

## **2007 – 1st Quarter**

- **PNB Dollar Profit UITF Among the Top Three Medium Term Dollar Funds in 2007**

PNB's Dollar Profit UITF posted the third highest yield among all Medium Term Dollar Bond Funds in 2007. Based on the data released by Lipper Philippines, the Dollar Profit UITF returned 4.93% net of taxes last year, which translates to a gross yield of 6.1625% per annum. The Dollar Profit Fund is positioned to target investors in search of higher-earning investments for their US dollar funds. This fund provides access to a conservative yet high-yielding portfolio which is invested primarily in dollar-denominated, fixed-income instruments in Philippine government and corporate high-grade dollar securities.

- **PNB PHISIX UITF Tops Latest Lipper Fund Philippines Fund Performance Report**

PNB PHISIX UITF registered the highest 1 Year Return in the Equities Fund Category in the latest Lipper Fund Philippines Fund Performance Report. The fund's excellent rate of return can be attributed to positive market conditions, specifically the bullish performance of the Philippine stock market last year and the adoption of prudent investment strategies derived from rigorous fundamental and strategic research and analysis. The fund is intended for savvy investors who are aware of the potential for high yield in stock markets investments, and are also willing to take the corresponding risk of such investments.

- **PNB recently signed a Memorandum of Agreements with the following:**

**Citibank** – to provide e-collect facility and additional channels to settle credit card and loan payments.

**Philippine Rural Banking Corporation (PR Bank)** - to be a remittance payout partner in Region II. PR Bank is engaged in extending credit to small farmers, tenants and rural industries or enterprises, with 28 branches in Luzon and will open four more branches within six months.

## 2007 – 2nd Quarter

- The Bank settled its ₱6.1 billion loan to the Philippine Deposit Insurance Corporation (PDIC) in June 2007, four years ahead of the loan's due date. The loan payment is a clear indication of the Bank's exit from the five-year Rehabilitation Program of which the ₱6.1 billion loan was an integral part. Payment was sourced from the Bank's excess liquidity.
- The Bank sealed an agreement with G-Xchange, Inc. (GXI), a subsidiary of Globe Telecom and a pioneer in m-commerce for the pay out of PNB overseas remittances in the growing number of GCash outlets all over the country. Powered by GCash's newly launched Advise and Pay service, this agreement further expands PNB's remittance pay out channels bringing greater convenience to beneficiaries of Overseas Filipino Workers (OFWs) for they can now claim their remittances in more locations nationwide.
- The Bank recently signed a Memorandum of Agreements with:
  - Sta. Lucia Realty & Development, Inc. wherein PNB shall receive the remittances of Sta. Lucia's customers through the Bank's network of overseas branches or remittances centers.
  - Quadrillon Inc. to expedite remittances of its Filipino migrant workers. Quadrillon is a real estate firm engaged in product development, sales, marketing and property management
  - PNCC Skyway Corporation (PSC) to allow PNCC ePASS subscribers to replenish their ePASS tags via PNB's eCollect service facility and to send payments using any of the Bank's electronic channels such as over-the-counter, ATM, phone, mobile and internet banking facilities.

## 2007 – 3rd Quarter

- **Cargo Services in the US**

PNB achieved another milestone in its colorful history as it became the first Philippine bank to be granted a license to operate a cargo company in the United States. With the establishment of PNB Cargo Services (PNBCS), PNB will now be able to provide freight forwarding services to overseas Filipinos, particularly Filipino-Americans who regularly send goods from the United States to the Philippines. PNBCS offers extra customer value and convenience to PNB Remittance Centers INC's (PNBRCI) existing clientele as they will now be able to send goods and remit money at the same time to their loved ones in the Philippines.

- **Big Time Privileges Program**

PNB launched the Big Time Privileges Program as one of the strategies of retaining loyal overseas remitters and attracting new remitters to avail of its remittance services. The Program is open to holders of the Global Filipino Money Card who remit money through any of the Bank's overseas offices. The GFMC holder who wishes to participate in the Program should enroll his/her GFMC in the nearest overseas office.

For purposes of point conversion and redemption, the money card that is enrolled by the remitter shall be considered by the Bank as the remitter's loyalty card. All Program members will earn three reward points for every eligible remittance transaction. Rewards are listed in the rewards catalog and may be redeemed within the validity period of the Program.

- **PNB recently signed a Memorandum of Agreements with the following:**

**ING Bank** - to develop the International Filipino Savings Fund and ensure a brighter future for the country's Overseas Filipino Workers. In the agreement, both PNB and ING will provide the seed money of \$15 Million each for the said fund. The Bank's overseas offices will be tapped to enable overseas Filipinos to invest in the said Fund which aims to "achieve steady returns and capital growth over the medium to long-term by investing in a diversified portfolio of fixed income securities".

**Manila International Airport Authority (MIAA)** - wherein the Bank shall make available its collection system consisting of over-the-counter, automated teller machines (ATMs), phone banking and auto debit arrangement to MIAA's concessionaires/clients who pay bills/settle accounts to aforementioned government agency.

**Cebuana Lhuillier Services Corp.** - as PNB's pay-out partner of remittances received from foreign sources to intended beneficiaries in the Philippines.

**Prime Asia Pawn and Jewelry Shop, Inc.** - as PNB's remittance pay-out agent. Prime Asia is an independent contractor licensed to engage in the management of money remittance service in the Philippines with 107 remittance payout outlets.

## **2008 – 2nd Quarter**

- **PNB Elevated to Hall of Fame**

PNB clinched the Bangko Sentral ng Pilipinas (BSP) Stakeholders' Award as Best Commercial Bank Respondent on Overseas Filipino Remittances for the third straight year (2005-2007) The feat elevated PNB to the BSP Hall of Fame. PNB earned the citation for the integrity, completeness and timeliness of its remittance reportage to BSP, which had been conducting surveys from its various stakeholders on its key information requirements.

