

COVER SHEET

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S.E.C. Registration Number

P H I L I P P I N E N A T I O N A L B A N K

Company's Full Name)

9 t h F l o o r P N B F i n a n c i a l C e n t e r

M a c a p a g a l B l v d . , P a s a y C i t y

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

DORIS S. TE
Corporate Secretary
Contact Person

834-0780
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

Changes or updates in the ACGR of PNB for 2013
FORM TYPE

May 29
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

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



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SECURITIES AND EXCHANGE COMMISSION

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January 28, 2014

MS. JUSTINA F. CALLANGAN

Acting Director
Corporate Governance and Finance Department
Securities and Exchange Commission
11/F SEC Building, EDSA, Greenhills
Mandaluyong City, Metro Manila

Dear Director Callangan:

In compliance with SEC Memo Cir. No.1, Series of 2014 dated January 10, 2014, we are pleased to provide the changes or updates in the Annual Corporate Governance Report (ACGR) of Philippine National Bank (PNB) for 2013 in the following sections:

- A. Board Matters
- B. Code of Business Conduct and Ethics
- C. Board Meetings and Attendance
- D. Board Committees
- E. Internal Audit and Control
- F. Role of Stakeholders
- G. Disclosure and Transparency
- H. Rights of Stockholder.
- I. Corporate Social Responsibility Initiatives

On February 9, 2013, the legal merger between Allied Bank and PNB took into effect with PNB as the surviving bank. As such, there were series of changes and updates to the ACGR as summarized in the attached Annexes :

Annex I - Summary of Changes or Updates for 2013 ACGR, supplement to SEC Form 17-C
Annex II - Summary of Changes or Updates Reported in SEC Form 17-C for full year 2013.

We hope you find everything in order.

Very truly yours,


Doris S. Te
Corporate Secretary

att: a/s

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300,
Philippines

T. (632) 526-3131 to 70 / 891-6040 to 70
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**PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR**

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**PHILIPPINE NATIONAL BANK
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A. BOARD MATTERS

1) Board of Directors

(a) Directorship in Other Companies

(i) Directorship in the Company's Group

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Florescia G. Tarriela	PNB Capital and Investment Corporation	ID
	PNB Life Insurance, Inc.	ID
	PNB (Europe) Plc	ID
Felix Enrico R. Alfiler	PNB Global Remittance and Financial Co., (HK), Ltd.	Chairman/ID
	Japan-PNB Leasing and Finance Corporation	ID
	<i>Allied Savings Bank</i>	ID
	PNB International Investments Corporation	ID
Florido P. Casuela	PNB Securities, Inc.	Chairman
	PNB Holdings Corporation	ID
	PNB RCI Holdings Co., Ltd.	NED
	<i>Allied Savings Bank</i>	NED
	<i>PNB Global Remittance and Financial Co., (HK) Ltd.</i>	NED
	<i>PNB International Investments Corporation</i>	NED
	<i>PNB Remittance Company (Canada)</i>	NED
Leonilo G. Coronel	<i>PNB General Insurers Co., Inc.</i>	ID
	<i>Japan-PNB Leasing and Finance Corporation</i>	ID
	<i>Japan-PNB Equipment Rentals Corporation</i>	ID
	<i>PNB Global Remittance and Financial Co., (HK) Ltd.</i>	ID
	<i>PNB Italy SpA</i>	NED
Reynaldo A. Maclang	<i>Allied Leasing and Finance Corporation</i>	NED
	<i>Allied Savings Bank</i>	NED
	<i>PNB Securities, Inc.</i>	ID
	<i>PNB Holdings Corporation</i>	NED
	<i>PNB Global Remittance and Financial Co., (HK) Ltd.</i>	NED
	<i>PNB Italy SpA</i>	NED
Estelito P. Mendoza	PNB General Insurers Co., Inc.	NED
Omar Byron T. Mier	Japan-PNB Leasing and Finance Corporation	Chairman
	PNB Capital and Investment Corporation	Chairman
	Japan-PNB Equipment Rentals Corporation	Chairman
	PNB International Investments Corporation	Chairman
	PNB (Europe) Plc	Chairman
	PNB Italy SpA	Chairman
	PNB Securities, Inc.	NED
	PNB General Insurers Co., Inc.	NED
	Allied Savings Bank	Vice Chairman/NED
	PNB Global Remittance and Financial Co., HK	NED
	PNB Remittance Company (Canada)	NED
PNB RCI Holdings Co., Ltd.	NED	
Christopher J. Nelson	<i>PNB Holdings Corporation</i>	ID
	<i>PNB Global Remittance and Financial Co., HK</i>	NED
	<i>PNB (Europe) Plc.*</i>	NED

Please note that items in italics represent changes or updates.

**PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR**

<i>Harry C. Tan</i>	<i>Allied Commercial Bank Allied Savings Bank Allied Banking Corporation (HK) Ltd.</i>	<i>NED NED NED</i>
<i>Lucio C. Tan</i>	<i>Allied Leasing and Finance Corporation Allied Commercial Bank PNB Life Insurance, Inc. Allied Savings Bank Allied Banking Corporation (HK) Ltd.</i>	<i>Chairman Chairman Chairman Chairman Chairman</i>
<i>Lucio K. Tan, Jr.</i>	<i>PNB Capital and Investment Corporation Allied Commercial Bank Allied Savings Bank Allied Leasing and Finance Corporation Allied Banking Corporation (HK) Ltd.</i>	<i>NED NED NED NED NED</i>
<i>Michael G. Tan</i>	<i>PNB Holdings Corporation Allied Commercial Bank Allied Savings Bank Allied Banking Corporation (HK) Ltd.</i>	<i>Chairman NED NED NED</i>
<i>Deogracias N. Vistan</i>	<i>PNB Capital and Investment Corporation PNB Italy SpA PNB International Investments Corporation PNB (Europe) Plc</i>	<i>ID ID ID ID</i>

* With pending host country regulator approval

(ii) Directorship in Other Listed Companies

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<i>Florencia G. Tarriela</i>	<i>LT Group, Inc.</i>	<i>ID</i>
<i>Felix Enrico R. Alfiler</i>	<i>None</i>	<i>Not Applicable</i>
<i>Florido P. Casuela</i>	<i>None</i>	<i>Not Applicable</i>
<i>Leonilo G. Coronel</i>	<i>Megawide Construction Corporation</i>	<i>ID</i>
<i>Reynaldo A. Maclang</i>	<i>None</i>	<i>Not Applicable</i>
<i>Estelito P. Mendoza</i>	<i>San Miguel Corporation Petron Meralco</i>	<i>NED NED NED</i>
<i>Omar Byron T. Mier</i>	<i>None</i>	<i>Not Applicable</i>
<i>Christopher J. Nelson</i>	<i>None</i>	<i>Not Applicable</i>
<i>Washington Z. Sycip</i>	<i>Belle Corporation Cityland Development Corporation Century Properties Group, Inc. First Philippine Holdings Corporation Highlands Prime, Inc. Lopez Holdings Corporation MacroAsia Corporation Metro Pacific Investments Corporation</i>	<i>ID Chairman ID ID ID ID Chairman ID</i>

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**PHILIPPINE NATIONAL BANK
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Harry C. Tan	LT Group, Inc. PAL Holdings, Inc.	Vice Chairman/ED NED
Lucio C. Tan	PAL Holdings, Inc. LT Group, Inc.	Chairman and CEO Chairman and CEO
Lucio K. Tan, Jr.	MacroAsia Corporation LT Group, Inc. PAL Holdings, Inc.	NED NED NED
Michael G. Tan	LT Group, Inc. PAL Holdings, Inc. Victorias Milling Corporation	ED NED NED
Deogracias N. Vistan	Lorenzo Shipping Corporation	ID

(iii) Relationship within the Company and its Group

Director's Name	Name of the Significant Shareholder	Description of the relationship
Lucio C. Tan	Various Companies	Proxy holder
<i>Florencia G. Tarriela</i>	LT Group, Inc.	ID
<i>Harry C. Tan</i>	<i>(with indirect ownership over PNB shares through acquisition of various companies which are shareholders of PNB)</i>	<i>Vice Chairman/Director/Treasurer</i>
<i>Lucio C. Tan</i>		<i>Chairman and CEO</i>
<i>Lucio K. Tan, Jr.</i>		<i>Director</i>
<i>Michael G. Tan</i>		<i>President/Director</i>

