

# COVER SHEET

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S.E.C. Registration Number

P H I L I P P I N E   B U S I N E S S   B A N K ,   I N C .  
 a s s a v i n g s   b a n k

(Company's Full Name)

3 5 0   R I Z A L   A V E N U E   E X T E N S I O N  
 C O R N E R   8 T H   A V E N U E   G R A C E   P A R K  
 C A L O O C A N   C I T Y

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

**Alice P. Rodil**

Contact Person

**363-3333 local 2004**

Company Telephone Number

Month   Day  
 Fiscal Year

**Definitive Information Statement**

FORM TYPE

Month   Day

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings  
 Domestic

Foreign

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 To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_  
 LCU

Document I.D.

\_\_\_\_\_  
 Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes



**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

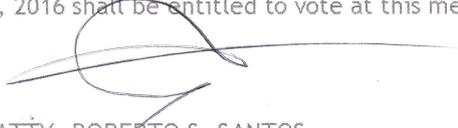
**TO ALL STOCKHOLDERS:**

**NOTICE IS HEREBY GIVEN** that pursuant to Section 4, Article II of the Amended By-Laws, the Annual Stockholder's Meeting of **PHILIPPINE BUSINESS BANK ("PBB")** will be held on Friday, May 27, 2016 at 2:00 PM at the Diamond Hotel Philippines, Roxas Boulevard corner Dr. J. Quintos Street, Manila, Philippines, to confirm and ratify the following actions of the Board of Directors, to wit:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the 2015 Annual Stockholder's Meeting
5. President's Report
6. Ratification of the Audited Financial Statements for the year ending 31<sup>st</sup> December 2015
7. Ratification of the Acts and Resolutions of the Board of Directors and Management for 2015
8. Election of the Members of the Board of Directors including two (2) Independent Directors to serve for 2016-2017
9. Appointment of External Auditor
10. Approval of the Amendment of Article 7(b) of the Articles of Incorporation.
11. Adjournment

Stockholders who will not, are unable to, or do not expect to attend the meeting in person may, at their option, designate their authorized representatives by means of Proxy. The Proxy instrument must be duly notarized and must be submitted to **Atty. Roberto S. Santos**, at the Office of the Corporate Secretary, located at 4/F PBB Corporate Center, 350 Rizal Avenue, corner 8<sup>th</sup> Ave., Grace Park, Caloocan City or **Stock Transfer Service, Inc.** at 34-D Rufino Pacific Tower 6784 Ayala Avenue, Makati City **not later than May 17, 2016.**

Only Stockholders of Record as of 5:30 p.m. of May 06, 2016 shall be entitled to vote at this meeting.

  
ATTY. ROBERTO S. SANTOS  
Corporate Secretary

PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES

The nomination and election of the members of the Board of Directors should be in accordance with the nomination forms, procedure and requirements adopted by the Board of Directors. Any Stockholder may obtain the required nomination form from and must submit their nominations to the Corporate Governance and Compliance Committee or the Corporate Secretary at the following address not later than April 20, 2016.

**Corporate Governance and Compliance Committee**

PHILIPPINE BUSINESS BANK CORPORATE CENTER  
350 Rizal Ave., Corner 8<sup>th</sup> Ave.,  
Grace Park, Caloocan City

**Atty. Roberto S. Santos**

Corporate Secretary  
PHILIPPINE BUSINESS BANK CORPORATE CENTER  
3<sup>rd</sup> Flr., Legal Services Center,  
350 Rizal Ave., Corner 8<sup>th</sup> Ave.,  
Grace Park, Caloocan City

All nominations shall be in writing duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance and conformity of their nominees. The Nomination must indicate whether the nominees are intended to be independent directors and shall contain the nominee's age, educational attainment, full disclosure of work and/or business experience and/or affiliations. The Directors and Independent Directors shall be elected from among the Bank's stockholders. All nominees for Directors and Independent Directors must possess the minimum requirements/qualifications and none of the disqualifications prescribed by Article III of the By-laws, Bangko Sentral Ng Pilipinas, Securities and Exchange Commission and other regulatory agencies/offices of listed bank, which includes Sec 23 and 27 of the Corporation Code (B.P. Blg. 68), Sec 15 of The General Banking Law Rules and Regulation (RIRR) of the Securities Regulation Code, Sec X141 of the Manual of Regulations for Banks, and relevant circular or memorandum.

Please be guided accordingly.



ATTY. ROBERTO S. SANTOS  
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter ~~PHILIPPINE BUSINESS BANK, INC.~~
3. **Caloocan City, Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **A199701584**
5. BIR Tax Identification Code ~~000-005-469-606~~
6. **350 Rizal Avenue corner 8<sup>th</sup> Avenue Gracepark, Caloocan City** 1400  
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(02) 363-33-33**
8. ~~May 27, 2016- 2:00 p.m. at the Diamond Hotel Philippines, Roxas Boulevard corner Dr. J. Quintos Street, Manila, Philippines.~~  
Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders ~~on or before May 06, 2016.~~
10. **In case of Proxy Solicitations:**  
**PHILIPPINE BUSINESS BANK IS NOT SOLICITING PROXIES.**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of Each Class  | Number of Shares of Common Stock<br>Outstanding or Amount of Debt Outstanding |
|----------------------|---|
| <b><u>Common</u></b> | <b><u>536,458,423</u></b>   |
12. Are any or all of registrant's securities listed in a Stock Exchange?  
Yes \_\_\_-\_\_\_ No \_\_\_\_\_  
If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**PHILIPPINE STOCK EXCHANGE**

**COMMON SHARES OF STOCK**

PHILIPPINE BUSINESS BANK, INC.

**SEC FORM 20-IS**

**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**Date, time and place of meeting of security holders.**

Date : May 27, 2016  
Time : 2:00 p.m.  
Place : Diamond Hotel Philippines, Roxas Boulevard corner Dr. J. Quintos Street, Manila, Philippines

Mailing Address of Principal Office:

350 Rizal Avenue corner 8<sup>th</sup> Avenue  
Gracepark, Caloocan City

This information statement shall be first sent or given thru personal delivery and/or by registered mail to stockholders and/or security holders on or before May 06, 2016.

Any new stockholders after the distribution date shall be furnished copy of this Definitive Information Statement.

**Record Date**

The record date for the purpose of determining the stockholders entitled to notice of and to vote at the Annual Meeting is May 06, 2016 (the "Record Date").

**Dissenters' Right of Appraisal**

At the scheduled meeting, there are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Sections 81 and 82, Title X of the Corporation Code of the Philippines which state that "Sec. 81. Instances of Appraisal of right. Any stockholder of the Bank shall have the right to dissent and demand payment of the fair value of his shares in the following instances: 1) amendment to the Articles of Incorporation which has the effect of changing or restricting the rights of stockholders or extending corporate life of the corporation; 2) sale, transfer or lease of all or substantially all of the corporate properties; and 3) in case of merger or consolidation. Section 82. How right is exercised. The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares xxx."

**Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- A) No current director or officer of PBB, or nominee for election as director of the Bank or any associate of any of the foregoing persons has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in stockholders' meeting, other than election to office.
- B) No director has informed PBB in writing that he intends to oppose any action to be taken by the Bank at the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Voting Securities and Principal Holders Thereof**

1. Class of Voting Securities : 536,458,423 Common Shares are entitled to vote on May 27, 2016 Annual Stockholders Meeting.

2. Record Date : Only the stockholders of record as of May 06, 2016 are entitled to notice of and to vote at the meeting.
3. Foreign Ownership : 10,404,720 shares as of March 31, 2016. 1.94% of the total outstanding shares.

#### Nomination and Election of Directors and Independent Directors and Manner of Voting

The method of counting the votes of the shareholders shall be in accordance with Sections 23 and 27 of the Corporation Code of the Philippines, Section 15 of the General Banking Law (R.A. No. 8791), Section 38 of The Securities Regulation Code, Section 38.1 of the Amended Implementing Rules and Regulations of the Securities Regulation Code and Section X141 of the Manual of Regulations for Banks, the Bank's Nominations and Corporate Governance Committees adopted rules governing the nomination and election of directors.

All nomination forms shall be submitted to any of the members of the Nomination Committee or to the Corporate Secretary on or before April 20, 2016. The Nomination Committee shall pre-screen the qualifications of all the nominees and shall prepare a Final List of Candidates, which shall contain all the information about all the nominees for Independent Directors as required under existing rules and regulations.

As to the manner of voting, Article II, Section 7 of the Bank's By-laws provides that during the annual meeting, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. For this purpose, the proxy instrument must be duly notarized and presented and validated by the Corporate Secretary. Counting will be done by tabulation of the votes by the Corporate Secretary, who acts as the election inspector, with the assistance of her staff and the stock and transfer agent.