- **PNB Trust Registers Strong Performance in Latest Watson Wyatt Survey**

PNB's Trust Banking Group placed 2<sup>nd</sup> among six banks in the "All Trusteed Funds" category and 3<sup>rd</sup> out of nine banks under the category "Trusteed Funds Managed with Full Discretion" during the 1<sup>st</sup> Quarter of 2008. This was confirmed by a study of independent consulting firm, Watson Wyatt Worldwide. The global firm released this month its 93<sup>rd</sup> Survey on Investment Performance of Retirement Funds in the Philippines.

- **PNB Partners with Social Security System (SSS) Overseas Membership Collection**

PNB signed an agreement with the SSS so that OFWs can remit SSS remittances, contributions and obligations through the Overseas Bills Payment Facility and be assured that SSS payments and contributions within two days. PNB is the first bank to comply with the Special Bank Receipt – less and on-line requirements of SSS.

## **2008 – 3rd Quarter**

- **PNB Ties Up With RD Cash Padala, Inc.**

PNB has partnered with RD Cash Padala, Inc. to bolster its distribution network and provide greater convenience to OFW beneficiaries. RD Cash Padala is a fully automated money transfer agent, capable of handling large payout transaction volumes quickly. It has 436 outlets nationwide operating under the name RD Pawnshop, Inc. which are open 7 days a week on extended hours.

- **PNB Mabuhay Plus Fund: The More Affordable Way to Invest in the SDA**

Recently, the market has seen the increased popularity of the Special Deposit Account or the SDA which offers interest rates higher than yields on government securities. For one million pesos, retail investors were given a chance to invest in the SDA after the Bangko Sentral ng Pilipinas (BSP) allowed trust departments of banks to access this facility and offer it to their clients.

For as low as ₱25,000, small investors may now participate in the SDA through the Philippine National Bank's (PNB) Mabuhay Plus Fund. This became possible after PNB modified the portfolio of its Mabuhay Plus Unit Investment Trust Fund by investing heavily in the SDA. The Mabuhay Plus Fund is a peso-denominated, unit investment trust fund (UITF) where funds of various investors are pooled together for investment in a mixed portfolio of short and long term fixed income instruments. Minimum holding period is only 30 days. Investors realize substantial savings as all transaction costs, fees, commissions and other charges are equally distributed and shared by all those who participate in the fund. The PNB Mabuhay Plus Fund is handled by professional fund managers who actively manage the fund and monitor the market for any possible investment opportunities.

## **2009 – 1st Quarter**

- **PNB Raises P3.25 Billion from Long Term Negotiable Certificates of Time Deposit Offering**

PNB closed the offering period of its Long Term Negotiable Certificates of Time Deposit (“LTNCDs”) on March 24, 2009, with a total issuance amount of P3.25 billion. PNB’s LTNCDs were subscribed mainly by retail investors. The LTNCDs have features such as senior debt ranking, tax-exemption for certain individuals and institutions, and PDIC coverage. Proceeds from the offering will be used by PNB for general corporate purposes and allow PNB to strengthen its banking operations. The issue was priced at 6.50% per annum, representing a 6 bps spread over the 5-year PDST-F benchmark rate which was at 6.44% when the offer closed. Interest payouts are quarterly starting on June 30, 2009 until the LTNCDs mature on March 31, 2014. PNB’s LTNCD offering was arranged by Deutsche Bank AG, Manila Branch. Allied Bank, First Metro Investment Corporation, Multinational Investment Bancorporation (MIB) and PNB Capital also acted as selling agents for the transaction.

- **ROPA sa Presyong Napakababa Pabahay Bonanza Program**

The Pabahay Bonanza Program is now extended for another year as PNB’s Special Assets Management Sector embarks on selling twice as many as last year’s sales performance. This Special Program aims to rapidly sell the Bank’s acquired assets with appraised value of P1.0 Million and below by streamlining its approval process, thus reducing turn around time. With this program, prospective buyers will enjoy discounts of up to 40%, coupled with the industry’s lowest ever interest rate on installment at 8% fixed from 1 to 10 years.

## **2009 – 2nd Quarter**

- **Update on PNB-Allied Bank Integration**

PNB has made significant progress in various components of its integration with Allied Banking Corporation (ABC). This has enabled both banks to identify best practices and areas of synergy even as the actual date of merger has yet to be finalized. Anthony Q. Chua who used to head PNB's Global Operations Sector is now the President of ABC. In addition, PNB has embarked on a corporate branding program to determine a credible, high impact, and visionary brand positioning for the merged bank. The program will also include translating the positioning into a distinct visual identity, retail branch design, and other aspects of the brand experience.

- **PNB's 93<sup>rd</sup> Anniversary**

PNB marked its 93<sup>rd</sup> anniversary highlighting the corporate values of tradition and experience last July 22, 2009. It featured a display of memorabilia safekept over the years which included: the steel gates of the 1<sup>st</sup> Head Office at the Masonic Temple in Escolta; the Bank's first ever accounting ledger dated 1916, 1917 Corregidor Branch 1918 accounting ledger, TCT's of mining properties dated 1917 and 1919 covered by mortgage trust indenture agreement; prototype of the first ever ATM rolled –out by the Bank; and a depositor passbook circa 1923. The Bank likewise honored officers and staff who have excelled in their work and have contributed significantly to further the company's objectives. PNB continues to nurture excellence amongst its workforce as a key driver to ensure the delivery of the best possible service to its customers.