(b) Shareholding in the Company

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<i>Florencia G. Tarriela</i>	2	-	0.0000001841
<i>Felix Enrico R. Alfiler</i>	-	100 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0000092063
<i>Florido P. Casuela</i>	-	100 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0000092603
<i>Leonilo G. Coronel</i>	-	1 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0000000921
<i>Reynaldo A. Maclang</i>	135	-	0.0000124286
<i>Estelito P. Mendoza</i>	-	1,000 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0000920634
<i>Omar Byron T. Mier</i>	100	120,100 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0110660163
<i>Christopher J. Nelson</i>	-	100 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0000092063
<i>Washington Z. Sycip</i>	34,010	-	0.0031310750
<i>Lucio C. Tan</i>	12,907,060	-	1.1882673537
<i>Lucio K. Tan, Jr.</i>	2,000	-	0.0001841267
<i>Harry C. Tan</i>	230	-	0.0000211746
<i>Michael G. Tan</i>	250	15,100 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0014131726
<i>Deogracias N. Vistan</i>	-	100 <i>(under PCD Nominee Corp. - Filipino)</i>	0.0000092063
TOTAL	12,943,787	136,601 <i>(under PCD Nominee Corp. - Filipino)</i>	1.2042245123

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**PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR**

2. Orientation and Education Program

(a) State any in-house training and external courses attended by Directors and Senior Management for the past 3 years

PARTICIPANTS	TITLE OF SEMINAR, DATE AND VENUE
<i>2013</i>	
<i>Director Christopher J. Nelson</i>	<i>Orientation Course on Corporate Governance on June 7, 2013 Institute of Corporate Directors</i>
<i>Atty. Erwin C. Go, SVP</i>	<i>Corporate Governance and Anti-Money Laundering Act (SEC, IC & Supreme Court MCLE Accredited Seminar) on February 15, 2013 Philippine Securities Consultancy Corporation (PHILSECC) Dusit Thani Hotel, Ayala Center, Makati City –</i>
<i>Ms. Lolita Chu, FVP</i>	<i>Training on Risk-Adjusted Performance Measures on October 28 & 29, 2013 By: KEN Knoeledge International Holiday Inn & Suites Makati, Manila Philippines</i>

(b) Continuing education programs for directors: programs and seminars and round tables attended during the year

Name of Director/Officer	Date of Training	Program	Name of Training Institution
<i>Florencia G. Tarruela</i>	<i>February 13, 2013</i>	<i>Whole Brain Leadership Workshop</i>	<i>Institute of Corporate Directors</i>
<i>Felix Enrico R. Alfiler</i>	<i>November 23, 2012</i>	<i>Updates to New AML-CFT LAWS</i>	
<i>Florido P. Casuela</i>	<i>February 13, 2013</i>	<i>Whole Brain Leadership Workshop</i>	<i>Institute of Corporate Directors</i>
	<i>February 8, 2013</i>	<i>Breakfast Roundtable</i>	
<i>Reynaldo A. Maclang</i>	<i>November 23, 2012</i>	<i>Updates to New AML-CFT LAWS</i>	
<i>Estelito P. Mendoza</i>	<i>November 23, 2012</i>	<i>Updates to New AML-CFT LAWS</i>	
<i>Omar Byron T. Mier</i>	<i>February 13, 2013</i>	<i>Whole Brain Leadership Workshop</i>	
<i>Christopher J. Nelson</i>	<i>February 5, 2014</i>	<i>Distinguished Corporate Governance Speaker Seminar</i>	<i>Institute of Corporate Directors</i>
	<i>June 17 and October 16, 2013</i>	<i>Breakfast Roundtable</i>	<i>Institute of Corporate Directors</i>
	<i>November 15, 2013</i>	<i>Annual Working Session</i>	<i>Institute of Corporate Directors</i>
<i>Washington Z. Sycip</i>	<i>November 23, 2012</i>	<i>Updates to New AML</i>	
<i>Harry C. Tan</i>	<i>February 13, 2013</i>	<i>Whole Brain Leadership Workshop</i>	
<i>Lucio C. Tan</i>	<i>November 23, 2012</i>	<i>Updates to New AML</i>	
<i>Lucio K. Tan, Jr.</i>	<i>November 23, 2012</i>	<i>Updates to New AML</i>	

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**PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR**

B. CODE OF BUSINESS CONDUCT & ETHICS

1. Policies

Business Conduct & Ethics	Directors	Senior Management	Employees	Reference/Circular
(a) Conflict of Interest	Covered	Covered	Covered	<i>Personal Investment Policy (Gen. Cir. 1-874/2013 dtd May 16, 2013); Employee Handbook</i>
(b) Conduct of Business and Fair Dealings		Covered	Covered	<i>Personal Investment Policy (Gen. Cir. 1-874/2013 dtd May 16, 2013)</i>
(c) Receipt of gifts from third parties		Covered	Covered	<i>Policy on Soliciting and/or Receiving Gifts, (Gen. Cir. 1-866/2013 dtd April 10, 2013)</i>
(d) Compliance with Laws & Regulations		Covered	Covered	<i>Manual of Policies on Human Resource Management and Development, Code of Conduct (Gen. Cir. 1-873/2013 dtd May 16, 2013), Employee Handbook</i>
(e) Respect for Trade Secrets/Use of Non-public Information	Covered	Covered	Covered	<i>Personal Investment Policy (Gen. Cir. 1-874/2013 dtd May 16, 2013), Confidentiality of Information (Gen. Cir. 1-878/2013 dtd June 4, 2013), Employee Handbook</i>
(f) Use of Company Funds, Assets and Information		Covered	Covered	<i>Confidentiality of Information (Gen. Cir. 1-878/2013 dtd June 4, 2013), Employee Handbook</i>
(g) Employment & Labor Laws & Policies		Covered	Covered	<i>Manual of Policies on Human Resource Management and Development, Employee Handbook</i>
(h) Disciplinary action		Covered	Covered	<i>Code of Conduct (Gen. Cir. 1-873/2013 dtd May 16, 2013), Employee Handbook</i>
(i) Whistle Blower	Covered	Covered	Covered	<i>Whistleblower Policy (Gen. Cir. 1-868/2013 dtd April 12, 2013)</i>
(j) Conflict Resolution		Covered	Covered	<i>Code of Conduct (Gen. Cir. 1-873/2013 dtd May 16, 2013)</i>

2. Family, Commercial and Contractual Relations

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
<i>Various Companies</i>	<i>Indirect Owner</i>	<i>LT Group, Inc. acquired indirect ownership over PNB shares through acquisition of several holding companies which own shares in the bank.</i>

Please note that items in italics represent changes or updates.

PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR

C. BOARD MEETINGS AND ATTENDANCE

1. Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
<i>Chairman/ Independent Director</i>	<i>Florencia G. Tarruela</i>	<i>May 28, 2013</i>	20	19	95%
<i>Vice Chairman/ Independent Director</i>	<i>Felix Enrico R. Alfiler</i>	<i>May 28, 2013</i>	20	20	100%
<i>Member</i>	<i>Florido P. Casuela</i>	<i>May 28, 2013</i>	20	19	95%
<i>Member</i>	<i>Leonilo G. Corone^{1/}</i>	<i>May 28, 2013</i>	11	9	82%
<i>Member</i>	<i>Reynaldo A. Maclang^{2/}</i>	<i>May 28, 2013</i>	17	17	100%
<i>Member</i>	<i>Estelito P. Mendoza</i>	<i>May 28, 2013</i>	20	10	50%
<i>Member</i>	<i>Omar Byron T. Mier</i>	<i>May 28, 2013</i>	20	18	90%
<i>Member</i>	<i>Christopher J. Nelson^{3/}</i>	<i>May 28, 2013</i>	15	13	87%
<i>Member</i>	<i>Washington Z. Sycip</i>	<i>May 28, 2013</i>	20	13	65%
<i>Member</i>	<i>Harry C. Tan^{2/}</i>	<i>May 28, 2013</i>	17	15	88%
<i>Member</i>	<i>Lucio C. Tan</i>	<i>May 28, 2013</i>	20	14	70%
<i>Member</i>	<i>Lucio K. Tan, Jr.</i>	<i>May 28, 2013</i>	20	16	80%
<i>Member</i>	<i>Michael G. Tan^{2/}</i>	<i>May 28, 2013</i>	17	13	76%
<i>Independent Director</i>	<i>Deogracias N. Vistan</i>	<i>May 28, 2013</i>	20	17	85%

^{1/} Assumed office on May 28, 2013 during the Annual Stockholders Meeting of the Bank

^{2/} Assumed office on February 9, 2013 effectivity of legal merger of PNB and Allied Banking Corporation

(a) Committee Procedures

Committee	Details of the procedures
Executive Committee	Materials are provided to the members of the committees two days before the meeting. Directors have access to Management should they require additional information.
Board Audit and Compliance Committee	
Corporate Governance/ Nomination/Remuneration Committee.	
Risk Oversight Committee	
Trust Committee	
Board ICAAP Steering Committee	
Board Overseas Offices Oversight Committee	
Board Oversight RPT Committee	

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**PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR**