Under Section 24 of The Corporation Code of the Philippines, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may also distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

PBB is not soliciting proxy from any of its stockholders.

#### Security Ownership of Certain Record and Beneficial Owners

The following persons own at least five per cent (5%) of the Bank's outstanding common shares as of March 31, 2016:

Title of Class	Name. Address of Record Owners and relationship with the issuer	Name of Beneficial Owner and relationship with record owner	Citizenship	No. of shares held	Per cent of class
Common	Alfredo M. Yao 84 Dapitan St. corner Banawe St. Sta. Mesa Heights. Quezon City Stockholder	The record owner is the beneficial owner of the shares indicated	Filipino	199.865.258	37.26%
Common	Zest-O Corporation 574 EDSA Caloocan City Stockholder (Represented by Carolvn S. Yao. authorized to vote the shares of Zest-O Corp.)	The record owner is the beneficial owner of the shares indicated	Filipino	135.044.102	25.17%
Total Common Shares				334.909.360	62.43%

### Security Ownership of Management

The following directors and executive officers of the Company directly own approximately [4.77%] percent of the Company's issued and outstanding common stock as of March 31, 2016 as follows:

Title of Class	Name of Director / Nationality	Present Position	No. of Shares / Nature	%
Common	Francis T. Lee / Filipino	Chairman	22,087,500 / Direct	4.12%
Common	Jeffrey S. Yao / Filipino	Vice-Chairman/Director	1,350,446 / Direct	negligible
Common	Leticia M. Yao / Filipino	Director	1,400,446 / Direct	negligible
Common	Rolando R. Avante / Filipino	President & CEO	193,340 / Direct	negligible
Common	Amador T. Vallejos, Jr. / Filipino	Director	32,146 / Direct	negligible
Common	Benjamin R. Sta. Catalina, Jr. / Filipino	Director	46,965 / Direct	negligible
Common	Paterno H. Dizon / Filipino	Director	109,465 / Direct	negligible
Common	Honorio O. Reyes-Lao / Filipino	Director	70,312 / Direct 142,187 / Indirect	negligible
Common	Roberto A. Atendido / Filipino	Director	90,625 / Direct	negligible
Common	Joseph Edwin S. Cabalde / Filipino	Treasurer	12 / Direct	negligible
Common	Atty. Roberto S. Santos / Filipino	Internal Legal Counsel & Corp. Sec.	12,500 / Direct	negligible

The aggregate shareholdings of the Bank's Directors and Officers as a group is 4.77%.

No voting trust has been entered into by the Management of the Bank and no controlling interest is held by any particular stockholder and there is no change in any controlling interest of the Company.

### Directors and Executive Officers

#### Directors and Executive Officers:

a. The following are the names of the incumbent Directors of the Bank:

Incumbent	Age	Nationality	Position with the Bank	Date of election
Amb. Alfredo M. Yao	71	Filipino	Chairman Emeritus	Jul 26, 2010
Francis T. Lee	67	Filipino	Chairman	May 29, 2015
Rolando R. Avante	57	Filipino	President & Chief Executive Officer	May 29, 2015
Jeffrey S. Yao	48	Filipino	Director	May 29, 2015
Amador T. Vallejos, Jr.	69	Filipino	Director	May 29, 2015
Honorio O. Reyes-Lao	72	Filipino	Director	May 29, 2015
Paterno H. Dizon	78	Filipino	Independent Director	May 29, 2015
Leticia M. Yao	63	Filipino	Director	May 29, 2015
Benjamin R. Sta. Catalina, Jr.	68	Filipino	Independent Director	May 29, 2015
Roberto A. Atendido	69	Filipino	Director	May 29, 2015

### BUSINESS EXPERIENCE:

The following is a brief description of the business experience of each of the Directors of the Bank:

#### Alfredo M. Yao (Filipino, 71 years old)

Mr. Alfredo M. Yao is the Chairman Emeritus of the Board of PBB. He is also currently the Chairman of Zest-O Corporation, Semexco Marketing Corp., and Asiawide Refreshments Corp. He is currently serving as President of Solmac Marketing Inc., Harman Foods (Phil.) Inc., and Amchem Marketing, Inc. He is also a former director of

Export and Industry Bank. He has had training in Corporate Governance, AML and Risk Management, one conducted by the Pacific Management Forum and PBB. He has had training on CISA - for the Credit Bureau, and on SME Related Issues and other CTB Related seminars. He also had attended several PCCI Business Forum, given by PCCI and the International Trade Organization under the umbrella of the PCCI and the DTI.

**Francis T. Lee (Filipino, 67 years old)**

Chairman Francis T. Lee, was appointed Chairman of the Board on 26 July 2010 and last re-elected as Director on 29 May 2015. He was appointed Chief Operating Officer (COO) on 01 September 2011 before he held the Chairman position.

Active in the community, he served as President of the AMY Foundation - the CSR of the Yao Group of Companies, from 08 December 2003 up to 08 December 2013.

A career banker for more than 30 years, Mr. Lee started his banking career with Pacific Bank where he gained much experience and knowledge. His career progressed as he held a number of executive positions from Senior Manager rising to Senior Vice President at the Metrobank Group from 1988 to 2000 before he joined PBB.

His expertise and trainings include Philippine Institute of Banking in 1969; Corporate Governance & Risk Management for Bank's Board of Directors at the Development Finance Institute in 2002; Team Building Workshop in 2004 at PBB; Risk Awareness Seminar in 2009 at the Pacific Management Forum; and the Anti Money Laundering Act Seminar at the Bangko Sentral ng Pilipinas in 2012 and in 2014; Corporate Governance Seminar for Board of Directors on December 10, 2015.

Mr. Lee studied Bachelor of Arts in Business Administration in Manuel L. Quezon University.

**Jeffrey S. Yao (Filipino, 48 years old)**

Mr. Jeffrey S. Yao, was appointed to the Board in 1999 and last re-elected as Director on 29 May 2015. On April 01, 2016, he assumed the position on Vice-Chairman.

He currently holds directorship at Asiadwide Refreshments Corp. He was also appointed the Chief Operating Officer (COO) of the Zest-O Corporation since 2005.

Mr. Yao started his career in the food and beverage industry when he was appointed as Plant Manager at Harman Food Philippines from 1990 to 1995.

He completed trainings in Basic of Trust at the Trust Institute of the Philippines in 2002, Corporate Governance & Risk Management for Bank's Board of Directors at the Development Finance Institute in 2002, and the Anti Money Laundering Act Seminar at the Bangko Sentral ng Pilipinas in 2014; Distinguished Corporate Governance Speaker Series on August 24, 2015.

Mr. Yao graduated from the Ateneo De Manila University with the degree of Bachelor of Science in Management Engineering.

**Rolando R. Avante (Filipino, 57 years old)**

Pres. & CEO Rolando R. Avante, was appointed to the Board on 02 November 2011. He held the position President and Chief Executive Officer since 02 November 2011.

Because of his strong background in treasury management, PBB has become one of the largest, fastest-growing and most respected savings banks. PBB was listed at The Philippine Stocks Exchange last February of 2013.

Mr. Avante, a banking industry veteran with more than three decades of experience, is guiding Philippine Business Bank through a brand resurgence.

His banking career includes Vice President for Local Currency Desk at City Trust Banking Corp. from 1988 to 1994; Senior Vice President & Treasurer at Urban Bank from 1994 to 1995; First Vice President for Domestic Funds Management at Philippine Commercial International Bank from 1995 to 1999; Executive Vice President & Treasurer at China Trust (PHILS.) Commercial Bank Corp. from 1999 to 2009; Executive Vice President & Treasurer at Sterling Bank of Asia from 2009 to 2011.

He was elected President and Director at the Money Market Association of the Phil. (MART) in 1999 and elected the same position at ACI Philippines in 2011.

His training includes Money Market at the Inter Forex Corp. in 1983; Treasury Management in Times of Crisis in 1984, Bourse Game in 1987 both conducted by FINEX; Rate Risk Game in 1989, Investment Banking Fundamental in 1990, Managing People in 1991 at the Citibank APBI; Capital Market Instruments in Asia in 1992, Asset & Liability Management in 1995 both conducted by Euromoney; Asian Bond Fund II Workshop in 2004 at the Asian Bank; Securitization Law in 2006 at FINEX & SEC; ACI World Congress in 2011 at ACI Phil.; Economic Outlook 2012 in 2012 at the ANZ Private Bank Exclusive; Annual Global Markets Outlook in 2012 at Deutsche Bank; Entrepreneurs Forum in 2012 conducted by Business World; AMLA Seminar in 2012 at the Bangko Sentral ng Pilipinas; CEO Business Forum in 2012 at Punong Bayan & Arullo; Cross-Border RMB Business in 2012 at Bank of China; Eco Forum in 2012 at Security Bank; Phil. Business Conference in 2012 at the Philippine Chamber of Commerce & Industry; Annual Investment Outlook 2013 in 2013 at ANZ Private Bank; Philippine Investment Summit 2013 in 2013 at the Investment Banking Group; IPO Annual Asia Pacific in 2013 at CIMB; Corporate Governance Seminar for Board of Directors on December 10, 2015.