## **2009 – 3rd Quarter**

- **PNB and Allied Bank put up 90% equity stake in Allied Commercial Bank in Xiamen, China**

In August 2009, PNB and Allied Banking Corporation (ABC) invested an additional combined equity of Chinese Yuan (CNY) 591 million in its US Dollar equivalent in Allied Commercial Bank (ACB) in Xiamen, China. Both banks remitted a total of CNY 548 million or approximately US\$ 80 million to ACB. The balance of CNY 43 million will come from the equivalent conversion of ABC's share in undivided profits into equity. This investment followed the recent approval of the China Banking Regulatory Commission allowing ACB to increase its authorized capital and the approval of the Monetary Board of the Bangko Sentral ng Pilipinas. The investments of PNB and ABC translate to equity holdings of 39.41% and 51%, respectively. PNB and ABC are the only Philippine banks which own a locally-incorporated commercial bank in China. The increase in the capitalization of ACB to CNY One (1) Billion will allow it to expand its banking operations beyond its present head office in Xiamen and branch in Chongqing. Being a locally-incorporated foreign-funded bank, ACB will now be in a position to eventually provide a range of products and services at par with domestic Chinese Banks. Among others, this will include the acceptance of renminbi (RMB) or CNY denominated deposits from local residents. This investment initiative of both PNB and ABC further reinforces their strong foothold and presence in the international markets. It will maximize the potential of PNB's overseas branches to service the inward remittances of Overseas Chinese Workers from various countries to China. ABC and ACB will be able to tap into each others expertise in servicing the Chinese market. ABC, in particular, has a proven franchise over the Chinese Middle Markets in the Philippines.

- **PNB receives STP Award 2008 from Commerzbank AG**

PNB recently received the Straight Through Processing (STP) Award 2008 from Commerzbank AG, Germany. The award was presented to PNB for its highly efficient delivery of Euro-denominated commercial payments and financial transfers to the bank. This is the first time that Commerzbank recognized excellent performance among its partner banks in the Philippines. STP is a fully automated payment processing system that does not involve any manual interventions. Bank clients benefit from the security provided by the process in addition to the speed of payment transfers. Commerzbank is one of the major correspondent banks of PNB for Euro-currency transactions. It is the second largest financial institution in Germany and one of the biggest in the European region.



- **PNB receives citation from Oracle**

PNB was recently cited by Oracle Financial Services for the Bank's successful implementation of the Flexcube core banking system. PNB is the first bank in the country and one of the first in Asia to implement Flexcube, a comprehensive core banking software solution that has been harnessed by global financial institutions to enhance their competitive edge. PNB migrated to Flexcube to strengthen and improve operational efficiency. With Flexcube, PNB now runs its domestic and international operations out of a single datacenter based in the Philippines. This new system has allowed the Bank to enhance service delivery across its local and overseas branches, offer a consolidated view of its customers, and speed up product development, among others. It is an end-to-end solution that has fully automated PNB's corporate and retail banking businesses.

- **PNB receives SSS Best Collecting Bank for OFW Remittances Award**

PNB was recently named as Best Collecting Bank for OFW Remittances by the Social Security System under its 2009 Balikang Bayan Awards. This is the fifth straight year that PNB was given this award. The distinction recognizes PNB's vital service in facilitating collection of contributions from SSS members based overseas as well as its international reach and affordability of remittance services. PNB is a valuable partner of SSS in servicing the needs of its members both here and abroad. Through the Bank's Overseas Bills Payment facility, OFWs can conveniently pay their SSS dues and amortizations over-the-counter at any PNB overseas branch.

- **PNB's Wealth Multiplier Provides Flexibility to Depositors**

PNB gives its clients wider options to grow their excess funds even more through its Wealth Multiplier Time Deposit account. The product is now offered for longer terms of 2, 3 and 4 years so depositors can maximize their earnings. Moreover, Wealth Multiplier offers competitive yields and guarantees clients with a monthly interest payout for added liquidity. PNB Wealth Multiplier can thus meet the different investment needs of clients, whether it is for short-term or medium-term. Depending on their financial objectives, depositors have the option of placing their money for a period of three months up to a maximum of five years. Clients can conveniently keep track of their placements through a transaction diary. Depending on the term, PNB Wealth Multiplier is available for a minimum placement of P50,000 or P500,000. "Wealth Multiplier is designed to give the Bank's retail, corporate and OFW clients with broader investment options to build their wealth.

## **2010 – 1st Quarter**

- **PNB and Ayala Land, Inc (ALI)'s Avida Land Corporation (AVIDA) to Develop Residential Condominium Project**

PNB and AVIDA, the affordable housing arm of ALI, the country's premier real estate developer, have entered into an agreement for the purpose of developing the 2.3 hectare property in Mandaluyong City. The recent signing ceremony was attended by PNB Dir. Lucio Tan and Ali Chairman Zobel de Ayala. Under the tie-up, PNB will contribute the land which is a strategically located at the corner of EDSA, Reliance and Mayflower Streets in Mandaluyong City. AVIDA, on the other hand, will provide its expertise in the development and marketing of property.

Designed as a multi-storey residential community, the project will feature top-rate amenities such as swimming pools, children's play area, garden and clubhouse. It is positioned as an affordable housing ideal for young professionals and startup families working or doing business in Mandaluyong City, Pasig City and even Makati City. Moreover, its accessibility to public transportation, schools, hospitals and commercial establishments makes it a convenient address in the city. The project is expected to commence construction in 2011 after approval is obtained from the Bangko Sentral ng Pilipinas.

- **PNB was awarded the Best Channels Innovation under the FIIA**

PNB was awarded the Best Channels Innovation under the Financial Insights Innovation Award (FIIA) for its pioneering Automated Remittance Machines which are deployed in the United States and United Kingdom. PNB was the sole winner from the 135 high-quality initiatives from different financial institutions in the Asia-Pacific region. The IDC Financial Insights, which organizes the FIIA, honors achievements of financial institution across the region in the innovative use of information technology in business operations.