2. Changes in Existing Policies – to harmonize the personnel policies under the merged bank

Existing Policies	Changes	
PNB Car Plan for Officers	<ul style="list-style-type: none"> • <i>Nature of the Plan</i> • <i>Eligibility Requirements</i> • <i>Maximum Entitlement/Bank Subsidy</i> • <i>Allowable Vehicle Under the Car Plan</i> • <i>Lease Purchase Contract</i> • <i>Registration of Vehicle</i> • <i>Insurance Vehicle</i> • <i>Custody Documents</i> • <i>Purchase of Leased Vehicle</i> • <i>Total Loss</i> • <i>Termination of Officer's Employment</i> 	<p><u>Additional Provisions:</u></p> <ul style="list-style-type: none"> • <i>Re-availment of Car Plan</i> • <i>Ownership of Vehicle</i> • <i>Failure to Pay Rental Dues</i> • <i>Return of the Leased Vehicle</i> • <i>Miscellaneous Provisions</i> • <i>Commencement of Officer's Rental Payments</i>
Policy on Learning and Development	<ul style="list-style-type: none"> • <i>Training Expenses</i> • <i>Service Contract</i> • <i>Expenses Chargeable to Training Expenses</i> • <i>Cash Advances</i> • <i>Learning Programs within the Bank (in-house)</i> • <i>Learning Program Abroad</i> 	<p><u>Additional Provision/s:</u></p> <ul style="list-style-type: none"> • <i>Honorarium Paid to Lecturers/ Speakers</i> • <i>Learning Materials</i>
Policy on Hiring	<ul style="list-style-type: none"> • <i>General Qualification Requirements for Applicants (For Staff and Officer Position)</i> • <i>Employment Status</i> • <i>Reference Check</i> • <i>Pre-Employment Requirements</i> • <i>BSP Biographical Data Form</i> • <i>Disallowing the Hiring of Resigned/Retired Bank Employees</i> 	
Policy on Promotion	<ul style="list-style-type: none"> • <i>Qualifying Criteria</i> • <i>Promotion to Minimum Rank of the Position</i> • <i>Moratorium on the Promotion of Employees Charged Administratively and Meted with the Penalty of Written Reprimand or Suspension</i> • <i>Certificate of Achievement for the Product Mastery Exam</i> 	<p><u>Deleted Provision:</u> <i>Two-step Promotion</i></p>
Policy on Study Leave Benefit	<ul style="list-style-type: none"> • <i>To take a government examination (i.e. Board/BAR Exams)</i> • <i>To take specialized training courses in the Philippines which must be directly related to the employee's work</i> 	<p><u>Deleted Provision:</u> <i>To be spent abroad</i></p>
Policy on Attendance and Punctuality	<ul style="list-style-type: none"> • <i>Attendance</i> • <i>Tardiness</i> • <i>Absences</i> 	<p><u>Delete Provision:</u> <i>Lunch Break and Coffee Break</i></p>
Policy on Sick Leave Benefit	<ul style="list-style-type: none"> • <i>Entitlement to Sick Leave Credits</i> • <i>Application of Sick Leave</i> • <i>Sick Leave Without Pay</i> • <i>Accumulation and monetization of unused sick leave credits</i> 	<p><u>Additional Provisions:</u></p> <ul style="list-style-type: none"> • <i>Sick leave upon the advice of physician</i> • <i>Submission of a medical clearance</i> • <i>Medical certification/clearance</i> • <i>Use of vacation leave credits on account of illness</i>

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**PHILIPPINE NATIONAL BANK
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		<ul style="list-style-type: none"> • <i>Disease that cannot be cured within six (6) months</i>
Policy on Vacation Leave Benefit	<ul style="list-style-type: none"> • <i>Entitlement to Vacation Leave Credits</i> • <i>Vacation Leave in Excess of Fifteen (15) Continuous Working Days</i> • <i>Vacation Leave Availment</i> • <i>Annual Mandatory Leave</i> • <i>Accumulation and Monetization of Unused Vacation Leave Credits</i> 	<u>Additional Provision:</u> <i>Availment of Vacation Leave Immediately Prior to Resignation or Retirement</i>
Policy on Drug Free Workplace	<ul style="list-style-type: none"> • <i>Coverage</i> • <i>Drug Testing for Job Applicants</i> • <i>Frequency of Drug Testing and Validity of Drug Test Results</i> 	
Policy on Office Decorum	<ul style="list-style-type: none"> • <i>Engaging in Part-time Job/Private Business/Practice of Profession</i> • <i>Debts</i> • <i>Rumor Mongering</i> 	<u>Additional Provision under Confidentiality of Information:</u> <i>Trade Secrets – The Bank's Proprietary Information</i>
Code of Conduct	<ul style="list-style-type: none"> • <i>Section IV. Jurisdiction</i> • <i>Section V. Disciplinary Authority</i> • <i>Section VII. Disciplinary Actions and Penalties</i> • <i>Section VIII. Withholding of Benefits</i> • <i>Section IX. Circumstances Affecting Administrative Liability</i> • <i>Section XIV. Schedule of Offenses and Penalties</i> • <i>Section XV. Non Retroactivity Clause</i> 	
Policy on Anti-Sexual Harassment	<i>Renaming of Committees mandated to render decision of the case</i>	
Policy on PNB ID Card	<i>Incorporation of all the current practices/procedures</i>	
Whistleblower Policy	<ul style="list-style-type: none"> • <i>Policy Statement</i> • <i>Authorized Offices to Receive Reports from Whistleblower on Alleged Misconduct</i> • <i>Whistleblowing Procedures</i> • <i>Protection of the Whistleblower</i> 	
Policy on Proper Office Attire and Grooming	<i>Wearing of the Prescribed Office Uniform</i>	
Policy on Soliciting and/or Receiving Gifts	<u>Additional Provision:</u> <i>Gifts in kind turned-over to HRG shall be referred to the Facilities Administration Group for auction</i>	
Policy on Resignation and Retirement of Employee	<ul style="list-style-type: none"> • <i>Definition of Terms</i> • <i>Mandatory Retirement</i> • <i>Implementing Guidelines/Procedures</i> 	
Policy on Transfer of Employee	<i>Pending full harmonization of benefits under the merged bank and in accordance with the respective CBA of Allied Bank and PNB, the new rules and regulations on the maximum period of temporary assignment of employees shall govern.</i>	

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D. BOARD COMMITTEES

- 1) Committee Members
(a) Board Audit and Compliance Committee (BACC)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Deogracias N. Vistan	May 29, 2012	17	16	94%	<2 year
Member (ID)	<i>Florencia G. Tarriela</i>	<i>May 29, 2001</i>	17	16	94%	<13 years
Member (NED)	Florido P. Casuela	May 25, 2010	17	17	100%	<4years
Member (NED)	Estelito A. Mendoza	May 25, 2010	17	5	29%	<4 years
Member (NED)	<i>Michael G. Tan</i>	<i>Feb. 9, 2013 up to Sept. 27, 2013</i>	9	7	78%	<1 yr
Member (NED)	Leonilo G. Coronel	Sept 27, 2013	5	5	100%	<1 year
Member (NED)	Reynaldo A. Maclang	Sept 27, 2013	5	4	80%	< 1 year
Alt. Member	Christopher J. Nelson	Sept 27, 2013	5	5	100%	< 1year

LEONILLO G. CORONEL, 67, Filipino, obtained his Bachelor of Arts, Major in Economics degree from the Ateneo de Manila University in 1967 and finished the Advance Management Program of the University of Hawaii in 1977. He became a Fellow of the Australian Institute of Company Directors in 2002. Presently, he is a Director of the following PNB subsidiaries: Japan-PNB Leasing and Finance Corporation, JPNB Rentals Corporation, PNB General Insurers Co., Inc., and PNB Global Remittance (HK) Ltd. He is an Independent Director of Megawide Construction Corporation, DBP-Daiwa Capital Markets Phil., Electronic Network Cash Tellers. He is also a Director of Software Ventures International and the Executive Director of RBB Foundation. Prior to his present positions, Mr. Coronel was Executive Director of the BAP and Managing Director of the BAP-Credit Bureau, Inc. He also previously served as the Treasurer of Philippine Depository & Trust Corporation, a Director of the Philippine Clearing House Corporation, the Philippine Dealing System and the Philippine Depository & Trust Corporation, Trustee/Treasurer and member of the Capital Market Development Council Institute, a member of the Executive Committee of the Philippine Business for Social Progress and the President of Cebu Bankers Association. He also worked with Citibank, Manila for twenty (20) years, occupying various positions.