Mr. Avante graduated from the De La Salle University with the degree of Bachelor of Science in Commerce major in Marketing Management and has taken MBA units, also from DLSU.

**Amador T. Vallejos, Jr. (Filipino, 69 years old)**

Mr. Amador T. Vallejos, Jr., was appointed to the Board on 27 May 1997 and last re-elected as Director on 29 May 2015.

Currently the General Manager of AMCHEM, he is also the Chairman of King of Travel and President of SMI Development Company.

He held directorships at the Philippine Association of Food Technology in 1988, Philippine Chamber of Food Manufacturer in 1989; and the Philippine Article Numbering Council in 1992.

He is also a member of the Professional Risk Managers International Association (PRMIA) since 2009.

From 1974 to 1976 he held the Marketing Manager position at Rockgas and transferred to Edward Keller Ltd. as the Department Manager from 1976 to 1984.

His expertise and trainings include BAI Conference and Seminars on Technology in Banking taken in 1998 and 1999 both in BAI, USA; Corporate Governance & Risk Management for Bank's Board of Directors at the Development Finance Institute in 2002, and the Anti Money Laundering Act Seminar at the Bangko Sentral ng Pilipinas in 2014; Corporate Governance Seminar for Board of Directors in November and in December, 2014; Updated Guidelines on Sound Credit Risk Management on August 07, 2015.

Mr. Vallejos graduated from the Ateneo De Manila University with the degree of Bachelor of Arts in Economics.

**Honorio O. Reyes- Lao (Filipino, 72 years old)**

Mr. Honorio O. Reyes-Lao, was appointed to the Board on 30 April 2010 and last re-elected as Director on 29 May 2015.

A seasoned banker, he has more than 40 years of experience in corporate and investment banking, branch banking and credit management, where he started his banking career at China Banking Corporation in 1973 to 2004. He was appointed Senior Management Consultant in 2005 to 2006 at East West Banking Corporation.

His expertise was sought by Antel Group of Companies, as Consultant, in 2007 to 2009 and was appointed President at Gold Venture Lease and Management Services, Inc. from 2008 to 2009.

Currently, he is an independent and non-executive director at the DMCI Holding Corporation and a Member of the Society of Institute of Corporate Directors (ICD) Fellows since 2004.

His background and trainings include Overall Banking Operations at the Philippine Institute of Banking in 1971 to 1972; Director Certification Program at the Institute of Corporate Directors (ICD) in 2004; and the AMLA Seminar at the Bangko Sentral ng Pilipinas in 2014; ASEAN Corporate Governance Conferences and Awards 2016 on November 14, 2015; Distinguished Corporate Governance Speaker Series on August 24, 2015.

Mr. Lao holds a post-graduate degree, Masters in Business Management, from the Asian Institute of Management and he graduated with a double degree in Bachelor of Science in Business Administration major in Economics and Bachelor of Science in Commerce major in Accountancy from the De La Salle University.

**Paterno H. Dizon (Filipino, 78 years old)**

Mr. Paterno H. Dizon, was appointed Independent Director to the Board on April 2006 and last re-elected as Independent Director on 29 May 2015.

He had previously served as President to the following institutions: Science Park of the Phil. Inc., Cebu Light Industrial Park, Inc., and RFM Science Park of the Philippines from 1997 to 2003.

Mr. Dizon held directorships at Hermosa Ecozone Development Corp. from 1997 to 2003; Export & Industry Bank from 1994 to 2006; and EIB Securities from 2004 to 2006.

He served on the board of Phil. Export-Import Credit Agency from 2010 to 2012. He was elected as Chairman of the Phil. Exporters' Confederation Inc. since 1990 up to the present. He has been the President and CEO of Holy Cross College of Pampanga since 2012.

His expertise includes trainings in Financial Management at SGV in 1974, Money and Banking from the Ateneo De Manila University in 1959, Corporate Governance & Risk Management for Bank's Board of Directors at the Development Finance Institute in 2002, Risk Awareness Seminar at the Pacific Management Forum in 2009, and the Anti Money Laundering Act Seminar at the Bangko Sentral ng Pilipinas in 2014; ASEAN Corporate Governance Conferences and Awards 2016 on November 14, 2015; Distinguished Corporate Governance Speaker Series on August 24, 2015.

Mr. Dizon holds a Bachelor of Science in Economics from the Ateneo De Manila University and a Master in Business Administration from the University of the Philippines.

**Benjamin R. Sta. Catalina, Jr. (Filipino, 68 years old)**

Mr. Benjamin R. Sta. Catalina, Jr., was appointed Independent Director to the Board on July 2012 and last re-elected as Independent Director on 29 May 2015. He first assumed his independent directorship at PBB in 2003 to 2005.

During his early professional years, Mr. Sta. Catalina was the Senior Vice President of the Asset Based Finance Group of FNCB Finance Co. from 1980 to 1981. He later joined Citibank N.A. from 1981 to 1995 where he has served as Asst. Vice President & Division Head for the Public Sector Division, then became the Vice President and Asst. Director of the Asia Pacific Training Center. He later handled the Middle East Africa Division Training Center as Vice President and Associate Director, and then handled the World Corporation Group for Middle East Africa, Division Training Center as Regional Administrator. He was appointed to General Manager and handled the Center for International Banking Studies. In 1993 to 1994, Mr. Sta. Catalina was appointed Vice President and Chief of Staff of the Global Finance Marketing, then rose to Group Head where he handled the Pan Asian Corporate Team in 1994 to 1995.

In the academic sphere, he was the Executive Director of the Center for Banking and Financial Management of the Asian Institute of Management in 1996.

In addition to holding a number of executive positions, he underwent trainings including Makati CAD in 1974, Philippine Core Credit in 1976, Intermediate Credit Seminar in 1977, Exceptional Sales Performance in 1978, Bourse Game in 1979, Asset Based Finance Seminar in 1980, Electronic Banking Seminar in 1981, Selling Skills Train the Trainer Program in 1982, Advanced Lending Strategy in 1982, Technology for Senior Management in 1983 from the Asia Pacific Training Center. He attended Multinational Business Course in 1980 at Citibank New York, Face to

Face Selling Skills in 1986 at the Boston Consulting Group. In 1987 he has attended the MAC Approach Course and Alcar Valuation Seminar at MEAD Training Center in Greece. He attended the Corporate Finance II in 1988 at the Asia Pacific Banking Institute. At MEAD Training Center in London, he attended the Risk Management Seminar and the Risk Management III - Corporate Finance in 1991. From 1993 to 1995, Mr. Sta. Catalina attended the Strengthening Organizational Capabilities, Service Quality Management, Technology Solutions for the Business, Marketing Derivatives Ideas, Standards Workshop, Marketing Financing Ideas to Issuers at Citibank Training Center.

Most recent, he attended the Corporate Governance & Risk Management for Bank's Board of Directors at the Development Finance Institute in 2003, and the Anti Money Laundering Act Seminar in 2014, Distinguished Corporate Governance Speaker Series on August 24, 2015 and 2015 Distinguished Corporate Governance Speaker Series 2 on September 15, 2015.

Mr. Sta. Catalina is a graduate of the Asian Institute of Management with a post graduate degree of Masters in Business Management. He finished his Bachelor of Science in Management Engineering from the Ateneo De Manila University.

**Leticia M. Yao (Filipino, 63 years old)**

Dra. Leticia M. Yao, was appointed to the Board in 2009 and last re-elected as Director on 29 May 2015.

A well-respected figure in the healthcare industry, Dra. Yao was appointed at the United Doctors Medical Center (UDMC) as a Consultant at the Department of Medicine from 1991 to 2012.

She attended trainings for Corporate Governance & Risk Management for Bank's Board of Directors at the Development Finance Institute in 2002 and Risk Awareness Seminar at the Pacific Management Forum in 2009. She attended AMLA Seminar at the Bangko Sentral ng Pilipinas, Distinguished Corporate Governance Speaker Series on August 24, 2015 and Corporate Governance Seminar for Board of Directors on December 10, 2015 to hone her skills as Director of PBB.

Dra. Yao graduated from the University of Sto. Tomas with a Bachelor of Science degree in Medical Technology then pursued her post graduate degree in Medicine also from the University of Sto. Tomas.

**Roberto A. Atendido (Filipino, 69 years old)**

Mr. Roberto A. Atendido, was appointed to the Board on 26 May 2006 and last re-elected as Director on 29 May 2015.

