical Behavior

As a leading financial institution, PNB is committed to uphold the public's trust. Following are the policies and guidelines established to ensure lawful and ethical behavior among its directors, top management, and employees: Code of Conduct, Corporate Governance Manual, Policy on Selling PNB Securities, Policy on Soliciting and/or Receiving Gifts, Personal Investment Policy, Whistleblower Policy, and Office Decorum including Anti-Bribery and Anti-Corruption

provisions.

The Code of Conduct, Office Decorum, policies on Whistleblowing and Anti-Bribery and Anti-Corruption are part of the on-boarding process for new employees. For easy reference, all employees can access the documents through the Bank's intranet facility. To date, there has been no reported incidents of bribery and corruption among employees.

Management of Labor Relations

Maintaining industrial peace has always been a top priority for PNB. The Bank's labor relations unit regularly invites representatives from the employee unions to Labor Management Council meetings. These sessions aim to tackle employee concerns and clarify revisions in HR policies. Upon implementation, approved HR policies are disseminated through the Bank's intranet facility.

Human Rights in the Workplace

As part of the Bank's initiatives to uphold human rights in the workplace, the Institute of Banking Excellence organized training sessions for employees on human rights policies and procedures. A total of 3,272 employees attended the said training sessions, for a total of 28,656 training hours.

Recognizing Excellence and Values

Excellence abounds in PNB and remarkable performance is recognized.

Through the HR Group, the Bank has institutionalized the nationwide Quarterly Service Excellence Awards which seeks to distinguish individuals and teams that deliver exceptional results while upholding the Bank's core values. The various business groups also hold their own recognition programs to reward and encourage high-level performance among employees. Apart from the formal recognition programs, Philnabankers were encouraged to express their appreciation for fellow Philnabankers through the internal campaign, "Celebrate Love at Work".

As part of the values campaign, the HR Group also launched the program called, "LOVE (Living Our Values Everyday) at PNB". Through email blasts, employees read about stories of fellow employees and business groups that demonstrate the core values of Service Orientation, Pride, Commitment, Team Orientation, Trustworthiness, and being Adaptive to Change. The stories are meant to inspire the readers to live the core values as they go about their day-to-day life in PNB.

PRomoting Work-Life Harmony

PNB believes in promoting a person's holistic growth and holds various activities that enable overall wellness and camaraderie. After all, a healthy work force is a prerequisite for productivity.

Spirituality

The Bank acknowledges that spirituality holds a special place in Philippine culture.

The PNB head office houses a well-appointed chapel wherein daily worship services are held. Every year, the Bank engages renowned priests to officiate special healing masses, which are always a well-attended event. Other endeavors supported by the Bank include the Fiesta del Sto. Nino celebration held every January and special events such as the veneration of sacred relics of St. Pio of Pietrelcina.

Employee Sale Events

PNB makes it convenient for employees to shop by holding seasonal in-house bazaars and food fairs through PNB Cards and as part of the anniversary celebration. Concessionaires and entrepreneurs put up booths featuring a wide variety of clothes, accessories, bags, shoes and food for all ages.

Townhall Meetings and Bank-wide Celebrations

PNB provides an avenue for employees to get together such as the quarterly Pulong Ng Bayan employee townhall meetings and the regular townhall gatherings of the various business groups. The Bank also supports the celebration of special occasions. Every July, a week-long celebration marks the Bank's founding anniversary with employee bazaars, online trivia games, sports events, and group talent competitions. PNB also allocates budget for Christmas celebrations and yearly teambuilding activities.

Ensuring Creditors' Rights

PNB takes pride in taking an active role in safeguarding the rights of its creditors. Since deposit-taking is one of the Bank's principal banking activities, we put a special premium on the protection of our depositors, who serve as our main creditors. The Bank recognizes that consumers/creditors have the right to safeguard their transactions with the Bank and be heard through appropriate channels when they escalate feedback and concerns.

Disclosure and Transparency

In the provision of its products and services, the Bank ensures that depositors have a reasonable holistic understanding of the products they may be acquiring. The Bank provides its depositors with ready access to information that accurately represents the fundamental benefits and risks, as well as the terms and conditions of a financial product or service. Moreover, the Bank is one with the Philippine Deposit Insurance Corporation (PDIC) in promoting public confidence and stability in the economy. As such, PNB advertises PDIC's deposit insurance protection in appropriate and accurate manner by including the official PDIC Insurance Statement (Member: PDIC. Maximum Deposit Insurance for Each Depositor P500,000) in general advertisements of the Bank and advertisements relating to deposit products and services appearing in print ads, TV, official website, and other forms of marketing communications.