REYNALDO A. MACLANG, 75, Filipino, was elected as a Director of the Bank on February 9, 2013. He holds a Bachelor of Laws degree from the Ateneo de Manila University. He was a Director of Allied Bank since August 15, 2001. He is currently a member of the Board of Directors of Allied Leasing and Finance Corporation, Allied Savings Bank, PNB Holdings Corporation, PNB Securities, Inc., PNB Italy SpA and PNB Global Remittance and Finance Co., HK. He was a Director of PNB Life Insurance, Inc. and Eton Properties, Inc. He was formerly the President of Allied Savings Bank from 1986 to 2001, and became President of Allied Banking Corporation in 2001 up to 2009. He has been with the Bank since 1977. Previous to that, he had been connected with other commercial banks and practiced law.

CHRISTOPHER J. NELSON, 54, British, was elected Director of the Bank on March 21, 2013. He holds a Bachelor of Arts degree in History and Masters of Arts degree in History from Emmanuel College, Cambridge University, U.K., and a Diploma in Marketing from the Institute of Marketing, Cranfield, U.K.

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He is currently a member of the Board of PNB Holdings Corporation and PNB Global Remittance and Financial Company (HK) Limited. Prior to joining the Bank, he was President of Philip Morris Fortune Tobacco Corporation, Inc. (PMFTC, Inc.) for 2 years and Managing Director of Philip Morris Philippines Manufacturing, Inc., a position he held for 10 years. He has an extensive 31 years of experience in the tobacco business, 25 years of which were with Philip Morris International holding various management positions including as Area Director for Saudi Arabia, Kuwait, Gulf Cooperation Council, Yemen, and Horn of Africa. Mr. Nelson is actively involved in various business and non-profit organizations that work for the social and economic upliftment of communities. He is a member of the Board of Trustees of American Chamber of Foundation Phils., Inc., Philippine Band of Mercy and Tan Yan Kee Foundation. He is also a Director of the American Chamber of Commerce of the Philippines, Inc. and serves as Adviser to the Board of the Federation of Philippine Industries.

(b) Risk Oversight Committee

Strategic Business Risks

1. Assume an oversight role through the Head of Corporate Planning Division in monitoring the appropriate matching of the Bank's strategic goals and business strategies with the resources deployed as well as the quality of implementation.
2. Review and discuss with management the performance of major business units in terms of key result areas against their targets. ROC may request management for an explanation on any significant unfavourable variance and direct management to revisit certain policies and strategies to address such trend.
3. Determine the sources of the Bank's income as to recurring and non-recurring income and analyze the sensitivity of the Bank's earnings given a set of business conditions.

(c) Board Overseas Offices Oversight Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Deogracias N. Vistan	May 29, 2012	20	20	100%	<2 yrs.
Member (ID)	Felix Enrico R. Alfiler	May 29, 2012	20	17	85%	<2 yrs.
Member (NED)	Leonilo G. Coronel	Sept. 27, 2013	20	4	20%	<1 yr.
<i>Member (NED)</i>	<i>Reynaldo A. Maclang</i>	<i>Dec. 20, 2013</i>	20	1	5%	<1 yr.
Member (ED)	Omar Byron T. Mier	May 29, 2012	20	16	80%	<2 yrs.
Member (NED)	Christopher J. Nelson	Sept. 27, 2013	20	4	20%	<1 yr.
Member (NED)	Lucio K. Tan, Jr.	Feb. 9, 2013	20	5	25%	<1 yr.
Member (ID)	Florencia G. Tarriela	May 29, 2012	20	19	95%	<2 yrs.
Alt. Member	Michael G. Tan	Feb. 9, 2013	20	5	25%	<2 yrs.

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(d) Board Oversight RPT Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Deogracias N. Vistan	Sept. 27, 2013	4	4	100%	<1 yr.
Member (ID)	Felix Enrico R. Alfiler	Sept. 27, 2013	4	3	75%	<1 yr.
Member (ID)	Florencia G. Tarriela	Sept. 27, 2013	4	4	100%	<1 yr.
Member (NED)	Florido P. Casuela	Sept. 27, 2013	4	3	75%	<1 yr.
Non- Voting Member	Alice Z. Cordero	Dec. 20, 2013	-	-	-	-
Non- Voting Member	Dioscoro Teodorico L. Lim	Dec. 20, 2013	-	-	-	-

E. INTERNAL AUDIT AND CONTROL

1. Internal Control System

- (a) Where no review was conducted during the year, an explanation why not.
Review was conducted in 2013.

2. Internal Audit

(a) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
<i>In summary, there were 7 additional auditors (newly hired) while 38 auditors retired/resigned in 2012.</i>	<i>Turnover of auditors is considered a "normal attrition" scenario in a banking environment particularly under merger mode</i>

(b) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

<i>Progress Against Plans</i>	<i>The audit activities/progress were reported to BACC during its monthly meeting. For 2013, audit activities/progress were within the approved audit business plan.</i>
<i>Examination Trends</i>	<i>Highlighted in the 2013 Annual Internal Audit Report prepared by the Chief Audit Executive, approved by the BACC and noted by the Board of Directors.</i>

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F. ROLE OF STAKEHOLDERS

1. Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Yes, the bank has implemented the following corporate responsibilities in 2013:

- *PNB's 97th Anniversary Tree Planting Project*
- *Earth Hour*
- *PNB Pagtutulunganng Bayan Compostela Valley Temporary Housing Assistance Project*
- *PNB Pagtutulungan: Operation Typhoon MARING Calamity/Relief Assistance Project*
- *PNB Pagtutulungan: Operation Sto. Rosario, Pampanga Calamity Assistance Project*
- *PNB Pagtutulungan: ODETTE, HABAGAT Calamity Assistance Project*
- *PNB Pagtutulungan: HELP Cebu/ Bohol Project*
- *PNB Pagtutulungan: YOLANDA Calamity Assistance Project*
- *PNB Tan Yan KeePhilhealth Card Distribution Project – free health card for indigents*

2. State the company's training and development programmes for its employees. Show the data.

Course Title / Duration	Description	Objectives
NEWLY HIRED EMPLOYEES		
<i>Orientation Program for New Hires</i> <i>5 days</i>	<i>An induction program designed to establish an adequately-informed perspective of the Bank's corporate vision, mission, values, policies and procedures, benefits and provide the requisite knowledge on customer service through a workshop.</i>	<i>At the end of this program, the participants will:</i> <ol style="list-style-type: none"> <i>1. Be familiar with the bank's goals, history, organizational set-up, functions/ services of the divisions/departments.</i> <i>2. Be able to understand the Bank's personnel policies and procedures, employee benefits and other employment-related matters.</i> <i>3. Be able to know what the Bank expects of you in terms of job performance and conduct.</i> <i>4. Be able to demonstrate a positive work attitude through a deeper appreciation of the value of your work.</i> <i>5. Be able to learn and practice the skills on quality customer service with the aim of: (a) sustaining the Bank's competitiveness in the industry; and (b) further strengthening the Bank's corporate image</i>
ALL NEW HIRE EMPLOYEES (RANK-AND-FILE & OFFICERS)		
<i>New Hire Orientation</i> <i>1 Day</i>	<i>The New Hires Orientation is a whole-day seminar for newly hired PNB personnel. It is done twice a month. The topics included in the seminar are PNB Profile (History, Mission, Vision, Table of Organization), HR Policies, and AML Compliance Awareness Seminar.</i>	<i>At the end of the orientation, the participants are expected to:</i> <ol style="list-style-type: none"> <i>1. Be familiarized with the Company history, mission, vision and table of organization</i> <i>2. Be informed with the HR Policies</i> <i>3. Understand AML Compliance topics</i>
RANK AND FILE EMPLOYEES		
<i>Customer Service Workshop</i> <i>2 Days</i>	<i>This course aims to provide the participants with the concepts and principles of excellent customer service delivery.</i> <i>Program Outline: (a) Quality Customer Service concepts and</i>	<i>At the end of this workshop, the participants will be able to:</i> <ol style="list-style-type: none"> <i>1. Review concepts and principles of Quality Customer Service</i> <i>2. Describe the framework for delivering Quality Customer Service.</i> <i>3. Demonstrate the Service Steps in providing quality service through the use of case studies.</i>