He is a seasoned investment banker and a recognized expert in the field with over 30 years of investment banking and consulting experience in the Philippines and in the ASEAN region. Mr. Atendido started his career in consulting with the management services group of Sycip, Gorres & Velayo, the largest accounting and consulting group in the Philippines. He began his investment banking career in Bancom Development Corporation, the leading investment house in the Philippines during the late 60's and 70's. He was later posted as Vice President of Bancom International Ltd in HK from 1980-1982. He then moved to PCI Capital Asia, Ltd. (HK) as Vice President from 1982-1983. The PCI Group posted him in Indonesia as Managing Director of PT Duta Perkasa Chandra Inti Leasing, a joint venture between the PCI Group of the Philippines and Bank Duta and Gunung Agung Group of Indonesia, from 1983-1988. Mr. Atendido moved back to the Philippines in 1988 as President of Asian Oceanic Investment House, Inc., a fully owned subsidiary of the Asian Oceanic Group of HK. The company was later bought by the Insular Life Group and renamed Insular Investment & Trust Corporation. In 1996, Mr. Atendido together with several investors organized Asian Alliance Holdings & Development Corporation (AAHDC) and later established Asian Alliance Investment Corp. (AAIC) as a wholly owned investment banking subsidiary. He is currently President of AAHDC and Executive Vice Chairman of AAIC.

Currently, Mr. Atendido is a member of the Board of Directors of Paxys Inc., Philippine Business Bank, PICOP Resources, Inc., Pharmarex, Inc. Ardent Property Development Corp., First Ardent Property Corp., and GEM Communications & Holding Corp. He is also Vice Chairman and Director of Sinag Energy Philippines, Inc., (since 2008), Chairman and President of Myka Advisory and Consulting Services, Inc. (since 2010).

He has also held directorships in the past in the Philippine Stock Exchange (2005-2009), Securities Clearing Corporation (2006-2010), Export & Import Bank as an Independent Director (2006-2012), Marcventures Holdings, Inc. (2010-2013), Carac-An Development Corp. as Chairman from 2010-2013, Beneficial Life Insurance Corp. from 2008-2014.

He has equipped himself with trainings in Corporate Governance & Risk Management for the Bank's Board of Directors at the Development Finance Institute in 2003; Risk Management and Basel 2 Seminar at the Export & Industry Bank in 2007. Earlier this year, he attended the Anti-Money Laundering Act Seminar at the Bangko Sentral ng Pilipinas, Distinguished Corporate Governance Speaker Series on August 24, 2015, 2015 Distinguished Corporate Governance Speaker Series 2 on September 15, 2015 and 2015 Distinguished Corporate Governance Speaker Series 3 on November 06, 2015

Mr. Atendido is a graduate of the Asian Institute of Management with a Masters in Business Management Degree in 1973. He completed his Bachelor of Science in Management Engineering from the Ateneo de Manila University.

Apart from his business activities, Mr. Atendido is also active in the Brotherhood of Christian Businessmen and Professionals, a nation-wide Christian community where he served as Chairman from 2009-2011.

#### **b. EXECUTIVE OFFICERS:**

The following are the Executive Officers of the Bank, and their respective age, citizenship and position as of March 31, 2016:

##### **Rolando R. Avante (Filipino, 57 years old)**

Pres. & CEO Rolando R. Avante, was appointed to the Board on 02 November 2011. He held the position President and Chief Executive Officer since 02 November 2011.

Because of his strong background in treasury management, PBB has become one of the largest, fastest-growing and most respected savings banks. PBB was listed at The Philippine Stocks Exchange last February of 2013.

Mr. Avante, a banking industry veteran with more than three decades of experience, is guiding Philippine Business Bank through a brand resurgence.

His banking career includes Vice President for Local Currency Desk at City Trust Banking Corp. from 1988 to 1994; Senior Vice President & Treasurer at Urban Bank from 1994 to 1995; First Vice President for Domestic Funds Management at Philippine Commercial International Bank from 1995 to 1999; Executive Vice President & Treasurer at China Trust (PHILS.) Commercial Bank Corp. from 1999 to 2009; Executive Vice President & Treasurer at Sterling Bank of Asia from 2009 to 2011.

He was elected President and Director at the Money Market Association of the Phil. (MART) in 1999 and elected the same position at ACI Philippines in 2011.

His training includes Money Market at the Inter Forex Corp. in 1983; Treasury Management in Times of Crisis in 1984, Bourse Game in 1987 both conducted by FINEX; Rate Risk Game in 1989, Investment Banking Fundamental in 1990, Managing People in 1991 at the Citibank APBI; Capital Market Instruments in Asia in 1992, Asset & Liability Management in 1995 both conducted by Euromoney; Asian Bond Fund II Workshop in 2004 at the Asian Bank; Securitization Law in 2006 at FINEX & SEC; ACI World Congress in 2011 at ACI Phil.; Economic Outlook 2012 in 2012 at the ANZ Private Bank Exclusive; Annual Global Markets Outlook in 2012 at Deutsche Bank; Entrepreneurs Forum in 2012 conducted by Business World; AMLA Seminar in 2012 at the Bangko Sentral ng Pilipinas; CEO Business Forum in 2012 at Punong Bayan & Arullo; Cross-Border RMB Business in 2012 at Bank of China; Eco Forum in 2012 at Security Bank; Phil. Business Conference in 2012 at the Philippine Chamber of Commerce & Industry; Annual Investment Outlook 2013 in 2013 at ANZ Private Bank; Philippine Investment Summit 2013 in 2013 at the Investment Banking Group; IPO Annual Asia Pacific in 2013 at CIMB; Corporate Governance Seminar for Board of Directors on December 10, 2015.

Mr. Avante graduated from the De La Salle University with the degree of Bachelor of Science in Commerce major in Marketing Management and has taken MBA units, also from DLSU.

##### **Alice P. Rodil (Filipino, 58 years old)**

Ms. Alice P. Rodil, joined the bank 1998 and has been the Senior Vice President and Comptroller of PBB since 2001. A Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountant. From 1991 to present she was a member of Bank Administration Institute International, Philippine Chapter, and from 2001 to 2002, she served as one of its Directors. Recently she was elected to the Board of the Philippine Red Cross - Caloocan Chapter and Treasurer of the PCCI-Caloocan. From 1992 to 1998 she was a Senior Manager at UCPB. She

also is the Executive Director and Project Coordinator of the AMY Foundation Inc., the CSR arm of the Yao Group.

**Atty. Roberto S. Santos (Filipino, 66 years old)**

Attorney Roberto S. Santos is the Corporate Secretary and holds the position of Vice-President and Head of the Legal Services Center and Remedial and Special Assets Management Group. In his 40-year experience in banking and finance, he was a Manager with Traders Royal Bank since 1980 and subsequently held various executive positions with Security Bank from 1982 to 1999 and was also General Manager of Security Finance Company from 1997-2001. He was the Head of the Legal Department of Metrobank Card Corporation from 2002 to 2004 and joined PBB as Assistant Vice-President in 2008.

**Joseph Edwin S. Cabalde (Filipino, 46 years old)**

Mr. Joseph Edwin S. Cabalde is elected Treasurer and holds the position of Senior Vice-President and Head of the Treasury Services Group. His work experience include: Accounting Assistant and Assistant Secretary Head of China Banking Corporation (1991 to 1993), Treasury Officer of Urban Bank Inc. (1993 to 1995), Manager and Chief Dealer of Bangkok Bank Manila, and of Bank of Tokyo Mitsubishi (1995 to 2004), Treasury Head of Oilink International (2004 to 2007), Assistant Vice-President and Treasurer of EEI Corporation (2007 to 2008). He also attended the Corporate Good Governance and AML Seminars sponsored by PBB.

**Teresita S. Sion (Filipino, 63 years old)**

Ms. Teresita S. Sion is the Assistant Vice President and Trust Officer of PBB. She started as Per Pro of the Trust Services Group at Philippine Commercial International Bank from 1976 to 1991. She was the Officer-in-Charge of the Trust Banking Group of Metropolitan Bank and Trust Company from 1991 to 1995. In October 1995 she became the Senior Manager of the Trust and Investment Department, the position she held until September of 1998. From October 1998 to November 2006, she was the Vice President and Head of the Trust Banking Group of Export and Industry Bank, Inc. She was the Consultant on Financial Matters of MRC Allied, Inc from August 2008 to May 2009. She was also the Consultant for Trust Banking Sector of Asiatrust Development Bank from May 2009 to July 2009 and in July 2009 was appointed as Vice President and Trust Officer of the same bank until February 2012. She joined PBB in February 2012 as Marketing and Business Development Officer and became the Assistant Vice President and Trust Officer on November of the same year.