Protection of Client Information

With PNB, customers have the right to expect that their financial transactions are kept confidential. The Bank ensures that appropriate information security and data privacy policies, well-defined protocols, secured databases, and periodically re-validated procedures in handling depositor information are in place. Likewise, the Bank is consistent in its adherence to laws, rules and regulations with respect to privacy and security of client information, particularly the Law on Secrecy of Bank Deposits under R.A. 1405, as amended, and other related laws.

Fair Treatment

PNB's depositors are treated fairly, honestly, professionally and are not offered financial products and services that are not aligned to their financial needs. The Bank ensures that the necessary resources and procedures are in place, and that internal monitoring and control mechanisms are established for safeguarding the best interest of the customers.

Effective Recourse

PNB's depositors are provided accessible, affordable, independent, fair, accountable, timely, and efficient means for resolving complaints.

Financial Education and Awareness

As part of PNB's corporate social responsibility program, the Bank provides financial education initiatives to give depositors the knowledge, skills, and confidence to understand and evaluate the information they receive and to empower them to make informed financial decisions.

Supporting Communities

Corporate social responsibility (CSR) is an integral part of good corporate governance in PNB. In 2018, the Bank institutionalized CSR by forming the CSR Unit, tasked to develop and implement initiatives geared towards responsible corporate citizenship. Programs are anchored on three pillars: Livelihood, Financial Literacy, and Environment. The unit is also responsible for leading employee volunteerism activities of the Bank, in coordination with the HRG, Corporate Security Group, and the various business units.

International Coastal Cleanup

PNB participated in the International Coastal Cleanup organized by the Department of Environment and Natural Resources along SM by the Bay in Pasay City on September 22. PNB participated in the cleanup in response to an invitation by SM Supermalls. Over 70 PNB employee volunteers worked in pairs to collect trash and record the collection. A total of 65 double extra-large garbage bags filled with various marine garbage

were collected, which included plastic items, decaying plants, and even pieces of drift woods and bamboos from the breakwater area.

Bloodletting Activity

A bloodletting activity was held from December 10 to 11 at the PNB Financial Center. A total of 76 bags of blood were donated to the Philippine Red Cross, which translates to 43,200 milliliters of clean blood for patients.

Relief Operations for Bulacan Families

PNB extended help to the families of Barangay Camalig, Meycauayan, Bulacan who were affected by Typhoon 'Carding' and the other monsoon rains that hit the country. The beneficiary families received 300 packages containing loaves of bread, canned goods, and noodles in a simple event held on August 23 at the Camalig Elementary School. The initiative was led by the North Luzon Area 4 of PNB's Retail Banking Sector. Also joining the project were volunteers from the local government of Meycauayan, Bulacan.

Recycling for Social Enterprise

Over five tons of old tarpaulins and brochures were donated by PNB and Philippine Airlines to Caritas Manila, a leading social service and development ministry. The project aimed to enable better waste management and to help communities to become self-sustaining through livelihood opportunities. The items were recycled into functional

apparel items such as wallets by the women of Caritas Manila's partner communities. The items were sold at a kiosk in PNB Financial Center by social enterprise arm, Caritas Margins. Proceeds from the sale provide income to the women of marginalized partner families and communities.

Financial Literacy Sessions

PNB Taft-Malate and PNB Roxas-CM Recto branches conducted financial literacy sessions for grade school and high school students of St. Scholastica College, Manila and Tapaz National High School in Tapaz, Capiz. The sessions aimed to teach participants about good money management habits. The events were part of the Retail Banking Sector's roadshow caravan for PNB's MyFirst Savings Account product.

School Outreach Activities

Branches have been doing outreach activities for years now, mostly for schools in the communities they serve.

The Retail Banking Sector held outreach activities for public schools in time for the opening of the academic year. North Luzon branches participated in the Brigada Eskwela on June 2, benefitting six schools: Patac Elementary School, Basco Central School, Camangaan Elementary School, Candon National High School, Bangued Western Central School, and Florentino Camaquin Integrated School. In Mindanao, the PNB Zamboanga MCLL Highway Branch held a back-to-school

donation drive. Meanwhile, branches in the Central Metro Manila area reached out to Batino Elementary School (SPED Center) in Quezon City.