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	principles; and (b) Quality Customer Service framework	
<i>Personal Effectiveness Program (PEP)</i> <i>2 Days</i>	<i>This program aims to enlighten participants on the various ways they can be more effective in virtually any aspect of their lives, simply by looking into the qualities that are already within them.</i> <i>Too often the barriers to being effective are put in place by none other than ourselves. The course will show that it is sometimes necessary to change ourselves if we want to make changes in our lives and everything in it.</i>	<i>At the end of the seminar, participants will be able to:</i> <i>1. Take better control of their personal and professional lives by possessing helpful effective paradigms and attitudes</i> <i>2. Apply the Seven Habits of Highly Effective People as espoused by Stephen Covey</i> <i>3. Make use of several useful tips for professionalism</i>
<i>Effective Business Writing 1</i>	<i>This Grammar Skills Training is for business professionals who may be intimidated by writing because they are unsure of their grammar, punctuation, and spelling skills as well as overall basic writing skills. This class is designed to take the mystery out of writing and help business people apply proper writing styles to their written business communication.</i>	<i>After the training program, participants should be able to:</i> <i>1. Understand the importance of proper writing and grammar.</i> <i>2. Recognize and use correct grammar and punctuation.</i> <i>3. Avoid common grammatical and word usage errors.</i> <i>4. Understand which words should be capitalized.</i> <i>5. Use the appropriate person and tense.</i> <i>6. Structure sentences correctly.</i> <i>7. Use the words you intend.</i> <i>8. Use the correct style and tone for your intended audience.</i> <i>9. Create documents that are free of spelling and grammatical errors.</i>
OFFICER CANDIDATES		
<i>Coaching Skills Program</i> <i>2 Days</i>	<i>This program aims to systematic thinking when dealing with problematic situation with their employees, instead of using gut feel and intuition. Important factors highlighted, such as Filipino culture and the communication process, which are critical in conducting any coaching session with an employee.</i> <i>The course addresses the entirety of the Coaching process: from identifying the appropriate problematic situations, to evaluating performance, to coming up with mutually agreeable solutions, and monitoring and setting follow ups on the chosen solutions.</i>	<i>At the end of the training, participants will be able to:</i> <i>1. Use scientific and systematic thinking, as opposed to intuition and gut feel, in coaching subordinates</i> <i>2. Identify situations wherein Coaching is the appropriate tool to use</i> <i>3. Understand and apply the key principles and critical steps of Coaching</i> <i>4. Anchor their coaching efforts towards the enhancement of the performance of the subordinates</i>
<i>Self-Transformation and Rediscovery (STAR) Workshop</i>	<i>This two -day program was designed to provide the participants with the necessary tools to enhance their personal and corporate effectiveness through self-mastery, values clarification and the projection of a</i>	<i>1. Provide the participants with the necessary tools to enhance their personal and corporate effectiveness</i> <i>2. Apply skills on how to achieve self mastery</i> <i>3. Rediscover personal and corporate values and integrate them with their actions</i> <i>4. Set personal goals</i>

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2 Days	<p><i>professional image.</i></p> <p><i>Program Outline: (a) Self-Mastery (Self-Knowledge); (b) Personal Values; (c) Self-Motivation; (d) Habit; (e) Effectiveness; (f) Good grooming and proper hygiene; (g) Corporate wardrobe and visual poise; (h) Workplace etiquette and social graces; and (i) Professional image</i></p>	<p><i>5. Demonstrate ways on how to motivate oneself</i></p>
<p><i>In-Branch Selling Workshop</i></p> <p>2 Days</p>	<p><i>This two-day program aims to provide branch operations employees with the knowledge and skills to transform their branch into an aggressive sales-oriented distribution point.</i></p> <p><i>Program Outline: (a) Sales –Mindset; (b) Attitude; (c) Relationship-building; and (d) Technical know-how</i></p>	<p><i>At the end of this program, the participants will be able to:</i></p> <ol style="list-style-type: none"> <i>1. Develop a sales-oriented mindset;</i> <i>2. Identify the do's and don'ts to having a positive attitude</i> <i>3. Enumerate and practice the steps in building relationships</i> <i>4. Apply the steps to the selling cycle</i>
<p><i>Leadership and Visioning</i></p> <p>2 Days</p>	<p><i>This workshop aims to provide participants with an introduction to the basic concepts and principles of effective leadership</i></p>	<p><i>By the end of this program, participants will be able to:</i></p> <ol style="list-style-type: none"> <i>1. Differentiate leadership and management</i> <i>2. Describe the five sources of power and how each causes different follower behavior</i> <i>3. Identify qualities associated with effective leaders</i> <i>4. Enumerate and describe the different leadership styles and their application</i> <i>5. Develop an appreciation for having leadership vision</i> <i>6. Prepare action plans to achieve goals and objectives</i>
<p><i>POC (Planning, Organizing, Controlling) for Productivity</i></p> <p>2 Days</p>	<p><i>This program provides participants with the necessary competencies for day-to-day supervision through the application of the management functions.</i></p>	<p><i>At the end of the program, participants would be able to:</i></p> <ol style="list-style-type: none"> <i>1. Explain the systems approach to management;</i> <i>2. Explain the different transformational processes in management to include the basic competencies for each process; and</i> <i>3. Apply the learning in planning, organizing, and controlling through structured learning exercises and case studies.</i>
<p><i>Performance Management</i></p> <p>2 Days</p>	<p><i>This course aims to provide the participants with the different management techniques necessary to achieve superior performance</i></p>	<p><i>At the end of the workshop, the participants would be able to:</i></p> <ol style="list-style-type: none"> <i>1. To explain the importance of performance management.</i> <i>2. To identify the roles of the officer in performance management</i> <i>3. To simulate a formal performance review.</i>
<p><i>Managing Effective Teams (MET)</i></p> <p>2 Days</p>	<p><i>This module provides participants with the necessary competencies for the day-to-day supervision through the application of the management function and also gives emphasis on the conceptual framework in building the work team.</i></p>	<p><i>At the end of the program, the participants will be able to:</i></p> <ol style="list-style-type: none"> <i>1. Recognize the importance of building a team to accomplish goals.</i> <i>2. Identify the different stages of team development.</i> <i>3. Identify and practice the necessary skills in managing effective teams.</i>
ALL BANK OFFICERS (ALL LEVELS)		
<p><i>Project Management Program</i></p> <p>2 Days</p>	<p><i>Project Managers, Team Leaders, Managers and Supervisors are always faced with the challenge of achieving a desired goal at a certain time, while optimizing resources and</i></p>	<p><i>After the two-day program, the participants will be able to:</i></p> <ol style="list-style-type: none"> <i>1. Define Project and Identify its different Phases.</i> <i>2. Gain an overview of Basic Critical Tools and Concepts.</i> <i>3. Learn and apply Basic skills needed to organize and</i>

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	<p><i>gaining support from others. This program enables the participants to acquire the necessary managerial and teambuilding skills, basic tools and techniques in creating and managing a project efficiently and productively. The program presents a disciplined approach in planning, organizing, monitoring and controlling the activities and resources involved in accomplishing the project deliverables.</i></p>	<p><i>control the project.</i></p>
<p>Leadership Training Program 2 Days</p>	<p><i>Leadership is one of those things that is often awfully hard to define but you know when you see it, and you definitely know when it's missing. You may have some people who now have to 'step up to the plate' and take on far more of a leadership role than previously. You may need them to demonstrate the kind of leadership behaviors that others aspire to. There may be managers who have to take the next step and go beyond being good or even excellent managers, to become inspirational leaders within the business.</i></p>	<p><i>At the end of the program, participants are expected to:</i></p> <ol style="list-style-type: none"> <i>1. Understanding good Leadership Behaviors</i> <i>2. Learning the difference between Leadership and Management</i> <i>3. Gaining insight into your Patterns, Beliefs and Rules</i> <i>4. Defining Qualities and Strengths</i> <i>5. Determining how well you Perceive what's going on around you</i> <i>6. Polishing Interpersonal Skills and Communication Skills</i> <i>7. Learning about Commitment and How to Move Things Forward</i> <i>8. Making Key Decisions</i> <i>9. Handling Your and Other People's Stress</i> <i>10. Empowering, Motivating and Inspiring Others</i> <i>11. Leading by Example</i>
<p>Problem Solving & Decision Making (PSDM) 2 Days</p>	<p><i>In today's global arena, the enterprise is constantly faced with complex issues both in the business side, and in the organization side. Hence, it is imperative that managers develop or enhance their problem solving and decision making skills. With effective problem solving and decision-making, the enterprise can have greater competitive advantage over others in the industry.</i></p> <p><i>The "Effective Problem Solving and Decision Making Analysis Program" uses both logical and creative approaches, and covers the following skill areas: situation analysis, problem analysis, potential and opportunity problem analysis, decision analysis, and creative techniques. It moves from theory to case analysis to tackling live cases and helping participants gain readiness to apply these skills to true to life situations.</i></p>	<p><i>At the end of the two day customized program, participants will be able to:</i></p> <ol style="list-style-type: none"> <i>1. Identify and sort work concerns requiring action through a Situation Analysis Process;</i> <i>2. Appreciate and successfully use problem analysis, both logical and creative paths, to case and actual work situations;</i> <i>3. Illustrate potential problem analysis;</i> <i>4. Experience use of decision analysis process on case and job-related issues; and</i> <i>5. Undertake potential opportunity analysis.</i>
<p>RANK-AND-FILE EMPLOYEES AND OFFICERS (AM1-SM)</p>		
<p>PNB Care for Internal Customers</p>	<p><i>An internal customer or internal service provider can be anyone in the organization. An internal customer</i></p>	<p><i>At conclusion of the course participants will be able to:</i></p> <ol style="list-style-type: none"> <i>1. Identify ways to improve internal and external</i>