**Efren P. Mercado (Filipino, 66 years old)**

Mr. Efren P. Mercado is the Vice President and Head of the Branch Lending Unit of PBB. He started as Paymaster at Del Mar Carriers from 1968 to 1970. His banking career started at Philippine Banking Corporation from 1970 to 1988 with a variety of positions from Rank and File to Managerial. He joined China Banking Corporation in 1992 to 2005 and had held several Managerial and Executive positions including Branch Manager, Area Head and Senior Assistant Vice President. He joined PBB in March 2011.

**Laurence R. Rapanut (Filipino, 53 years old)**

Ms. Laurence R. Rapanut is the Assistant Vice President and Internal Auditor of PBB. Her work experience include: Junior Examiner of Far East Bank and Trust Company (June 1985 to January 1988); Junior Examiner to Branch Controller of First Philippine International Bank (September 1988 to January 1995); Branch Accountant to Senior Assistant Manager of Westmont Bank (April 1996 to December 2000); Senior Assistant Manager to Manager of United Overseas Bank (January 2001 to January 2006). She joined PBB in March 2006 as Supervising Examiner of Internal Audit Center.

**Raymond T. Co (Filipino, 60 years old)**

Mr. Raymond T. Co is the Senior Vice President and Head of Account Management Group I of PBB. His work experience include: Account Officer of Filinvest Credit Corporation (1977 to 1980); Manager of Jardine Manila Finance, Inc. (1980 to 1982); Senior Assistant Manager of Family Bank & Trust Co. (1982 to 1983); Credit Administrator of Saudi Investment Bank/National Commercial Bank of Saudi Arabia (1983 to 1986); Senior Manager of Unitrust Development Bank (1987 to 1988) Senior Manager of Equitable Banking Corporation (1988 to 1990); Vice President of Metropolitan Bank and Trust Company (1990 to 1997); First Vice President of Solid Bank (1997 to 2000); First Vice President of RCBC (2000 to 2002); President of I-Mart Corporation (2002 to 2003). He joined PBB in May 2003.

**Felipe V. Friginal (Filipino, 61 years old)**

Mr. Felipe V. Frigal is the First Vice-President / Group Head of the Branch Banking Group. His work experience include: Cashier of United Coconut Planters Bank (UCPB) Head Office (1984-1986) Branch Accountant of UCPB, Northern Luzon Branches (1986-1989) Assistant Manager - Cashier of UCPB (1989-1991) Senior Assistant Manager - Cashier of UCPB (1991-1992) Senior Manager of UCPB (1992-1998) Assistant Vice-President - SMC Branch Head of UCPB (1998-1999) Assistant Vice-President GMA 6 Area Head (1999-2003).

**Agustin E. Dingle, Jr. (Filipino, 59 years old)**

Mr. Agustin E. Dingle is the First Vice-President / Chief Compliance Officer of PBB. His work experience include: Chief Compliance Officer of China Bank Savings (2010-2012), Head, Reports Section / Accounting Department (1997-1998), Senior Bank Examiner of Central Bank of the Philippines (1985-1994), Reconciliation Analyst of Philippine National Bank (1979-1985) and Loans Bookkeeper of Banco Filipino (1977-1979). He is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. He held various managerial and executive positions with PBB: Assistant BBG/BOCC head (1998-2001), Internal Auditor and Chief Compliance Officer (2002-2009).

**Roselle M. Baltazar (Filipino, 41 years old)**

Ms. Roselle M. Baltazar is the First Vice-President / Assistant Controller & Head of Central Operations Group of PBB. In 1999, she joined PBB and held various managerial and executive positions including: Senior Manager / Head- central Operations Group (2004-2005), Senior Manager / Head- Branch Operations Control Center (2001-2004), Senior Manager / Head- General Services Group (2001-2003), Manager / Head- Systems and Methods Sector (2000-2001) and Assistant Manager / Senior Systems Analysts (1999-2000). She started her banking career at Westmont Bank (now United Overseas Bank) as: Accountant (1996-1999), Audit Examiner II (1995-1996), Loan Assistant (August-October 1995) and CASA Bookkeeper (June-August 1995). She is a Certified Public Accountant and a Civil Service (Professional & Sub-Professional) passer.

**Eduardo R. Que (Filipino, 54 years old)**

Mr. Eduardo R. Que is the Vice-President / Head of the Account Management Group III. His professional experience include: International Banking (Foreign/Domestic Trade Finance), SWIFT (Society for Worldwide Inter-bank Financial Telecommunication) Operations, Branch Operation Officer Training Program - (class "topnotcher") and Lecturer in the Officer Training Program (OD) for twenty (20) years. Before he joined PBB in 2012 he was the Vice-President/Senior Account Officer in Account Management Division of Allied Banking Corporation.

**Clarissa S. Rivera (Filipino, 46 years old)**

Ms. Clarissa S. Rivera is the Vice President and Head of Consumer Banking Group of PBB. She graduated with the degree of BSBA-Accounting from Miriam College and is a Certified Public Accountant. Ms. Rivera also holds the degree of Doctor of Business Administration from Colegio de San Juan de Letran. She was previously connected with Planters Development Bank as Manager and Head of Credit and Customer Service (2004 to 2008); Assistant Manager/Account Officer of International Exchange Bank (2002 to 2004); Manager/Account Officer of Asiatrust Bank (2001 to 2002); and occupied various positions with Shopping Center Management Corporation, CIPI Leasing & Finance Corporation and Philippine National Bank. She joined PBB in June 2008.

**Miami V. Torres (Filipino, 54 years old)**

Ms. Miami V. Torres is the Vice-President / Head of the Credit Services Group. She is a graduate of AB Behavioral Science and BSC Accounting from the University of Santo Tomas. She is a Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants. She has with her 29 years of banking experience. She started in 1984 as a junior bookkeeper in UCPB, handling SA, CA, CTD, Proofsheets, GL and remittances. She had 2 years experience as a Senior Analyst in the same Bank before she became an officer. As an officer, she was assigned as Branch Operations Officer and Branch Marketing Officer. Her last stint with UCPB was as Branch Head for Pasay Rotonda Branch. From 2002 to present she held various managerial and executive positions with PBB: Branch Head, Antipolo Branch (2002), Section Head, Remedial & Special Assets Management Group (RSAM) (2003), Head, Credit Services Group (2006-2008), Head, RSAM (2008-2010) and Head, Credit Services Group (2010-present).

**Atty. Leonardo C. Bool (Filipino, 52 years old)**

Atty. Leonardo C. Bool, is the Assistant Corporate Secretary holding the position of Assistant Vice President. He obtained his college degree, Bachelor of Science in Commerce, Major in Accounting, at the University of Santo Tomas. Also, he obtained his Bachelor of Laws (LLB) at the same University. He is a Certified Public Accountant and a Lawyer at the same time. Prior to joining Philippine Business Bank, Atty. Bool was employed with Philippine Banking Corporation (later on merged with Global Business Bank) for 13 years from 1987 to 2000. From 2000 to 2004, he was with Export & Industry Bank (EIB). After his resignation with EIB, starting 2005 to 2010, he engaged in a full time law practice handling civil, criminal, labor, corporate & administrative cases.

**Francisco M. Lopez (Filipino, 66 years old)**

Francisco M. Lopez joined the Bank in May 23, 2012 as head of the Human Resources Group with overall responsibility for PBB's human resource strategies and solutions. He brings 40 years of leadership experience in human resources in diverse environments, including banking and the medical field.

Prior to joining PBB, he led human resources at the Asian Hospital, as a consultant. He also had a directorship position from the same hospital.

Earlier in his career, he served as senior manager at Republic Planters Bank, assistant vice president, human resources, at Landbank, and was later promoted to vice president. Prior to PBB, he held various human resource management positions at Security Bank where he worked for four years, then at Chinatrust Bank as first vice president for six years.

Mr. Lopez is a graduate of the De La Salle University with a double degree in Arts and Business Administration. He completed his Master's Degree from the Asian Institute of Management.

**John David D. Sison (Filipino, 31 years old)**

Dave Sison joined Philippine Business Bank in July 2014. He leads the bank's corporate planning group, which plays a key role in the bank's strategic management, investor relations functions, and M&A initiatives. Prior to PBB, he was a private equity analyst with KGL Investment Company Asia since 2008. Before joining KGL, Dave was an investment banking associate with PNB Capital & Investment Corporation, a boutique investment bank offering financial advisory, debt syndications, and corporate finance services.

He began his career in finance as an investor relations analyst with ABS-CBN Corporation. He graduated in 2006 with a Bachelor of Science degree in Management Engineering (an Honors Program) from the Ateneo de Manila University where he received training in traditional management disciplines (marketing, finance, operations management, organizational behavior, and strategic management), economics, and the social sciences in combination with skills development in qualitative and quantitative analysis, mathematics, statistics, and operations research.