- **US\$ 500 Million Multi-Currency Retail Treasury Bonds for OFWs**

PNB was one of the selling agents of the Multi-Currency Retail Bonds offering of the Philippine Government intended primarily for Overseas Filipino Workers (OFWs) and their beneficiaries. PNB Capital and Investment Corporation, a wholly-owned subsidiary of PNB, was one of the joint issue managers of the US\$ 500 million multi-currency retail treasury bond (MRTB) offering.

## **2010 – 2nd Quarter**

- **Philippine National Bank first bank to offer Western Union Money Transfer across three continents in 13 countries**

PNB, the Philippines' largest offshore bank network, entered into an agreement to offer Western Union Money Transfer services at 311 of its branches in the Philippines by July 2010 and at 87 offices across 12 countries in a phased approach. With an extensive urban and rural network in the Philippines, PNB's global footprint mirrors countries popular with Filipinos working and living permanently. They include Austria, Canada, France, Germany, Guam, Hong Kong, Japan, Italy, Spain, Singapore, United Kingdom, and U.S.

Offering Western Union Money Transfer services across PNB locations across three continents in 13 countries reinforce our consumer value propositions of convenient, reliable and fast money transfer services across an unbeatable global network.

- **PNB Seals Bancassurance Partnership with PNBLife**

PNB has tied up with PNB Life Insurance, Inc. to expand its bancassurance business. Under the partnership, PNB will now be able to market life insurance products to its clientele. PNB's entry into the selling of life insurance products has been approved by the Bangko Sentral ng Pilipinas.

The alliance between PNB and PNB Life envisions to provide protection to more Filipino families to ensure their financial security. PNB will be initially selling PNBLife's three insurance plans, namely: Opulence, Maxi Ally and Peso Power Accelerator Plus through its 324 branches nationwide. With PNB as its new bancassurance partner, PNB Life looks forward to a significant expansion of its business as it now counts on a wider and strategically located distribution network across the country.

## **2010 – 3rd Quarter**

- **Philippine National Bank 2010 Dollar Promo**

Dollar depositors of Philippine National Bank (PNB) are in for a special treat with the launch of the Bank's 2010 raffle promotion where three brand new cars are up for grabs. New and existing (individual and joint) depositors who open and maintain a PNB Dollar Savings Account, Dollar Savings-Special-OCW/Beneficiary Account, Dollar Checking Account or Greencheck Account from June 1 to November 30, 2010 get a chance to win a 2010 Hyundai Tucson GL 2WD (MT) or one of two 2010 Toyota Vios Js (MT). These prizes are being given away tax-free.

To qualify for raffle points, account holders only need to make a fresh deposit of US\$500 during the 6-month promo period. Existing depositors get one electronic raffle entry for every US\$500 incremental deposit. On top of this, every US\$500 of their May 2010 year-to-date average daily balance (ADB) will be entitled to additional raffle numbers. New clients, on the other hand, get a raffle point for every US\$500 of their computed average month-to-date ADB for 6 months. Hence, the bigger the deposit, the more chances one gets to drive home a brand new car. This promotion is a follow-up to the Bank's highly successful Dagdag Dollar, Dagdag Swerte marketing campaign in 2009.

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## **2011 – 1st Quarter**

### **PNB Raises Stake in Japan-PNB Leasing & Finance Corp.**

Philippine National Bank (PNB) increased its equity interest in Japan-PNB Leasing & Finance Corp. from 60% to 90% effective January 31, 2011. PNB's additional holdings were acquired from minority partners, IBJ Leasing Co. Ltd. and Mizuho Corporate Bank which divested their 25% and 5% stake, respectively, in the leasing company. IBJ Leasing Co. Ltd. (IBJL) remains as an active joint venture partner with a 10% equity interest and one seat in the Board.

Both PNB and IBJL are fully committed to contribute their respective resources to further enhance the position of Japan-PNB Leasing as one of the top leasing companies in the country today.

Established in 1998, Japan-PNB Leasing offers financial leasing, sale-leaseback, installment notes financing, and business loans. It also undertakes operating leases through a wholly-owned subsidiary, JPNB RentAll. Japan-PNB Leasing holds the distinction of having the biggest portfolio of Japanese accounts in the industry today.

## **2011 – 2nd Quarter**

### **PNB Inaugurates 18 Branches in 8 Days**

PNB celebrates its 95th year on July 22 as one of the largest universal banks in the country. To celebrate the momentous event a total of 18 PNB branches (5 of which are newly licensed branches) in Metro Manila and several provinces were inaugurated in eight days, a feat that has never been done before by any Philippine bank. For the first time in the banking industry history, newly constructed and renovated branches were officially launched in various key locations all the way from Apalit in the north down to Yuana Bay Zamboanga in the south from July 11 to July 21. The highlight of the branch inaugurations was the official launch of the PNB Main Branch and the unveiling of the top signage of the PNB Head Office building which was done on July 21. The new branches sport PNB's new retail branch layout showcasing fresh and modern interiors and a new signage design which carries the refreshed PNB logo and new company colors aquamarine and silver.

### **PNB Capital & Investment Corporation (PNB Capital) Arranges P750M CARD Inc.'s Corporate Notes**

The Center for Agriculture and Rural Development (CARD) Inc. issued PHP 750 million in Corporate Notes last June 13, 2011. The proceeds from the 5-year Notes Issuance will be used to expand CARD Inc.'s microfinance lending operations.