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<p>2 Days</p>	<p>can be a co-worker, another department, or a distributor who depends upon us to provide products or services which in turn are utilized to create a deliverable for the external customer.</p> <p>Outstanding internal customer service is simply good business. Internal customer service can flourish only in high communication environment. To create positive internal customer service, all departments work together cooperatively, agree on processes and procedures, and negotiate expectations. Like gears meshing in sync, interdependent business units meet each others' needs, work productively together to meet common goals, and deliver high quality products and service to the external customer.</p>	<p>customer service</p> <ol style="list-style-type: none"> 2. Reduce interdepartmental miscommunication and conflict 3. Support the priorities of internal customers 4. Focus on problems rather than personalities 5. Handle conflict professionally 6. Identify internal problems which cost external customer loyalty 7. Turn complaints into improvements 8. Work together to meet organizational goals 9. Improve workplace productivity and communication 10. Improve service within your organization, increase productivity, and as a result, offer your clients better service. 11. Create interdepartmental service strategies that help rather than hinder work flow in your organization. 12. Eliminate "turf wars" among departments.
<p>Presentation Skills Training</p> <p>2 Days</p>	<p>No matter how good or important a message is, if it's not delivered in an interesting and effective way, chances are it won't be heard at all. Strong presentation skills can advance a career. Poor speaking skills can ground a rising star. In this program, participants will learn how to conquer the podium and deliver presentations that get results. From dynamic introductions to powerful closings, participants will have an opportunity during this training to practice and refine their platform skills.</p>	<p>Upon completing this course participants will know how to:</p> <ol style="list-style-type: none"> 7. Feel confident to stand and deliver before any size group 8. Use eye contact, gestures, and body language for maximum effect 9. Develop and organize a presentation for any audience and any event 10. Design visuals to enhance both the presenter's message & performance 11. Deliver visual information in a way that keeps the audience in sync 12. Handle tough questions 13. Master memorization techniques 14. Use humor effectively
<p>Training of Trainers</p> <p>2 Days</p>	<p>Train the Trainers training program is designed to meet the need to train Branch officers to be good trainers so that the Bank can reduce their dependency on external training organizations. PNB needs to conduct training for their employees to bring change in skills. Skill change may be required due to: (a) Change in procedures; (b) Change in process; (c) Change in organizational structure; (d) To update or strengthen knowledge; (e) To strengthen decision making ability; (f) To bring change in attitude; and (g) Objectives and targets</p>	
RANK-AND-FILE EMPLOYEES (AO'S) AND OFFICERS (AM1-SM)		
<p>Negotiation Skills Training</p> <p>2 Days</p>	<p>Your ability to negotiate well has a large impact on both your personal and professional life. The qualities of the results you get are determined in a large part on your negotiating</p>	<p>After the training program, participants should be able to:</p> <ol style="list-style-type: none"> 1. Identify the two main types of negotiations. 2. Describe types of power available to negotiators. 3. Explain guidelines to making concessions more

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	<p>ability.</p> <p><i>Today's negotiating professionals must possess the most effective and current negotiating tools. This practical two-day workshop will give you those tools that are necessary in your negotiations to help you identify what is really negotiable. Anyone can improve their negotiating ability by instruction, practice, planning, feedback and application. In this highly interactive workshop, you will learn effective negotiating strategies and tactics. In addition, you will learn how to read a situation and apply empathy to help minimize the downside risks and avoid bad results.</i></p>	<p>effectively.</p> <p>4. <i>Demonstrate various response techniques to use during negotiations</i></p>
RANK-AND-FILE EMPLOYEES AND JUNIOR OFFICERS		
<p>Spreadsheet Training</p> <p>1 Day</p>	<p>The course introduces Microsoft Excel at an elementary level, introducing the first time user to Microsoft Excel.</p> <p><i>Features covered: using the Microsoft Excel screen; navigation between cells, Microsoft Excel sheets and Microsoft Excel workbooks. Also covers how to enter data into Microsoft Excel; how to do basic Microsoft Excel calculations and formulae; saving of Microsoft Excel Workbooks, finding saved Microsoft Excel documents; editing and printing Microsoft Excel spreadsheet information.</i></p>	<p>After taking this course, the user should be able to:</p> <ol style="list-style-type: none"> 1. work comfortably in the Excel environment 2. create new workbooks and manipulate data in existing ones 3. format rows, columns, and numbers 4. create and use formulas
<p>Stress Management</p> <p>1 Day</p>	<p><i>This program helps participants identify the causes of stress and provides many ways and techniques on how to cope with it.</i></p>	<p>At the end of the training, participants will be able to:</p> <ol style="list-style-type: none"> 1. Understand the concept of stress, its causes and its impact 2. Cope with the symptoms of stress 3. Have a clearer understanding of the importance of managing stress 4. Use a wide range of physical and mental stress management techniques
<p>Effective Time Management</p> <p>2 Days</p>	<p><i>The program details the important elements for employees to be able to manage their time and produce more value from their tasks. It highlights many principles and concepts that lead to misuse of time, bad time management habits, and inefficiency.</i></p> <p><i>The programs also gives considerable focus on planning and prioritizing</i></p>	<p>At the end of the training, participants will be able to:</p> <ol style="list-style-type: none"> 1. Improve productivity by concentrating on results, instead of being busy 2. Reduce work stress by being more in control of their time 3. Reduce crisis management by properly prioritizing tasks and activities 4. View time management from the perspective of the whole organization and obtain company-wide benefits by properly practicing it.

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	<i>activities, mainly to avoid stress, burnout, crises, and indecision and delay</i>	
RANK AND FILE EMPLOYEES AND OFFICERS		
<i>Service Recovery Training 2 Days</i>	<i>Designed to equip the participants with the knowledge and skills to deal with difficult customers and effectively handle complaints. Program Outline: (a) Customer Service Workshop Review; (b) Service Recovery; (c) Why Clients Complain; (d) HEAT-C: Framework for Handling Customer Complaints; (e) Focus of Service Recovery; (f) Types of Service Recovery Plan</i>	<i>At the end of this workshop, the participants will be able to: 1. Practice behaviors that would establish rapport with clients and prevent complaints; and 2. Prepare practical and cost effective recovery and restitution efforts.</i>
OFFICERS AND STAFF		
<i>Business Continuity Program ½ day</i>	<i>The four-hour seminar aims to orient participants on the standard procedures to be observed / implemented to enable them to respond and maintain the minimum level of service when confronted with business disruptions of whatever source.</i>	<i>At the end of the training, the participants should be able to: 1. Comply with required procedures to maintain the required minimum level of service during business disruptions; 2. Facilitate the recovery of key business systems and processes within the agreed time frame.</i>
<i>Security Awareness Program 1 day</i>	<i>The one-day seminar aims to instill security awareness for employees of the bank and remind them of their role in safeguarding the assets and premises of the bank.</i>	<i>At the end of the training, the participants should be able to : 1. Apply appropriate measures to prevent / counter modus activities in the workplace thereby minimizing possible losses of the bank; 2. Familiarize themselves with the different types / uses of alarms and other security devices.</i>
<i>Risk Management / Information Security Seminar 1 day</i>	<i>The one-day program aims to increase the level of awareness of bank employees on risk management and information security. It also provides participants an understanding of the different risk management approach undertaken by the Bank to prevent or minimize risks in the workplace.</i>	<i>At the end of the program, the participants are expected to: 1. Know the risk management and information security policy of the Bank; 2. Promote the preservation of confidentiality, integrity and availability of information assets.</i>
AM1 to SM		
<i>Customer Service Management Workshop 2 Days</i>	<i>A two-day program on service management designed to enable the participants to assess their customer service profile and develop a supportive team climate for the delivery of quality customer service. Program Outline: (1) Customer Service Workshop Revisited; (2) Service Mindset; (3) Attunement; (4) Relationship-Building; and (5) Team Nurturing</i>	<i>At the end of the workshop, participants would be able to: 1. Appreciate quality customer service as a vital component of the branch targets; 2. Articulate the importance of managing the quality service delivery system of the branch; and 3. Practice the skills on Service Management</i>