**Belinda C. Rodriguez (Filipino, 54 years old)**

Belinda C. Rodriguez joined Philippine Business Bank on January 18, 2016 as Chief Risk Officer (CRO). As CRO, she is responsible for the supervision of the implementation of the risk management framework as part of corporate governance whereby policies and best practices are instituted.

She is a seasoned bank executive with 33 years of experience in the financial services industry and a strong background in enterprise risk management honed from exposure from employment both on the regulator (BSP) and regulated private and government banks. Most recently, she served as First Vice President for Asia United Bank, where she held various positions she held for fifteen years that included the CRO and head of the branch banking & treasury operations.

She held executive positions with Town Savings Bank, Dao Heng Bank, and Land Bank of the Phil. During her career, she has managed a number of activities, including treasury operations and compliance operations. Other areas of expertise include audit, compliance, remittance, and risk reduction through improved controls.

Ms. Rodriguez has participated in various banking industry forums on risk management, regulatory compliance, AMLA, and credit risk. She is a Certified Public Accountant (CPA) and has completed her MBA Degree from the Ateneo Graduate School of Business (AGSB). She is a graduate of Polytechnic University with a degree in Commerce major in Accounting,

**Maria Consuelo S. Ruffy (Filipino, 56 years old)**

Maria Consuelo S. Ruffy is the Vice President and Branch Lending Unit II Head at Philippine Business Bank, a position she has held since September 16, 2015. Before she joined the bank, she already worked under the credit department during the '80s.

She has almost 36 years of experience on both the sales and credit sides of banking, all in the SME and corporate markets. Prior to joining PBB, she was with PCI Bank, Equitable PCI Bank, BDO, Equicom Savings Bank, Unity Bank, Planters Development Bank and China Bank Savings from 1980-2015, serving as an account officer to senior credit officer and lending head with responsibility for all commercial business segments, as well as for credit approval and credit risk administration.

Ms. Ruffy has participated in various banking industry forums on credit risk, finance, and AMLA. She is a graduate of the University of Sto. Tomas with a degree in Commerce major in Accounting.

**Election of Members of the Board**

There will be election of the members of the Board during the annual stockholders' meeting. The Stockholders of PBB may nominate individuals to be members of the Board of Directors.

All nominations shall be in writing duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance and conformity of their nominee. The nomination must indicate whether the nominees are intended to be independent directors and shall contain the nominees age, educational attainment, full disclosure of work and/or business experience and/or affiliations. The Directors and Independent Directors shall be elected from among the Bank's Stockholders. All nominees for Directors and Independent Directors must possess the minimum requirements/qualifications and none of the disqualifications prescribed by Article III of the By-Laws, Bangko Sentral ng Pilipinas, Securities and Exchange Commission, and other regulatory agencies/offices of listed banks, which include Sec. 23 and 27 of The Corporation Code (BP Blg. 68). Sec. 15 of The General Banking Law (RA No. 8791), Sec. 38 of The Securities Regulation Code, Sec. 38 of the Revised Implementing Rules and Regulations (RIRR) of the Securities Regulation Code. Sec. X141 of the Manual of Regulations for Banks, and relevant circulars or memoranda.

After the nomination, the Nomination Committee shall prepare a Final List of Candidates, which shall contain all the information about all the nominees for Independent Directors as required under existing rules and regulations. The list shall be made available to the Securities and Exchange Commission and to all the stockholders through the filing and distribution of the Information Statement or in such other reports required by the Securities and Exchange Commission. The name of the person or group of persons who recommended the nomination of the Independent Directors shall be identified in such report including any relationship with the nominee.

The Nomination Committee consists of Paterno H. Dizon, Chairman, Amador T. Vallejos, Jr., Member, Benjamin R. Sta. Catalina, Jr., Member and Roberto A. Atendido, Member.

The nomination Committee created under PBB's Revised Manual on Corporate Governance endorsed the nominees for independent directors for re-election at the upcoming annual stockholders' meeting, in accordance with the qualification set forth in the Manual, as follows:

1. He is a holder of at least one (1) share of stock of PBB;
2. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
3. He shall be at least twenty-one (21) years old;
4. He shall have proven to possess integrity and probity;
5. He should possess all the qualification required under pertinent regulation of the Bangko Sentral ng Pilipinas; and
6. He is not hostile to or antagonistic to, or engaged in any business, which competes with or is antagonistic to that of the Bank or any of its affiliates and subsidiaries.

**Independent Directors**

The Nomination committee has determined that the nominees for independent directors possess all the

qualifications and have none of the disqualifications for independent directors as set forth in the Revised Manual on Corporate Governance.

#### **Recommended Directors For 2016-2017**

The Nomination Committee of the Board of Directors of PBB has determined that the following, all of whom are incumbent directors except Danilo A. Alcoseba, former bank president, possess all the qualifications and none of the disqualifications for directorship set out in PBB's Manual on Corporate Governance, duly adopted by the Board pursuant to SRC Rule 38.1. Below is the final list of candidates prepared by the Nomination Committee:

Francis T. Lee

Jeffrey S. Yao

Rolando R. Avante

Amador T. Vallejos, Jr.

Honorio O. Reyes-Lao

Roberto A. Atendido

Leticia M. Yao

Danilo A. Alcoseba

Paterno H. Dizon (Independent Director) - Nominated by Francis T. Lee. Not related to the nominee.

Benjamin R. Sta. Catalina, Jr. (Independent Director) - Nominated by Francis T. Lee. Not related to the nominee.

#### **Danilo A. alcoseba (Filipino, 64 years old)**

Mr. Danilo A. Alcoseba was the former President & C.E.O. of PBB. He obtained his college degree, Bachelor of Science in Commerce, Major in Accounting, at the University of San Carlos. He is also a post-graduate in Industrial Economics at the University of the Philippines in 1976. His work experience include: Branch Head at Bancom Development Bank, Cebu Branch from 1977-1979, Assistant Vice-President of Traders Royal Bank from 1979-1983, First Vice-President/Treasury Division of Boston Bank of the Philippines from 1983-1998 and Consultant at SM Investments Corporation from 2005-2007. He also had various trainings and seminars in banking related fields notably in financial derivatives, fixed income trading, foreign exchange, investment banking, corporate governance, risk management and international trade.

Any changes in the list of nominees shall be communicated to the SEC thru filing of Amended Definitive Information Statement and publication in any newspaper of general circulation.

#### **Involvement in Certain Legal Proceedings**

None of the directors, nominees for election as director, executive officers or control persons of the Bank have been involved in any legal proceedings during the past five (5) years, including without limitation being the subject of any:

- i) bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time;
- ii) conviction by a final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- iii) order, judgment or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities commodities or banking activities;
- iv) order or judgment of a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization finding him/her to have violated a securities or commodities law or regulation.

#### **Significant Employees**

Although PBB has relied on and will continue to rely on, the individual and collective contributions of each of its  
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December 2003

executive officers, senior operational personnel and non-executive employees, PBB believes that it does not depend on the services of a particular employee and that there is no employee that the resignation or loss of whom would have a material adverse impact on its business.

## Item 12. Related Party Transactions

The Bank's related parties include entities under common ownership, key management and others as described below.

	2015		2014	
	Transaction	Balance	Transaction	Balance
<b>Entities Under Common Ownership</b>				
Deposit Liabilities	6,783,959,179	6,579,213,030	6,684,121,984	6,679,050,225
Loans	1,223,858,013	1,223,815,659	1,193,206,043	950,000,000
Interest Income on Loans	47,628,911	3,278,287	70,604,436	2,206,326
<b>Retirement Fund</b>				
Plan Assets	3,792,241	1,950,384	2,086,772	5,742,625
<b>Key Management and Others</b>				
Compensation	83,029,008	-	79,610,918	-
Loans	55,048,650	34,067,479	22,898,075	227,156,442
Interest Income on Loans	869.662	128.305	1.531.692	120.504

### *i.* DOSRI Deposits

The total balance of DOSRI deposits are inclusive of the corresponding related accrued interest included in the financial statements as of December 31, 2015 and 2014.

Deposit liabilities transactions with related parties have similar terms with other counterparties (see Note 18).

### *ii.* DOSRI Loans

a) The Bank has loan transactions with its officers and employees. Under existing policies of the Bank, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

The General Banking Act of the BSP provides that in aggregate, loans to DOSRI generally should not exceed the Bank's total equity or 15% of the Bank's total loan portfolio, whichever is lower. In addition, the amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of their deposits and the book value of their investments in the Bank. In aggregate, loans to DOSRI generally should not exceed the total equity or 15% of the total loan portfolio of the Bank, whichever is lower. As of December 31, 2015 and 2014, the Bank has satisfactorily complied with the BSP requirement on DOSRI limits.