For Philnabankers, the Christmas season is always a good opportunity to share blessings. Apart from the usual parties with gift-giving and fun activities, employee volunteers look for ways to make the season of giving more meaningful through education-related donations raised from their own fund-raising and collaboration with partner organizations. Among the schools the branches reached out to were: Pancian Elementary School in Ilocos Norte; Sisters of Mary of Banneux, Inc. in Cavite and Dalahican Elementary School in Lucena City.

Community Service

Aside from school activities, volunteers from branches and business units also reach out to the marginalized and isadvantaged sectors of society.

Volunteers from the branches took time to care for the elderly. Among the outreach projects done were for Bahay ni Maria, home of the elderly in Calamba, Laguna and GRACES Home for the Elderly in Quezon City.

Branch volunteers also bonded with orphaned children at the following shelter organizations: SOS Orphanage Village in Zarraga, Iloilo; White Cross Orphanage in San Juan City; Tulay ng Kabataan Foundation, Inc. in Intramuros, Manila;

Anawim Lay Missions Foundation, Inc. in Rizal; Bethany Orphanage in Guiguinto, Bulacan; and the Sto. Nino Foundation and Holy Trinity Home for Children, both in Quezon City

The branches also exerted efforts to spend time and give donations to the Aeta communities of Brgy. Bueno in Capas, Tarlac; the inmates and jail guards of Maasin City Jail in Leyte; and even the rescued dogs of PAWS in Katipunan, Quezon City.

Outreach programs were led by the branches for family beneficiaries such as the: feeding program for Barangay Homapon in Legazpi City in Bicol; gift-giving for families in Matnog, Daraga, Albay; more than a thousand families in Miagao, Iloilo and beneficiaries of Buenvista Fellowship Center in Antique.

In December 2018, PNB employees volunteered for the Kiddie Business Camp and Christmas party held at the Our Lady of Sorrows Outreach Foundation, Inc. in Pasay City. The children beneficiaries learned how they can be little entrepreneurs through making and selling graham balls and bead bracelets. Apart from receiving business starter kits and gift bags with school supplies, the kids also enjoyed games, music and prizes. On the same day, the Institutional Banking Sector, in partnership with the Korean Chamber of Commerce Philippines, held an outreach program in Malate, Manila where 300 families received gift packs containing food items such as rice, canned goods, and noodles.

At the head office, employee volunteers from the Systems and Methods Department expressed appreciation for PNB's service providers by holding a gift-giving activity for the latter's children last December. The children beneficiaries got to bring home gifts and enjoy food and fun activities.

Managing the Supply Chain

PNB continues to search for means to ensure that existing and potential customers can readily access its products and services.

The Retail Banking Sector's supply chain system consists of organic products and services delivered through its nationwide network of branches, electronic banking channels, and outsourced services. The development and mode of distribution of products and services take into account customer needs and preferences, guided by the Bank's established policies and systems on risk management, compliance, transparency, and data privacy.

To some extent, the sector also provides its clientele with products and services supplied by its joint venture partners, Allianz PNB Life Insurance, Inc. and PNB-IBJL Leasing and Finance Corporation; bank subsidiaries PNB General Insurers Co., Inc. and PNB Capital and Investment Corporation; as well as third-party service providers selected through a rigid vendor accreditation process.

Distribution of the Bank's primary products and services are done through its nationwide network of 644 branches; 1,325 ATMs (onsite and offsite); and 70 Cash Accept Machines (CAMs). This is supplemented by other e-banking channels such as the PNB Internet Banking and PNB Mobile Banking App, as well as the PNB Bank on Wheels.

Meanwhile, the Institutional Banking Sector established PNB Connect, a comprehensive portfolio of customized financial solutions. Through PNB Connect, the Bank harnesses the supply chain by bringing together an entire community of small and medium enterprises, suppliers, and their customers. PNB Connect was formed in response to the heightened demand for sophisticated, technology-based financial products that are offered by competitor banks, non-bank financial institutions, and non-traditional competitors. Examples of these products are:

Bayad Connect

PNB signed an agreement with Bayad Center to utilize the Bayad Connect Mobile Application, a digital financial service solution. The partnership aims to increase collection agents in remote areas where there are few or non-existing banking channels; improve collection efficiency and promote financial inclusion. Since the launch, PNB has been aggressively tapping potential partner agents to accept payments on behalf of billers from both Bayad Center and PNB. To date, Palawan Electric Cooperative,

which services the electricity distribution over the entire island of Palawan, is one of the flagship clients of this innovative product.