PNB Capital & Investment Corporation (PNB Capital), the wholly-owned investment bank subsidiary of the Philippine National Bank (PNB), acted as Lead Arranger of the issue. Also joining the group of Noteholders were Allied Banking Corporation, Banco De Oro Unibank, Inc., BDO Private Bank, Rizal Commercial Banking Corporation, and Security Bank Corporation.

Incorporated in December 1986 as an NGO, CARD Inc. focuses on improving the quality of life of microentrepreneurs and their families in underdeveloped and economically challenged areas of the Philippines. In its capacity as a microfinance institution, CARD Inc. provides direct financing, research, development work, and economic evaluation in pursuit of its social mission.

The Notes issuance, which was more than two times oversubscribed, is a milestone transaction for CARD, Inc. and the entire CARD Mutually Reinforcing Institutions because it establishes the group's ability to raise long-term financing from the capital markets without any form of guarantee support.

### **PNB Awards 3 Brand New Cars to Dollar CASA Promo Winners**

PNB recently awarded three brand new cars to the winners of its Dollar Savings and Checking Accounts promotion. The grand prize, a Hyundai Tucson GL M/T, was won by Arturo S. Tomas, an Overseas Filipino Worker (OFW) based in Jeddah, Saudi Arabia. A client of PNB since 1994, Mr. Tomas remarked, "I'm very grateful to PNB for giving cars to clients like me; and it makes me feel like I'm getting more than I should from PNB."

The winners of two (2) Toyota Vios J M/T were Maria Baldevia and Nicolas Tan. A client of PNB Antique Branch, Ms. Baldevia is an OFW in Switzerland. She plans to retire this year after 40 years of working overseas. Ms. Baldevia chose to bank with PNB upon recommendation of her friends who are satisfied clients of with the bank. The second winner of a Toyota Vios J M/T was Mr. Nicolas Tan, a retired government employee residing in Dumaguete, Negros Oriental. A depositor of PNB Dumaguete Branch, Mr. Tan also remits through PNB whenever he travels to the USA owing to its reliable money transfer service.

The PNB Dollar CASA promo was launched last June 2010 to reward its loyal depositors and as a gesture of appreciation specifically to OFWs for entrusting their dollar earnings to PNB. For a minimum incremental deposit of \$500 average daily balance in PNB dollar savings or checking accounts during the promo period, depositors earned one (1) raffle entry to qualify for the promo.

## **2011 – 3rd Quarter**

### **PNB Kabuhayan SME Franchise Loan**

Philippine National Bank (PNB) now offers PNB Kabuhayan SME Franchise Loan, which gives the clients the freedom to finance their very own franchise business. Clients may borrow as much as ₱10 Million payable up to five years to jumpstart their franchise or expand their existing business. The PNB Kabuhayan SME Franchise Loan also provides very easy repayment terms and allows the borrower to pay only for interest charges up to one year depending on the cash flow.

PNB recently became a member of the Philippine Franchise Association (PFA) and this loan offering is a testament to PNB's commitment to supporting the Filipino Small and Medium Enterprise (SME).

With PNB's major regional and global presence, interested borrowers anywhere in the country and around the globe have easy access to PNB Kabuhayan SME Franchise Loan and other services of PNB even in rural areas and overseas.

### **PNB Capital & Investment Corporation (PNB Capital) tapped by Tanduay Holdings Inc. for Capital Raising Program**

Hard liquor maker Tanduay Holdings Inc., which reportedly controls 95 percent of the local rum market in Visayas and Mindanao, has tapped PNB Capital, a wholly-owned subsidiary of the Philippine National Bank (PNB), as financial advisor for its planned capital raising program.

Wilson Young, president of Tanduay, said the company may need fresh funds to further expand its operations and improve existing facilities. Tanduay plans to double its market share in Luzon to 12% over the next three years. It aims to achieve this through the launch of more product offerings. The fund raising activity is also intended to comply with the 10 percent minimum public float rule. Its public float currently stands at 2.9 percent.



## **PNB Branch Upgrading Accelerates with Inauguration of Luneta Branch**

PNB's branch upgrading program steps up with the formal inauguration of its newly renovated Luneta Branch. Located at the National Historical Institute Compound in T.M. Kalaw Street, PNB Luneta caters to a variety of commercial and institutional establishments as well as seafarers that populate this busy business corridor at the heart of Manila. The branch now sports a more efficient space layout and improved facilities that make banking more comfortable and convenient for its clientele. It also features PNB's new signage design which showcases the rejuvenated PNB logo and new colors aquamarine and silver. In line with the Bank's service improvement thrusts, PNB Luneta opens 15 minutes earlier on Monday and Friday and 30 minutes ahead on the day following a local or national holiday. It offers a complete range of banking products and services ranging from deposits, remittance, consumer and corporate loans, export/import services, investment products, and many more. Luneta Branch is one of the 328 branches operated by PNB. The Bank is slated to further expand and upgrade its distribution network in 2011 with the opening of new branches, acquisition of new ATMs, and renovation or relocation of existing branches.

## **2012 – 1st Quarter**

### **PNB and Allied Held Special Stockholders' Meeting Approving Amended Terms of Merger & Filing of Application for the Merger with Regulators**

On March 6, 2012, Allied Banking Corporation ("ABC") and Philippine National Bank (PNB) separately held Special Stockholders' Meetings approving the amended terms of the Plan of Merger of the two banks. The merger is targeted to take effect in the second quarter of 2012 after securing all necessary approvals from the regulators. The merger will be effected via a share-for-share exchange. Under the approved terms, PNB will be the surviving entity. It will issue to ABC shareholders 130 PNB shares for every ABC common share; and 22.763 PNB shares for every ABC preferred share. PNB shares will be issued at ₱70.00 per share. Upon merger, PNB will be the 4th largest private domestic bank in the Philippines with a combined distribution network of 650 branches nationwide with total assets of over ₱500 billion. This further strengthens its overseas presence as the bank with the largest international footprint across Asia, Europe, the Middle East and North America.