Relative to the DOSRI loans, the following additional information is also presented:

	December 31, 2015	December 31, 2014
Total outstanding DOSRI loans	P 1,257,883,137	P 1,227,156,442
Unsecured DOSRI loans	11,312,547	8,354,223
Past due DOSRI loans	3,819,459	3,157,034
% to total loan portfolio	3.0%	3.1%
% of unsecured DOSRI loans	0.9%	0.7%
% of past due DOSRI loans	0.3%	0.3%

The details of total outstanding DOSRI Loans for the year ended December 31, 2015 and 2014 are shown below:

	<u>2015</u>	<u>2014</u>
Commercial loans	P 1,223,815,659	P 1,192,734,492
Key management personnel	<u>34,067,478</u>	<u>34,421,954</u>
	<u>P 1,257,883,137</u>	<u>P 1,227,156,443</u>

As of December 31, 2015 and 2014, the Bank has an approved line of credit to certain related parties totaling P23.0 million and P23.5 million and all was used to guarantee the obligation of the respective related parties to other creditors up to the extent of the unused line of credit.

*iii.* **Transactions with Retirement Fund**

The Bank's retirement fund has no transactions direct and indirect with the Bank or its employees as of December 31, 2015 and 2014, except for the contributions and benefits paid out of the plan to the Bank's employees as disclosed in Note 23. The retirement plan asset also comprise of short-term placements to the Bank amounting to P2.0 million and P5.7 million as of December 31, 2015 and 2014, respectively.

The retirement fund neither provides any guarantee or surety for any obligation of the Bank nor its investments by any restrictions or liens.

*iv.* **Key Management Personnel Compensation**

Salaries and short-term benefits received by key management personnel are summarized below.

	<b>2015</b>	2014	2013
Salaries and Wages	<b>P 58,902,581</b>	P55,286,737	P56,277,678
Bonuses	<b>14,890,912</b>	13,771,434	14,044,419
Post-Employment Defined Benefit	<b>7,004,439</b>	8,701,539	4,666,559
Other Short-term Benefits	<b>1,052,380</b>	683,000	1,256,000
Social Security Costs	<b>1,178,696</b>	1,168,208	1,339,335
Total	<b>P 83,029,008</b>	P 79,610,918	P77,583,991

**Family Relationships**

Amb. Alfredo M. Yao and Leticia M. Yao are siblings.

Jeffrey S. Yao, married to Liza Jane T. Yao, FVP-Treasury Services Group, is the son of Amb. Yao.

Other than the foregoing, there are no family relationships either by consanguinity or affinity up to the fourth civil degree between and among directors and executive.

**Item 6. Compensation of Directors and Executive Officers**

The following table sets forth the aggregate compensation received by its key management officers:

In Php millions		Aggregate Compensation Paid as a Group		
NAME	POSITION	2014	2015	2016 (estimate)
CEO & the four (4) most highly compensated officers of the Bank namely:		20.89	21.95	23.82
Rolando R. Avante	President & CEO			
Alice P. Rodil	SVP/Controller			
Ravmond T. Co	SVP/Head - AMG 1			
Joseph Edwin S. Cabalde	SVP/Treasurer			
Austin E. Dingle, Jr.	FVP/Head - Compliance			

Total Aggregate Compensation of the CEO and the Top 4 Most Highly Compensated Officers of the Bank:	Salary	Other Compensation	Bonus	Total
2014	10.02	6.68	4.17	20.89
2015	10.87	6.68	4.40	21.95
2016 (Estimate)	12.37	6.68	4.76	23.82

#### Compensation of Directors

Each director of the Bank receives a per diem allowance of Php20,000.00 determined by the Board of Directors for attendance in a Board meeting and a Php5,000.00 allowance for attendance in a committee meeting. The Directors are also entitled to a monthly gasoline allowance of Php5,000.00. Except as disclosed above, none of these Directors receive any additional compensation for any special assignments. Except for each of the individual Directors' participation in the Board, no Director of the Bank enjoys other arrangements such as consulting contracts or similar arrangements.

#### Item 7. Independent Public Accountants

Punong Bayan and Araullo (P&A), a member firm of Grant Thornton International Limited, has been the bank's independent accountant for the last ten (10) years and is again recommended for appointment at the scheduled stockholders meeting.

None of the Bank's external auditors have resigned during the most recent fiscal years (2015 and 2014) or any interim period. In compliance with SEC Memorandum Circular No. 8, Series of 2003, and Amendments to the SRC Rule 68 on the rotation of external auditors or signing partners of a firm every after five (5) years of engagement, Mr. Benjamin P. Valdez was assigned in 2011 as an independent reviewer and partner in charge for the bank replacing Mr. Francis Albalate who was assigned since 2006. Representatives of P&A are expected to be present at the meeting to respond to matters relating to the Auditor's report on the 2015 financial statements of the bank that maybe pertinently raised during the meeting. Their representatives will be given opportunity to make a statement if they so desire.

The Bank has paid the following fees to P&A and Co relative to the regular and special engagements rendered by the latter that are reasonably related to the performance of the audit review of the Bank's financial statement:

Audit Fees For	In Php
Dec 31, 2011 (full year)	721,412.31
Dec 31, 2012 (full year)	824,320.00
Dec 31, 2013 (full year)	2,609,152.00
Dec 31, 2014 (full year)	2,475,405.61

Dec 31, 2015 (full year)	2,324,278.38
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No other services were rendered by P&A and Co that was not related to the audit and review of the Bank's financial statements.

#### **Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

There were no disagreements with P&A and Co. on accounting and financial disclosures.

#### **Members of Audit Committee**

The following are the members of the Audit Committee:

- 1.) Benjamin R. Sta. Catalina, Jr. - Chairman/Independent Director
- 2.) Paterno H. Dizon - Independent Director
- 3.) Amador T. Vallejos, Jr. - Director
- 4.) Jeffrey S. Yao - Director
- 5.) Roberto A. Atendido - Director

The Audit Committee provides oversight of the Bank's financial reporting and control and internal and external audit functions. It monitors and evaluates the adequacy and effectiveness of the internal control system of the Bank. It assists the Board in fulfilling its statutory and fiduciary responsibilities with respect to internal controls, accounting policies, and auditing and financial reporting practices.

The committee conducts its meeting every second (2nd) Wednesday of the month and reports its activities to the Board on regular basis.

#### **OTHER MATTERS.**

##### **Actions with respect to reports**

The following matters will be submitted for approval of the stockholders at the Annual Stockholders Meeting on May 27, 2016.

- 1.) Approval of the Minutes of the Annual Stockholders Meeting held on May 29, 2015
- 2.) President & CEO's report on management operations for 2015
- 3.) Ratification of Past Actions of the Board and of Management
- 4.) Ratification/Confirmation of the appointment of external auditor by the Board of Directors
- 5.) Election of Directors for 2016-2017.
- 6.) Approval of the Amendment of Article 7(b) of the Articles of Incorporation.

In the May 29, 2015 Annual Stockholder's Meeting the following matters were presented before the body:

- 1.) Approval of the Minutes of the Annual Stockholders Meeting held on June 28, 2014
- 2.) President & CEO's report on management operations for 2014
- 3.) Ratification of Past Actions of the Board and of Management
- 4.) Ratification/Confirmation of the appointment of external auditor by the Board of Directors
- 5.) Election of Directors for 2015-2016
- 6.) Approval for the Dividend declaration.

##### **Amendment of Charter, By-laws or Other Documents**

On March 16, 2016, the Board of Directors of Philippine Business Bank, Inc. approved the proposed Amendments of the Bank's Articles of Incorporation (AOI), Article 7(b) that the said shares shall be redeemable and convertible at par value at Bank's option.

The Bank has determined that, given the current interest rate environment, it will proceed, pending regulatory approval, with the redemption of its preferred shares as part of its continuing efforts to streamline its balance sheet. The redemption is in line with its goal of reducing its cost of funds to allow it to better serve the needs of its clients and customers.

**Voting Procedures**

**Vote Requirement**

- 1.) For election of Directors  
Pursuant to Section 24 of the Corporation Code, the ten (10) nominees receiving the highest number of votes shall be declared elected.
- 2.) For other matters submitted to a vote, a majority vote of the shareholders present either in person or by a duly notarized proxy instrument is necessary for the approval of such matter.

The method of counting the votes of the shareholders shall be in accordance with Sections 23 and 27 of the Corporation Code of the Philippines, Section 15 of the General Banking Law (R.A. No. 8791), Section 38 of The Securities Regulation Code, Section 38.1 of the Amended Implementing Rules and Regulations of the Securities Regulation Code and Section X141 of the Manual of Regulations for Banks, the Bank's Nominations and Corporate Governance Committees adopted rules governing the nomination and election of directors. Counting will be done by tabulation of the votes by the Corporate Secretary, who acts as the election inspector, with the assistance of her staff and the stock and transfer agent.