Corporate Remote Collection System (RCS)

PNB partnered with non-bank financial institutions to further expand its branch network in far-flung and remote areas of the country in accepting deposits.

Credit Programs

A customized financial solution designed to facilitate and fast-track the grant of credit facilities to both suppliers and customers of key anchor clients of the Bank, on the basis of pre-determined, acceptable parameters. The aim is to facilitate the flow of operating funds within the value chain. To date, the Bank has successfully launched seven credit product programs for industries in the power distribution, automotive, construction, and consumer goods distribution.

Assessing Environmental Impact

PNB monitors creditors' compliance with environmental laws and regulations. This is made possible through covenants provided in the financial agreements and through submission of permits such as the Environmental Compliance Certificate (ECC) issued by the Department of Environment Natural Resources (DENR). This is done upon satisfactory review of documentary requirements such as, but

not limited to, the Environmental Impact Assessment (EIA) Report for Environmentally Critical Projects (ECPs). By law, this includes power, infrastructure, industrial and mining projects as well as projects situated in Environmentally Critical Areas (i.e. national parks, sanctuaries, and potential tourist spots).

The EIA is a comprehensive study which assesses the ECP's impact on any of the following areas as well as the proposed management plan and periodic monitoring to address such issues:

- Overall geology (i.e. change in terrain/slope/topography, inducement of landslides/collapse)
- Terrestrial and Marine Ecology (i.e. loss of habitat, flora and fauna species)
- Hydrology and Oceanography (i.e. change in depth of nearby streams/lakes, inducement of flooding, water resource use and competition)
- Air Quality
- Displacement of existing settlers (i.e. indigenous people)
- Cultural Heritage and Lifestyle
- Indigenous People's Rights
- Public health
- Host community
- Traffic situation

The EIA is also subject to public consultation with all legitimate stakeholders and potentially affected communities. It is then presented to the host local government unit (LGU) for inputs prior to issuance of the ECC.

Effectively, the ECC and the loan covenants are the measures employed to ensure that key projects have undergone a comprehensive assessment for environmental and social impact and that such impacts are mitigated and monitored on a periodic basis.

To date, PNB has participated in funding environmentally compliant ECPs, which include:

1. Over 3,700MW of operational power plants over Philippines which delivered over around 22% of total power generation in the Philippines
2. Around 910MW of power projects under construction scheduled to deliver power by 2019
3. Over 180km of toll roads servicing over a total of 725,000 vehicles daily

Enhancing Customer Experience

Our clients are the lifeline of our business. Every effort, every idea, every solution that we deliver are meant to give our customers a great banking experience.

Digital Banking

PNB enhanced its mobile banking services by supporting the government's National Retail Payment System's (NRPS) Philippine Electronic Fund Transfer System and Operations Network or PESONet. Depositors can do electronic fund transfers of up to Php100,000 to any

participating banks within the Philippines and funds will be credited on the same banking day. PNB customers can transfer funds through PESONet by logging on to the PNB Mobile Banking App. The app guarantees secure online banking to protect the customers' accounts. Apart from inter-bank fund transfers, online bills payment, and viewing of transaction history, PNB Mobile Banking app users who have PNB credit cards can also keep track of their credit card transactions by using the app.

Safety and Security

The PNB Mobile Banking App guarantees secure online banking to protect the customers' accounts. Security features such as the One-Time-Pin (OTP), Touch ID, email alerts, and SMS alerts are available to ensure a safe and convenient mobile banking experience.

In addition, a second layer of security was put in place for online banking transactions. Aside from using their own password, clients who transact using PNB's online channels are also sent OTPs or one-time temporary passwords.

Observing Compliance in Marketing Efforts

In compliance with the Bank's risk management requirement, the Marketing Communications Division (MCD) has developed a Privacy Impact Assessment to determine which work processes of the different units under MCD are at risk in terms of divulging personal identifiable

information of clients.

In order to safeguard and protect data for business continuity, MCD put in place its own Network Attached Storage (NAS), an alternate online back-up site for data and file storage. It is housed in the PNB IT infrastructure and is mirrored in the office at Calamba, Laguna. Access to the NAS is password-protected.