The application for merger was submitted to Bangko Sentral ng Pilipinas (BSP) and the Philippine Deposit Insurance Corporation (PDIC) on March 26, 2012. On April 12, 2012, the Amended Plan of Merger was submitted to the Securities and Exchange Commission for approval. To date, we are awaiting for the approval of the said regulators.

In recent months, both banks have undertaken steps to ensure that no customer will be inconvenienced by the operational changes related to the merger. The merged bank will have a stronger platform to deliver best value to its combined customer base. An integration Team was formed to oversee merger preparations. ING Bank N.V. is acting as financial advisor to the major shareholders of both banks. UBS is acting as financial advisor to the Board of Directors of PNB.

### **PNB reports 82% expansion in assets under management**

Philippine National Bank reported that assets under management (AUM) of its trust unit nearly doubled last year. The bank's AUM expanded by 82% to ₱55.6 billion from 2010 on the back of improved volumes of corporate and personal accounts. PNB's total corporate trust funds stood at ₱23.86 billion in 2011, up by 185% from a year before while personal accounts also expanded by 103% to end last year at ₱13.9 billion. PNB introduced last year its branded employee benefit trust product, PNB Employee Enrichment Solutions (EES). "The product approaches employee benefits from the standpoint of addressing human resource issues in terms of talent attraction, retention and loyalty". This product delivered 14 retirement funds to the bank last year. The bank's personal trust accounts had improved as the group provided products that meet clients' return objectives as well as their long-term financial goals. PNB's roster of products includes the retail unit investment trust funds (UITFs). The Mabuhay Prestige Fund, a balanced fund, consistently topped 14 other funds in its class for 45 consecutive weeks in terms of year-on-year absolute returns. For 2011, its average year-on-year returns since inception was 7%. The bank's peso money market fund, Mabuhay Prime, also consistently ranked in the top five performers among 17 other funds in the market with an average year-on-year return of 3% in 2011.

## **2012 – 2nd Quarter**

### **PNB leads in OFW remittances**

The Bangko Sentral ng Pilipinas (BSP) recently gave recognition to PNB as the top commercial bank in generating remittances from overseas Filipinos. The award was given during the 2012 awards ceremony and appreciation lunch for BSP stakeholders held at the BSP Assembly Hall, BSP Complex, Manila.

PNB was already elevated by BSP as Hall of Fame awardee in 2008 having been awarded as best commercial bank respondent on overseas Filipino Remittances for three straight years (2005-2007). In 2009, the Bank was likewise conferred the Global Excellence Award as the most outstanding remittance bank by the Asia-Pacific Awards Council.

### **PNB Receives Silver Award for Corporate Governance**

For two consecutive years (2010-2011), PNB received the Silver Award for Good Corporate Governance from the Institute of Corporate Directors (ICD) in recognition of its professional practice of corporate directorship in line with the global principles of good corporate governance. The award was given during ICD's 9th Annual Dinner held at the Rigodon Ballroom of the Manila Peninsula Hotel in Makati City.

Compliance with the highest standards in corporate governance principally starts with the Board of Directors who has the responsibility to foster the long-term success of the company and secure its sustained competitiveness in accordance with its fiduciary responsibilities. This same degree of commitment to the highest level of corporate standards is cascaded down to each and every employee in the organization. The recognition affirms the integrity of the organization's corporate governance structure.

The Silver Award from ICD is a validation of PNB's commitment to the highest levels of integrity, accountability, and transparency in the conduct of its business.

### **PNB Appointed as Trustee for the following:**

- **Knutsen Philippines Inc. Employee Retirement Fund**

Knutsen Philippines Inc. (Formerly Northern Confluence Ship Management Inc.) partnered with PNB to establish the KNOTSEN PHILIPPINES, INC. RETIREMENT TRUST FUND which will provide retirement, resignation, death, disability and severance benefits for all eligible employees of the company.

Knutsen Philippines Inc. and PNB Trust Banking Group entered into an agreement for the Trusteeship of the Knutsen Retirement Fund. PNB Trust Banking Group's branded Employee Enrichment Solution is a unique program that encourages a comprehensive employee benefit plan to achieve short and long term talent management goals through meaningful rewards.

- **Marlow Navigation Co. Ltd. Employee Retirement Fund**

PNB was appointed by leading maritime manning agency, Marlow Navigation Co. Ltd. as fund manager and trustee of its employee retirement fund.

Through the PNB Employee Enrichment Solutions (PNB-EES), Marlow stands to benefit from a highly customized retirement fund handled by seasoned and expert fund managers. The arrangement likewise gives Marlow exclusive access to a wide range of options to further enhance an existing plan to align its employee benefits with its management proposition.

- **New/Relocated/Renovated PNB Branches and ATM sites**

On PNB's branch network, 2 new branches were opened, one in Naga Road, Las Pinas and one in Naic, Cavite. A total of 9 branches were transferred to more strategic locations while 4 branches were renovated.

The newly opened and renovated/relocated branches follow the Bank's new retail branch design to show a fresher and modern look. The branch's new layout provides comfortable and enjoyable banking experience to its clients. PNB continuously expands its branch network throughout the country and improves on its service delivery and inventory of products and services attuned to the demands of the market.

A total of 20 new ATMs were installed as of July, 2012, bringing the PNB's total ATM network to 476 units.