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AM1-M2		
Effective Business Writing 2 2 Days	<i>In today's competitive working environment, it is essential to produce clear, concise and reader-friendly business writing to tight deadlines. Many employees may possess excellent spoken communication skills but often lack confidence when writing business documents. This course will help the participants to understand that writing effectively means delivering their message that is unambiguous, concise and direct to the point.</i>	After the training program, participants should be able to: 1. Develop a professional, reader-friendly written style when writing. 2. Organize ideas coherently when writing. 3. Improve written work as a result of practical writing exercises.
AM1 – AVP		
Managing People for Peak Performance (MP3) 3 Days	A 3-day comprehensive people-handling course designed to provide officers with the requisite knowledge and skills to effectively manage the performance of their direct reports. This workshop focuses on the principles of performance management, with emphasis on coaching and counseling.	At the end of this program, participants will be able to: 1. appreciate the importance of managing employee performance, 2. enumerate and define the different performance management interventions, 3. distinguish work situations that will require coaching and/or counseling 4. identify and practice skills vital to successful coaching and counseling
S.M.A.R.T. Leadership Workshop 2 Days	This workshop will introduce participants to what is now being considered as a key to leadership effectiveness and success, Emotional Intelligence or "EQ". It will enable the participants to understand and manage themselves and their interpersonal relationships skillfully.	At the end of this workshop, participants will be able to: 1. Appreciate the effective leadership principles 2. Develop a personal mission and vision and clarify personal values 3. Understand the importance of EQ to personal and professional growth 4. Practice effective team leadership skills
ALL RBG PERSONNEL		
Internal Control Consciousness (ICC) Seminar 1 Day	Conducted by the BOROs, this program aims to train participants in all areas covers of branch banking operations. In covers all relevant topics such as operations on tellering, cash, deposits, and checks; fund transfers, ATM operations, FX notes, direct deposit and safety deposit accounts, AMLA, FFE, accountable forms, among many others	At the end of the training, participants will be able to: 1. Obtain an overview of the entire branch banking operations 2. Improve consciousness and vigilance in all sensitive issues in branch banking 3. Increase effectiveness and efficiency in the performance of their tasks by utilizing greater awareness of procedures, policies, systems 4. Apply a wider range of troubleshooting skills in various problems that might be encountered in daily operations
TBG EMPLOYEES		
Training on Investment Management 15 Days	Conducted by the Trust Banking Group, this program introduces participants to the basic concepts, techniques, and processes in investment analysis and portfolio management. The course focuses on the evaluation of traditional investments in the Philippine market in particular and the world in general.	At the end of the training, participants will be able to: 1. Identify and differentiate various types of investment instruments 2. Analyze and assess investment options and processes in terms of profitability and risk 3. Apply techniques in diversifying, managing, and consolidating investment portfolios to maximize return and minimize risk

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ALL TBG AND RBS EMPLOYEES		
<p>TBG UITF Certification Program</p> <p>1 Day</p>	<p>In compliance with the basic standards in the administration of trust, other fiduciary and investment management accounts issued by the BSP which states that only authorized branch managers/officers as well as UITF marketing personnel who have successfully undergone the required certification/accreditation/licensing process may perform processes for UITF clients.</p> <p>PNB-Trust Banking Group (TBG) is organizing a UITF Certification Program that will accredit all the marketing and operations personnel in the department as well as the PNB Business Managers and Relationship Officers in the domestic branches nationwide.</p>	<p>This Certification Program aims to train the marketing personnel and impart them the proper knowledge they need on how to effectively market the Unit Investment Trust Funds of the PNB-TBG.</p>
ALL BRANCH PERSONNEL (RBS)		
<p>Branch Selling Certification Program (BSCP)</p> <p>2 Days</p>	<p>The Branch Selling and Certification Program (BSCP) is a modular development workshop designed to enhance the selling competencies of all branch personnel. The vision is to nurture a sales culture in the Bank where everyone sells inside or outside the bank looking at every client conversation as an opportunity to cross-sell or up-sell, where selling will be the natural and normal way of doing business.</p>	<p>By the end of this program, participants will be able to:</p> <ol style="list-style-type: none"> 1. Describe the philosophy of "salesperson as partner" and describe the benefits of building and retaining client/customer relationships. 2. Articulate the features and benefits of PNB products & services. 3. Apply "sales needs analysis." 4. Explain the four phases of the sales process. 5. Use the prospecting process to identify qualified leads. 6. Comfortably introduce themselves, others, and the Bank. 7. Describe professional dress, business manners, and networking basics. 8. Demonstrate the salesperson's role in the opening phase of the sales process. 9. Effectively use probing skills to uncover client/customer needs. 10. Manage client/customer objections. 11. Close sales with customers who are ready to partner with the bank. 12. Follow up with clients and customers to enhance relationships
SENIOR OFFICER – AVP'S AND UP		
<p>Change Leadership Workshop</p> <p>2 Days</p>	<p>The workshop is an integral component of the change management plan that we hope to develop collaboratively as we transition to the merged Bank. Your inputs as key drivers of the merger and integration will be very valuable. The workshop will also aim to clarify the Change Management Framework that will guide our change efforts.</p>	
NEW ACCOUNTS SERVICE REPRESENTATIVES		
<p>Selling 101</p> <p>1 Day</p>	<p>This one-day workshop is designed to enhance the selling skills competencies of the New Accounts Service Representatives for them to be able to develop a sales mindset.</p>	<p>By the end of this program, participants will be able to:</p> <ol style="list-style-type: none"> 1. Review and connect the duties and responsibilities of NAC to Selling 2. Develop appreciation for professional selling as a form of service 3. Demonstrate essential skills in selling

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RELATIONSHIP ASSOCIATES, ACCOUNT OFFICERS, RELATIONSHIP MANAGERS, CENTER HEADS, CREDIT MANAGERS, REMEDIAL MANAGERS		
<p><i>Credit Training</i></p> <p><i>10 Days</i></p>	<p><i>This medium-term program covers the basics of the entire credit approval process and its critical elements. This includes a review of basic financial analysis, credit process, credit tools, credit products, and credit summary preparation. It also involves important learning tools such as case studies, group discussions, and written exams.</i></p> <p><i>The program is also offered to senior officers such as Center Heads and Division Heads.</i></p> <p><i>This program is outsourced from an external subject matter expert, Mr. Henry S. Valdez</i></p>	<ol style="list-style-type: none"> <i>1. To re-examine the components of basic financial analysis such as financial ratios, pro forma statements, and cash budgets</i> <i>2. To enable participants to understand credit/risk management issues</i> <i>3. To provide participants sufficient credit product knowledge and technical skills to enable them to perform their tasks more effectively</i>
SSH/SSO		
<p><i>Branch Officer's Operations and Sales Training (BOOST) Seminar</i></p> <p><i>14 days</i></p>	<p><i>The program aims to upgrade the knowledge and competence of our officers in various areas of branch operations.</i></p>	<ol style="list-style-type: none"> <i>1. Provide a review of branch operational policies and procedures relative to the Sales and Service functions.</i> <i>2. Enable the participants to assess their customer service and develop a supportive team climate for the delivery of excellent customer service.</i>
ALL BANK TELLERS, JSSA, PICK-P TELLERS		
<p><i>Teller Training Program</i></p> <p><i>13 Days</i></p>	<p><i>The Teller Training Program is a 13-day seminar for PNB Branch Tellers. The seminar includes topics on technical branch operation areas and customer service, emphasizing on tellering duties. Re-orientation of Bank Tellers on Company profile and HR related policies are also included in the seminar.</i></p>	<p><i>At the end of the 13-day seminar, the participants are expected to:</i></p> <ol style="list-style-type: none"> <i>1. Know their duties and responsibilities as Bank Tellers</i> <i>2. Identify the different Retail Cash Products and other Bank products</i> <i>3. Be familiarized with the Clearing Operations and Teller System</i> <i>4. Improve skills in tellering operations, such as in handling cash, verifying signatures, and detecting counterfeit money, KYC, and providing customer service.</i> <i>5. Be re-oriented with the Company profile and HR policies</i>
NEW ACCOUNTS CLERKS		
<p><i>New Accounts Seminar</i></p> <p><i>7 days</i></p>	<p><i>This course aims to provide participants with the knowledge and skills to efficiently handle the opening and servicing of accounts.</i></p>	<p><i>At the end of the course the participants should be able to :</i></p> <ol style="list-style-type: none"> <i>1. Comply with Bank's guidelines, procedures and KYC Policy in opening and servicing of accounts.</i> <i>2. Identify and discuss the Bank's Products and services.</i>
BRANCH OPERATIONS ASSISTANTS		
<p><i>Branch Operations Assistant (BOA) Seminar</i></p>	<p><i>A 3 days seminar designed to equip the participants with the knowledge and skills on branch accounting and clearing operations.</i></p>	<p><i>At the end of the course the participants should be able to :</i></p> <ol style="list-style-type: none"> <i>1. Know their duties and responsibilities as Branch Operations Assistants.</i> <i>2. Comply with standard procedures in accounting / clearing operations, and reportorial requirements.</i> <i>3. Acquire proficiency in the computation of withholding</i>