For the digital channels of the bank, the following were identified as high priorities in terms of client information:

- Portals in the website that require passwords of the clients (i.e., Cashnet, IBS/Global banking)
- Website Security in general
- Vendor Management for e-mails, SMS, Facebook Messenger, chatbot, and website

To maintain website security, the Bank commissioned the services of a third-party provider to filter public access to PNB's official website. In addition, PNB has a stringent process and criteria for vetting and approving vendors for any of its IT-related needs.

All business units ensure that all advertising and promotional collaterals undergo the standard screening process, are approved by the assigned business and marketing units prior to release, and compliant to all regulatory requirements, such as those required by the BSP, SEC, PDIC, BancNet, Department of Trade and Industry, and Insurance Commission.

For 2018, there has been no incident of

non-compliance in marketing efforts.

Data Privacy

PNB respects and values data privacy rights and makes sure that all personal data collected from the data subjects are processed in adherence to the general principles of transparency, legitimate purpose, and proportionality. Recognizing the importance and criticality of personal information in achieving the Bank's vision and objectives, the Bank's Data Privacy Management System has been developed and put in place by Management. PNB also appointed a Data Privacy Officer (DPO) who is accountable for ensuring the compliance of the Bank or, in case of a common DPO, the entire group with data privacy and protection laws, rules, regulations and issuances.

PNB's journey to sustainability continues. As we make progress, the Bank remains grounded on its brand promise.

"You First" will always be our anchor as we nurture our human capital, as we develop new financial solutions, as we grow our client's wealth, and as we serve communities.

ASEAN Corporate Governance Scorecard Index

No	Principles and Recommendations	Page
A	RIGHTS OF SHAREHOLDERS	
A.1	Basic Shareholder Rights	
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?	N/A
A.2	Right to participate in decisions concerning fundamental corporate changes	
	Do shareholders have the right to participate in:	
A.2.1	Amendments to the company's constitution?	5
A.2.2	The authorization of additional shares?	5
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	5
A.3	Right to participate effectively in and vote in general shareholder meeting and should be informed of the rules, including voting procedures that govern general shareholder meetings	
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	28
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	5, 15
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	11
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	8–9

A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	12–13
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	10–12
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	7
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	7
A.3.9	Does the company allow voting in absentia?	9
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	9
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	9
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	13
A.3.13	Does the company provide at least 21 days' notice for all AGMs and EGMs?	8
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	8
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	5
A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner	

A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	N/A
A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated	
A.5.1	Does the company disclose its practices to encourage shareholders to engage the company beyond AGM?	77-83
B	Equitable Treatment of Shareholders	
B.1	Shares and Voting Rights	
B.1.1	Does the company's ordinary or common shares have one vote for one share?	5
B.1.2	Where the company has more than one class of shares, does the company publicize the voting rights attached to each class of shares (e.g. through the company website reports/the stock exchange/the regulator's website)?	N/A
B.2	Notice of AGM	
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	10-12
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local – language version?	13
	Does the notice of AGM/circulars have the following details:	
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	16
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	12

B.2.5	Were the proxy documents made easily available?	8
B.3	Insider trading and abusive self-dealing should be prohibited	
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	43
B.3.2	Are the directors/commissioners required to report their dealings in company shares within 3 business days?	43
B.4	Related party transactions by directors and key executive	
B.4.1	Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest?	73
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	34
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	73
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	73-74
B.5	Protecting minority shareholders from abusive actions	
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	73-74
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	74
C	Role of Stakeholders	

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	
	Does the company disclose a policy and practices that address:	
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	111–113
C.1.2	Supplier/contractor selection procedures?	97
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	109–111
C.1.4	The company's efforts to interact with the communities in which they operate?	107–109
C.1.5	The company's anti-corruption programmes and procedures?	104
C.1.6	How creditors' rights are safeguarded?	106–107
C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	96–99, 101–113
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.	
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	96
C.3	Mechanisms for employee participation should be permitted to develop.	
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	103–104
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	102

C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	29
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this	
C.4.1	Does the company have a whistleblowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report?	76
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	76
D	DISCLOSURE AND TRANSPARENCY	
D.1	Transparent Ownership Structure	
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	45
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	45
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	43
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	44
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs)?	91–94
D.2	Quality of Annual Report	