### **PNB makes its mark in Fixed Income Securities Brokering Business**

The Philippine Dealing Exchange Corporation (PDEX) has acknowledged PNB as one of the top Fixed Income Brokering Participants at the close of year 2011, ranking 5th overall among the institutions for this category. This recognition is given based on the participant's transaction volume and number of trades reflected on the Philippine Dealing Exchange (PDEX) trading platform. The recognition award was given during the 7th PDS Annual Awards Night held at the Rizal Ballroom C, Makati Shangri-La Hotel on 10 April 2012.

Since 2006, PDEX has been recognizing top financial institutions that exhibit outstanding performance in the fixed income securities market, which contribute to a robust domestic capital market. PDEX is an Exchange recognized and licensed by the Securities and Exchange Commission of the Philippines that provides a centralized and efficient infrastructure for trading fixed income securities, which ensures price discovery, transparency, and investor protection.

## **2012 – 3rd Quarter**

### **PNB's InfiniTREE: Lending a Hand to Nature**

PNB Acting President Omar Byron T. Mier announced that PNB has committed to plant thousands of trees nationwide as part of its Corporate Social Responsibility Program and anniversary celebration every year until 2016, its centennial year.

During its 96th Anniversary last July, PNB launched a tree planting project dubbed "InfiniTREE: Lending a Hand to Nature" where its Institutional Banking Group committed to spearhead planting of wood-source trees by region. A ceremonial tree planting was done at the PNB garden area along President Diosdado Macapagal Boulevard and was participated by the Board of Directors and Senior Officers of PNB led by PNB Chairman Flor Tarriela and Acting President Mier. The staff of various IBG Lending Units in the provinces shall conduct the tree planting activities in their respective local communities.

Last year, PNB launched "Branches Grow Greener @ 95" during its 95th anniversary celebration by enjoining employees in more than 300 branches to plant trees in their communities and in partnership with local governments. The branch employees already planted and vowed to monitor over 5,000 saplings of narra, mahogany, tanguile and other wood source trees.

The Bank's tree planting project seeks to demonstrate to the public how to protect and restore the environment, lessen the negative effects of deforestation and environmental deprivation, and minimize the devastating effects of frequent typhoons brought about by climate change.

### **PNB-PSSLAI Partnership**

PNB, one of the country's largest commercial banks and Public Safety Savings and Loan Association Inc. (PSSLAI), the exclusive savings and loan association of the Philippine National Police (PNP) have entered into an agreement to provide efficient and immediate transfer of funds to its members and their families.

PSSLAI partnered with PNB to enhance their service delivery of its savings and loans proceeds. Through the PNB-PSSLAI ATM card, PSSLAI members will be able to receive funds from PSSLAI in a faster and secure way. By opening an account with PNB, each PSSLAI member will receive a free ATM card which has no opening and maintaining balance required. The PNB-PSSLAI ATM card also functions like a local ATM card which can be used for regular bank transactions, bills payment and cashless shopping. PNB's partnership with PSSLAI is the first joint venture between both parties. Through this program, PNB aims to show the bank's commitment to provide necessary solutions to the financial needs of the country's public servants.

### **PNB Supports Bankers-Builders-Buyers (BBB) Program**

Home Guaranty Corporation (HGC) to launch a nationwide project called "Bankers-Builders-Buyers" (BBB) Program. The BBB Program aims to build a community where Banks, Developers and Buyers can interact with each other and complete the property buying cycle. The program will help many Filipinos find ways in acquiring their own home based on their preference and financial capacity. Through the BBB Program portal, home buyers can take advantage of PNB Home Loan's competitive and affordable interest rates and the most flexible payment terms available in the market. Whether a first-time home buyer, or planning to invest in more properties, PNB Home Loan is the ideal solution for the home buyer's loan requirements. With PNB's 339 branches in the Philippines and 94 overseas offices in 12 countries, buyers can start to build their home wherever they are in the world. PNB's partnership with HGC is the first joint venture between both parties. Through this program, PNB aims to boost the bank's image as a progressive and strong force in the consumer lending market.

### **PNB Partners with Chevrolet Philippines**

PNB and Chevrolet Philippines-The Covenant Car Company Incorporated (TCCCI), one of the leading car dealers in the country have entered into an agreement for an exclusive Auto Loan Promo for Chevrolet's Aveo, Cruze and Orlando car models. The promo tie-up of PNB and Chevrolet Philippines-TCCCI will be for approved clients who avail of selected Chevrolet car models from August 16 to September 30, 2012. The auto loan promo provides Free LTO Registration, Free Chattel Mortgage and 1-year Comprehensive Insurance from PNB General Insurers. PNB's partnership with Chevrolet Philippines-TCCCI is the first joint venture between both parties. Through this program, PNB aims to boost the bank's image as a progressive and strong force in the consumer lending market.

## 2013 – 2nd Quarter

- **Products and Services launched by the Bank:**

**Home Flexi Loan Promo** - is designed to finance asset acquisition and other personal-related expenditures borrowed against qualified/acceptable residential real estate properties. The proceeds of the loan may be used to address the following:

- Improvement of an existing residential home
- Acquisition of furniture and fixtures and/or home appliances
- Equity payment for a residential property
- Financing of travel & tour expenses
- Acquisition of club shares
- Other personal-related expenditures

**D' Great Dollar Catch Promo** - The promo is open to: (a) all new and existing US Dollar Checking Account/Savings Account (CASA) depositors, (individual, joint, corporate or government); and (b) all new Top Dollar placements with a term of 2 years and up. The promo period is from June 1, 2013 to September 30, 2013.