The Bank undertakes to provide without charge to each person solicited, upon written request of such person, a copy of the Bank's annual report on SEC Form 17-A. Requests may be sent to Alice P. Rodil, 3/F PBB Corporate Center, 30 Rizal Avenue corner 8<sup>th</sup> Avenue, Gracepark, Caloocan City.

The Bank likewise undertakes to provide without charge to each person solicited, during the Annual Stockholder's Meeting, a copy of SEC Form 17Q containing PBB's Interim Financial Statements, Management Discussion and Analysis of Financial Condition and Results of Operation.

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Caloocan City on ..... day of ..... **04 MAY 2016** .....

By:   
.....  
(Signature)  
**ATTY. ROBERTO S. SANTOS**  
Corporate Secretary

## **ACTS AND RESOLUTIONS APPROVED BY THE BOARD AND MANAGEMENT IN 2015**

### **JANUARY**

- Financial Report as of December 31, 2014
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Policy on Job / Branch Rotation
- Policy on Employee Salary Loan
- Additional Provision of the Amended Fringe Benefit Program
- Loan Accounts presented by Lending Units

### **FEBRUARY**

- Financial Report as of January 31, 2015
- BSP Cir. No. 857 – Financial Consumer Protection AD HOC Committee Charter
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Promotion of Mr. Tadeo Medrano as Asst. Vice- President and Ms. Margaret Cruz as Asst. Vice-President
- IT Help Desk Procedures and Service Levels
- Changes in EMV Migration Plan to align with recent Bancnet's release of the Domestic EMV Implementation Guidelines.
- Reply on the BSP Report of Examination as of June 30, 2014
- 2015 Branch Expansion Project
- Various Domestic Bills Purchase of MOB
- Loan Accounts presented by Lending Units

### **March**

- Financial Report as of February 28, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Reporting Line of FACTA Responsible Officer
- Insider Trading Policy
- Related Party Transactions – Policies/ Procedures
- Revised MCO Limit
- Revised Policy on Sales of AFS Securities
- Revised Treasury FX Risk Limits
- Various Domestic Bills Purchase of Del Monte Branch
- Manuel T. Lim Jr (DOSRI Account)
- Brief Overview of Gap Analysis/ proposal which shall be submitted to BSP in relation to Cir. 855.
- Loan Accounts presented by Lending Units

**APRIL**

- Financial Report as of March 31, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Addendum to the Information Technology Group Disaster / Technology Recovery Plan covering Corporate Electronic Banking System
- 3<sup>rd</sup> Party Press Releases on PBB's Technology Infrastructure Undertaking
- Corporate Governance Evaluation Forms – 2014
- Modification of FATCA Registration and Responsible Officer Name
- Other Matters on FATCA
- FX Forward and Swap VAR Methodology
- Revised MCO Assumptions
- Loan Accounts presented by Lending Units

**MAY**

- Financial Report as of April 30, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Corporate E-Banking Manual
- Customer Information File (CIF)
- Manual on Derivatives FX Forward
- PBB Corporate Electronic Banking Document for submission to BSP
- Revised Rate Tolerance Limit
- Revised HFT VaR Limit
- Revised Policy ON sale of AFS Securities
- Proposed Electronic Banking (E-Banking) Baseline Standards
- Business Continuity Plan (BCP) for E-Banking for Corporate Clients
- Proposed Cyber security Framework
- Loan Accounts presented by Lending Units

**JUNE**

- Financial Report as May 31, 2015
- Approved Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Approval of the Updated Compliance Matrices as of December 31, 2014
- Approval of the Revised MCO Assumptions for ROPA
- Approval of the Revised MCO Dollar Limits
- Loan Accounts presented by Lending Units

**JULY**

- Financial Report as of June 30, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Appointment of Ms. Maria Consuelo S. Ruffy as Head of Branch Lending Unit II with the rank of Vice-President
- Appointment of Mr. Joy T. Gellaga as Fixed income Trader with the rank of Asst. Vice-President
- Purchase of Assets and Liabilities of Bataan Savings and Loan Bank with an estimated price of Php 63.92MM.
- Confirmation of the Case-to-Case Domestic Bills Purchased Consolidated Sheet Report of Main Office Branch and Ortigas Branch
- Loan Accounts presented by Lending Units

**AUGUST**

- Financial Report as of July 31, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Relative to the PBB's 25% Stock Dividend Declaration., Record Date on September 15, 2015 and the Payment Date on October 8, 2015,
- Enhanced Manual on Derivatives - FX Forward
- Credit Policy Manual
- Setting of New Threshold amount for accounts subjected to ICRR and proposed staggered Implementation
- Proposed Amendments to the Anti-Money Laundering Committee Charter
- Revision on FATCA Notification Letter and new Certification Consent and Waiver Form.
- Policy on Financing to Micro, Small and medium Enterprises.
- Policy on the Management Large Exposures and Risk Concentration
- Loan Accounts presented by Lending Units

**SEPTEMBER**

- Financial Report as of August 31, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Trust and Investment Center Proposed Budget
- Change of SDLC Methodology from Waterfall approach to Agile Project Management
- Loan Accounts presented by Lending Units

**OCTOBER**

- Financial Report as of September 30, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Amendment on the Provision of the fringe Benefit Program
- Additional Provision on Performance Management System
- Guidelines on Performance Adjustment for Performance Year 2014
- Appointment of the following officers:
  - Mr Raymond Martin C. Rosas as Account Officer / BLU 2 with the rank of AVP
  - Ms. Teresita Sion as Trust Officer and Head of Trust & Investment Center and a member of Trust Committee
  - Mr. Joseph Edwin Cabalde as Treasurer, Head of Treasury Services Group with the Rank of SVP.
- Revised Treasury Limit
- Loan Accounts presented by Lending Units

**NOVEMBER**

- Financial Report as of October 31, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Manual on Derivatives – FX Forward
- Proposed Organizational Chart - Institutional Banking Group
- Confirmation of Various Domestic Bills Purchase of Main Office Branch
- Letter of Commitment (BSP Advance Findings on IT Operations)
- Business Continuity Management Manual
- Loan Accounts presented by Lending Units

**DECEMBER**

- Financial Report as of November 30, 2015
- Salary Loan of various officers and employees under the Bank's Fringe Benefit Program
- Revised Gap Analysis and Action Plans- Cir. No. 855
- "Proposed Loan Work Out Committee" of past due accounts to be transferred to Remedial
- Confirmation of Various Domestic Bills Purchase of Main Office Branch
- Grant of Three Branch Licenses in Restricted areas
- Loan Accounts presented by Lending Units



REPUBLIC OF THE PHILIPPINES)  
CITY OF CALOOCAN ) S.S.

**CERTIFICATION**

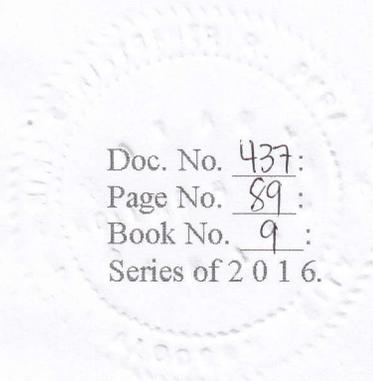
This is to certify that at present, none of the incumbent directors and officers of Philippine Business Bank, Inc. ("PBB"), with principal office address at *No. 350 Rizal Avenue Extension corner 8<sup>th</sup> Avenue, Gracepark, Caloocan City*, works with the Philippine Government or any of its agency/ies.

This certification is being issued for whatever legal purposes it may serve.

Done this 15<sup>th</sup> day of April 2016 at Caloocan City, Philippines.

ATTY. ROBERTO S. SANTOS  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of APR 15 2016, affiant personally appeared before me and exhibiting to me his TIN : 123-467-623, bearing his photograph and genuine signature as competent evidence of their identity in accordance with the 2004 Rules on Notarial Practice, and acknowledge to me that he is the same person who executed the foregoing affidavit.



Doc. No. 437 :  
Page No. 89 :  
Book No. 9 :  
Series of 2016.

ATTY. NIÑO CHRISTOPHER R. PURA  
Notary Public Caloocan City (RNC304 Valid until Dec 2017)  
Roll of Attorney's no. 53988  
IBP OR no. 1008540; 01.04.2016; CALMANA  
PTR OR no. 7613524; 01.04.2016; Caloocan  
MCLÉ Compliance no. IV-0021928/09.11.13  
350 Rizal Ave Ext Cor 8<sup>th</sup> Ave Grace Park Caloocan