	Does the company's annual report disclose the following items:	
D.2.1	Corporate Objectives	84
D.2.2	Financial Performance indicators	85
D.2.3	Non-Financial Performance indicators	85–90
D.2.4	Dividend Policy	96
D.2.5	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners	46–59
D.2.6	Attendance details of each director/commissioner in all directors/commissioners meetings held during the year?	40
D.2.7	Total remuneration of each member of the board of directors/commissioners	28
	Corporate Governance Confirmation Statement	
D.2.8	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	4
D.3	Disclosure of Related Party Transactions (RPTs)	
D.3.1	Does the company disclose its policy covering the review and approval of material RPTs?	73–74
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	74
D.4	Directors and Commissioners dealings in the shares of the company	
D.4.1	Does the company disclose trading in the company's shares by insiders?	43–44
D.5	External Auditor and Auditor Report	
	Where the same audit firm is engaged for both audit and non-audit services	
D.5.1	Are the audit and non-audit fees disclosed?	71
D.5.2	Does the non-audit fee exceed the audit fees?	71

D.6	Medium of Communications	
	Does the company use the following modes of communication?	
D.6.1	Quarterly Reporting	83–84
D.6.2	Company Website	83
D.6.3	Analyst’s briefing	81–83
D.6.4	Media briefings/press conferences	80
D.7	Timely filing/release of annual/financial reports	
D.7.1	Are the audited annual financial report/statement released within 120 days from the financial year end?	84
D.7.2	Is the annual report released within 120 days from the financial year end?	84
D.7.3	Is the statement that the Annual Financial Report has been presented correctly and fairly, confirmed by the Board of Commissioners or the Board of Directors and/or related officials of the company?	84
D.8	Company Website	
	Does the company have a website disclosing up-to-date information on the following:	
D.8.1	Financial statements/reports (latest quarterly)	83
D.8.2	Materials provided in briefings to analysts and media	83
D.8.3	Downloadable Annual Report	83
D.8.4	Notice of AGM and/or EGM	83
D.8.5	Minutes of AGM and/or EGM	83
D.8.6	Company’s constitution (company’s by-laws, memorandum and association)	83
D.9	Investor Relations	
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer/office responsible for investor relations?	96
E	RESPONSIBILITIES OF THE BOARD	
E.1	Board Duties and Responsibilities	
	Clearly defined board responsibilities and corporate governance policy	
E.1.1	Does the company disclose its corporate governance policy/board charter?	4

E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	14
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	14
	Corporate Vision/Mission	
E.1.4	Does the company have an updated Vision and Mission statement?	39, 84
E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	14, 38–39
E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	14, 38–39
E.2	Board Structure	
	Code of Ethics or Conduct	
E.2.1	Are the details of the code of ethics or conduct disclosed?	75–76
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?	75–76
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	75–76, 104
	Board Structure & Composition	
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	18
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years each for its independent directors/commissioners?	18
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	41–42
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	41–42
	Nomination Committee (NC)	

E.2.8	Does the company have a Nominating Committee?	
E.2.9	Is the Nominating Committee comprised of a majority of independent directors/commissioners?	31
E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?	31
E.2.11	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	31
E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	31
	Remuneration Committee (RC)/Compensation Committee	
E.2.13	Does the company have a Remuneration Committee?	31
E.2.14	Is the Remuneration Committee comprised of a majority of independent directors/commissioners?	31
E.2.15	Is the chairman of the Remuneration Committee an independent director/commissioner?	31
E.2.16	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee?	31
E.2.17	Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?	31
	Audit Committee (AC)	
E.2.18	Does the company have an Audit Committee?	31
E.2.19	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	31
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?	31

E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	31
E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	31, 46
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?	31
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	12, 31
E.3	Board Processes	
	Board Meetings and Attendance	
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	20
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	40
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	40
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	20
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	32
	Access to Information	
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	20
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	19

E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	19
Board Appointment and Re-Election		
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	16
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	15–16
E.3.11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each?	8
Remuneration Matters		
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long-term incentives and performance measures) for its executive directors and CEO?	29
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	28
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	14, 28, 31
E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executive with long-term interests of the company, such as claw back provision and deferred bonuses?	29
Internal Audit		
E.3.16	Does the company have a separate internal audit function?	71
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	71
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	71