**PNB 2<sup>nd</sup> Hand Car Loan Program** - PNB partnered with Auto Camp, one of the premiere used-car showrooms in Manila, for PNB's 2nd Hand Car Loan promo. An intimate launch event was held at the Auto Camp showroom last February 15, 2013 for dealers and selected guests who were given a glimpse of the exciting freebies that came with the promo. Ms. Joy Dela Cruz, Auto Camp Owner together with Mr. Gilbert Wilwayco, President of Auto Camp Dealers sealed their partnership with PNB First Senior Vice President and Head of Consumer Finance Group, Elfren Antonio S. Sarte during the launch. Clients who applied and were approved for a 2nd Hand Car Loan from February 18 to April 16, 2013 received free Chattel Mortgage registration and a free Petron Gift Card worth P10,000.00. PNB's partnership with Auto Camp is the first joint venture between both parties. Through this program, the PNB 2nd Hand Car Loan becomes the better choice for those wanting to purchase used cars. As an added service to clients, a satellite office located at JMT building, Ortigas branch was established. The office accepts and pre-processes loan applications and facilitates signing and approval of loan documents.

**Amazingly Cool Rates Promo (Home Loan)** - For a minimum home loan amount of Php 500,000 applied within the promo period (May 7, 2013 to July 31, 2013) and subsequently approved, booked and released within ninety days after the end of the promo period, clients can enjoy these low rates.

- 5.25% (1-year fixed rate)
- 6.75% (3-year fixed rate)
- 7.25% (5-year fixed rate)
- Low rates for other Tenors

## **PNB closes LTNCD offering in record time**

Philippine National Bank (PNB) successfully raised PHP5 billion through a public offering of Long Term Negotiable Certificates of Time Deposits (LTNCDs). PNB was able to raise its intended volume in the morning of July 25, 2013, the same day it announced the start of the offer period. The public offering was one of the fastest offerings to achieve its target in the Philippine capital market.

With an oversubscribed book early in its offering, the 5.5 year deposit was priced at 3.00%, the lowest ever coupon for an LTNCD instrument. The public offer period was supposed to run for three days, from July 25-29, but was closed the same morning as its launch due to strong demand.

"We are overwhelmed by the confidence and support of our investors in PNB. This fundraising exercise will allow us to support our asset growth, and make us even more competitive in the banking industry." PNB President and CEO Omar Mier said in a statement.

HSBC Philippines President and CEO Wick Veloso, commented "Raising PHP5 billion just a few hours into its first offering day, and pricing the LTNCD at the lower end of pricing guidance is a testament to PNB's franchise. We congratulate them on this remarkable achievement."

PNB merged with Allied Banking Corporation earlier this year, making PNB the fourth largest privately-owned bank in the Philippines, in terms of total assets. HSBC acted as sole lead arranger and bookrunner for the transaction.

## **BSP Awards PNB as Top Commercial Bank in Generating Remittances from Overseas Filipinos**

For the second year in a row, the Bangko Sentral ng Pilipinas (BSP) awarded Philippine National Bank (PNB) as the Top Commercial Bank in Generating Remittances from Overseas Filipinos. The award was given last July 16, 2013 during the 2013 BSP Stakeholder's Awards held at the Assembly Hall of BSP Complex in Manila. PNB also received a certificate of appreciation as one of the Hall of Fame Awardees, having been recognized as the Best Commercial Bank Respondent on Overseas Filipino Remittances for four straight years.

PNB President Omar T. Mier and First Senior Vice President Benjamin S. Oliva received the award from BSP Governor and Chairman of the Monetary Board Amando M. Tetangco and Monetary Board Member Armando L. Santos.

Having the largest overseas footprint among Philippine banks, PNB has built a very strong franchise in the remittance business to cater to the needs of Global Filipinos. Last January, PNB-Remittance Center Incorporated (PNB-RCI) in the U.S. launched the "Phone-in Remittance" service which allowed customers to send remittances using their phone 24/7. This service is available in 22 U.S. states covered by 32 PNB-RCI overseas branches.



## 2013 – 3rd Quarter

- **Products and Services launched by the Bank:**

**Healthy KaPinoy (HKP) Health Emergency Card** - is an affordable insurance product which provides: ₱20,000 Emergency Hospital Care for Accident and Sickness; and ₱100,000 Accidental Death, Dismemberment and Disability benefits and ₱20,000 Accidental Burial Benefit. The Annual Premium to avail is only ₱750. To double the coverage (another card), an additional premium of ₱500 is to be paid or a total annual premium of ₱1,250. The coverage period is for 365 days from date of payment, and can be automatically renewed through Auto Debit Arrangement. Emergency Benefits can be availed nationwide through the Hospital Network facility of Eastwest Healthcare by using the Healthy KaPinoy Health Emergency Card. For non-accredited Hospitals of Eastwest Health Care, Emergency Care benefits can be claimed through reimbursement method. The Healthy KaPinoy Health Emergency Card is a joint product between PNB Life (insurance provider) and Eastwest Healthcare (hospital network and emergency services provider).

**PNB Auto Invest Plan through UITF Online**—is a comprehensive unit investment trust fund (UITF) online facility so that clients can invest and redeem funds through the Internet. The new product allows clients to track their investments online either through their mobile phones and laptops. Applicants can start their investment transactions 24 hours after enrollment. This online facility would allow clients to view their statement of account and how the fund is performing from the time they started investing. It also has a UITF calculator to help clients compute how much they have already earned from their investment. Proceeds of their UITF redemption online will be credited to their nominated settlement account. Aside from this, clients can open an Auto Invest Plan that allows them to regularly set aside a portion of their savings for automatic investment to a PNB UITF of their choice once it reaches the required threshold amount. This way a client can earn potentially higher returns than from a traditional savings deposit. PNB's Trust Banking Group offers several investment products such as Mabuhay Prime Fund, Dollar Prime Fund, Mabuhay Prestige Fund, High Dividend Fund, Enhanced Phil-Index Reference Fund, Mabuhay Plus Fund, Dream Builder Fund, Dollar Profit Fund, and Global Filipino Peso Fund.

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