	Risk Oversight	
E.3.19	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	72
E.3.20	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	72
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	72
E.3.22	Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	72
E.4	People on the Board	
	Board Chairman	
E.4.1	Do different persons assume the roles of chairman and CEO?	18–19
E.4.2	Is the chairman an independent director/commissioner?	46
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?	18
E.4.4	Are the roles and responsibilities of the chairman disclosed?	18–19
	Lead Independent Director	
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	N/A
	Skills and Competencies	
E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	46–59
E.5	Board Performance	

	Directors Development	
E.5.1	Does the company have orientation programmes for new directors/commissioners?	20–21
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	20–22
	CEO/Executive Management Appointments and Performance	
E.5.3	Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	26–27
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	24–25
	Board Appraisal	
E.5.5	Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?	24–25
	Director Appraisal	
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	24–25
	Committee Appraisal	
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	24–25
	Level 2 – BONUS ITEMS	
(B)A.	RIGHTS OF SHAREHOLDERS	
(B)A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting	

(B)A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	9
(B)B	EQUITABLE TREATMENT OF SHAREHOLDERS	
(B)B.1	Notice of AGM	
(B)B.1.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	8
(B)C	ROLE OF STAKEHOLDER	
(B)C.1		
(B)C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	94
(B)D.	DISCLOSURE AND TRANSPARENCY	
(B)D.1		
(B)D.1.1	Are the audited annual financial report/statement released within 60 days from the financial year end?	84
(B)D.1.2	Does the company disclose details of remuneration of the CEO?	29
(B)E.	RESPONSIBILITIES OF THE BOARD	
(B)E.1	Board Competencies and Diversity	
(B)E.1.1	Does the company have at least one female independent director/commissioner?	46
(B)E.1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	23–24
(B)E.2	Board Structure	
(B)E.2.1	Is the Nominating Committee comprise entirely of independent directors/commissioners?	31
(B)E.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	16–17
(B)E.3	Board Appointments and Re-Election	

(B)E.3.1	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	15
(B)E.4	Board Appointments and Re-Election	
(B)E.4.1	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?	18
(B)E.5	Risk Oversight	
(B)E.5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	37
(B)E.6	Board Performance	
(B)E.6.1	Does the company have a separate board level Risk Committee?	33
Level 2 – PENALTY ITEMS		
(P)A	RIGHTS OF SHAREHOLDERS	
(P)A.1	Basic Shareholder Rights	
(P)A.1.1	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	
(P)A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	
(P)A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	
(P)A.3	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting	

(P)A.3.1	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	
(P)A.3.2	Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	
(P)A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed	
(P)A.4.1	Shareholders Agreement?	
(P)A.4.2	Voting Cap?	
(P)A.4.3	Multiple Voting Rights?	
(P)A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.	
(P)A.5.1	Is a pyramid ownership structure and/or cross holding structure apparent?	
(P)B	EQUITABLE TREATMENT OF SHAREHOLDERS	
(P)B.1	Insider trading and abusive self-dealing should be prohibited	
(P)B.1.1	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	
(P)B.2	Protecting minority shareholders from abusive action	
(P)B.2.1	Has there been any cases of noncompliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	
(P)B.2.2	Were there any RPTs that can be classified as financial assistance (i.e not conducted at arm's length) to entities other than wholly-owned subsidiary companies?	
(P)C	ROLE OF STAKEHOLDERS	
(P)C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected	

(P)C.1.1	Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?	
(P)C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis	
(P)C.2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	
(P)D	DISCLOSURE AND TRANSPARENCY	
(P)D.1	Sanctions from regulator on financial reports	
(P)D.1.1	Did the company receive a “qualified opinion” in its external audit report?	
(P)D.1.2	Did the company receive an “adverse opinion” in its external audit report?	
(P)D.1.3	Did the company receive a “disclaimer opinion” in its external audit report?	
(P)D.1.4	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	
(P)E	RESPONSIBILITIES OF THE BOARD	
(P)E.1	Compliance with listing rules, regulations and applicable laws	
(P)E.1.1	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	
(P)E.1.2	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	
(P)E.2	Board Structure	
(P)E.2.1	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years each (whichever is higher) in the same capacity?	

(P)E.2.2	Did the company fail to identify who are the independent director(s)/commissioner(s)?	
(P)E.2.3	Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	
(P)E.3	External Audit	
(P)E.3.1	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	
(P)E.4	Board Structure and Composition	
(P)E.4.1	Has the chairman been the company CEO in the last three years?	
(P)E.4.2	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	