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3 days		taxes for submission to Head Office Accounting. 4. Identify risk areas in branch operations and understand the standard control procedures and their impact on overall branch operations.
BRANCH STAFF		
Signature Verification Basic Handwriting Analysis (Outsourced) 1 day	This one- day training workshop aims to provide our personnel with the knowledge and skills on signature verification and handwriting analysis.	At the end of the training, the participants should be able to: 1. Be able to determine forgeries and Alterations in documents. 2. Apply techniques in signature verification.
BRANCH SUPERVISORS TO OFFICERS		
Advance Signature Verification Seminar (Outsourced) 1 day	A one-day seminar aimed at upgrading the knowledge and competence of our personnel in the area of signature verification. It also provides participants with current updates on the techniques used to determine forgeries and alterations	At the end of the training, the participants should be able to: 1. Apply new techniques in determining forgeries and alterations.
BRANCH OFFICERS, TELLER, JSSA		
Counterfeit Detection Seminar (Outsourced) 1 day	In the banking industry, expertise in counterfeit detection is very important especially to those personnel whose everyday task includes handling cash. The one-day seminar will be helpful in improving skills of those personnel on detecting genuine and counterfeit Peso, US Dollar, and other bills.	At the end of the training, the participants should be able to: 1. Be familiar with the security features of Peso, Dollar and other currencies. 2. Comply with the BSP Clean Note Policy. 3. Acquire knowledge on updated BSP Circulars governing Peso and Dollar Currency.
RANK-AND-FILE PERSONNEL FROM HEAD OFFICE AND OTHER SPECIAL UNITS OF THE BANK		
Management Training Program (MTP) 5 months	The Management Training Program (MTP) is a medium-term intensive leadership and management that aims to develop qualified rank-and-file employees to be highly competent officers of the Bank	General Objectives: 1. Develop/enhance management capabilities of employees to render them more responsive to the demands of their job. 2. Develop employees for eventual advancement and/or increased responsibility. 3. Enhance the employees' capability to implement the organization's strategic plans. 4. Help the employee realize his career plans within the organization. 5. Increase the pool of promotable employees by developing sufficient resources at different levels of the Bank to meet management requirements at higher levels this ensuring orderly replacement of management talents.
RANK & FILE PERSONNEL: HEAD OFFICE, PROVINCIAL AND METRO MANILA BRANCHES		
Junior Executive Development Institute - Officer Development Program (JEDI -	The Officer Development Program (JEDI-ODP) is an intensive medium-term training program that provides comprehensive training on branch banking operations and specialized topics designed to develop the overall preparedness and technical competencies of the Bank's future	General Objectives 1. The Program aims to build a critical mass of officers who have acquired comprehensive information on the Bank's organization including its new corporate mission, vision, philosophy and core values. 2. The Program prepares the participant for increased

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ODP) 5 Months	officers. It also aims to ensure a reserve corps of high potential who are adequately trained to assume greater responsibilities in the Bank.	responsibility and new roles for further job advancement.
PNB RANK & FILE PERSONNEL FROM THE HEAD OFFICE, PROVINCIAL AND METRO MANILA BRANCHES WHO HAVE A MINIMUM OF TWO YEARS OF SERVICE WITH THE BANK		
Junior Executive Development Institute-Management Development Program (JEDI) 9 Months	The Junior Executive Development Institute-Management Development Program (JEDI) is an intensive leadership and management development program and comprehensive training designed to develop the overall preparedness and technical competencies of existing employees who will become the Bank's future officers. It also aims to ensure a reserve corps of high potential personnel who are adequately trained to assume any officer position in any group within the Bank.	General Objective 1. The Program aims to train officers with high potential to move up the corporate ladder and could be farmed out to different groups aimed at the Bank's succession plan.
HIGHLY QUALIFIED RANK-AND-FILE EMPLOYEES		
Fast-Track Training Program (FTTP) 65 days	The Fast-Track Training Program (FTTP) is a management development program for Branch Officers. It is designed to reinforce the competencies and expertise of high-potential rank-and-file employees in managing and servicing the Bank's business.	At the end of the program, the participants are expected to: 1. Acquire knowledge of the Bank Products and Services and their specific features and peculiarities 2. Be familiarized with different aspects of banking such as; Branch Operations, Risk Management, Compliance and other technical aspects of banking. 3. Demonstrate the necessary competencies needed by a Branch Officer, such as Interpersonal and Communication skills, Selling skills, Product knowledge
ALL EMPLOYEES		
Merger Kapihan Session 30 mins. – 1 hour	The Merger Kapihan is the primary tool used for disseminating merger-related information to all employees of the Bank. It aims to address some of the most commonly cited issues, and to provide a clear idea to employees as to what will happen during the entire integration process. All employees of both PNB and Allied Bank were required to attend the Kapihan, and each session was conducted by an assigned facilitator for each office, division, department, or branch. A separate program was conducted for the selected facilitators of the Kapihan. To cover all facilitators nationwide, the Orientation was conducted in Baguio, Cebu, Davao, and at the Head Office twice.	1. To enlighten the employees on the value of the merger by communicating its guiding principles and critical elements 2. To provide an opportunity for employees to ask questions, state concerns, and share insights regarding the various aspects of the merger that are relevant to them 3. To pave the way for a seamless, controlled, and predictable transition for Day One of the merged Bank 4. To enhance employees ability to respond to customer's questions and expectations about the merger
ALL EMPLOYEES		

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<p><i>AML Compliance Seminar</i></p> <p>1 Day</p>	<p><i>Money laundering is gaining both national and international attention. Therefore, the pressure is increasing on institutions to comply with the money laundering regulations and take effective steps to combat money laundering.</i></p> <p><i>This course aims to provide basic money laundering training to both public and private sector officials in a better, quicker and more efficient way by making them familiar with many of the laws and regulations now enhanced to deter money laundering. It will give a holistic overview of money laundering standards and issues, including definitions, various processes of money laundering, and impact of money laundering on international development.</i></p>	<p><i>In this anti-money laundering course you will:</i></p> <ol style="list-style-type: none"> <i>1. Describe money laundering and the challenges and risks involved in combating it</i> <i>2. Recognize the key stages in money laundering and the principal techniques used by money launderers</i> <i>3. Gain insight into how to establish and use customer profiles</i> <i>4. Identify and report on suspicious activities</i> <i>5. Articulate the objectives and principal elements of a "Know Your Customer" policy</i> <i>6. Describe the key processes and technologies to fight money laundering</i> <i>7. Comprehend local AML regulations and key reporting requirements</i>
<p><i>Interpersonal Effectiveness Program (Team Building)</i></p> <p>2 Days</p>	<p><i>Achieving the organization's goals is the job of all members of a team. By leading, inspiring, persuading and developing a creative work environment, the team can achieve beyond expectations. Team dynamics are also the core elements needed to accomplish the challenges and opportunities presented each day. Developing partnerships and alliances is an essential aspect of effective organizations.</i></p>	<p><i>All participants will engage in a meaningful and active exploration of the issues facing the group and how good team and leadership skills will benefit all team members. Particular attention will be paid to objectives set out by the client; some examples are:</i></p> <ol style="list-style-type: none"> <i>1. Giving the team an opportunity to have some fun together.</i> <i>2. Emphasizing leadership skills as integral to great teamwork</i> <i>3. Exploring ways the team sees your organization's mission and</i> <i>4. Values applied in their day-to-day work lives.</i>
<p><i>Effective Supervision Skills Training</i></p> <p>2 Days</p>	<p><i>This course helps participants to make the transition from team member to an efficient and respected supervisor.</i></p> <p><i>Our supervisory management skill course covers all the important areas a supervisor has to cope with. Through exercises, case studies, practical examples and clear guidelines we will develop the necessary skills and knowledge to achieve results through the effective supervision of staff.</i></p> <p><i>Who will benefit:</i></p> <p><i>First line managers, supervisors or team leaders new to the role of supervision, or for anyone who is</i></p>	<p><i>After the training program, participants should be able to:</i></p> <ol style="list-style-type: none"> <i>1. To provide supervisors with the necessary knowledge, skills and behaviors to increase their effectiveness in their current roles.</i> <i>2. To equip supervisors with the managerial skills necessary for them to adapt to changing demands in the future.</i> <i>3. To improve succession planning by providing a structured development program that will enable supervisors to fulfill their potential within the company.</i>

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	<p><i>considering taking on or applying for a new position that requires supervision of others.</i></p> <p><i>This course helps participants to make the transition from team member to an efficient and respected supervisor.</i></p>	
<p>Junior Executive Development Institute-Management Development Program for Relationship Officers (JEDI - ROC)</p> <p>14 days (weekends)</p>	<p>The Relationship Officer Certification Program (ROCP) is a modular management development program. It is designed to reinforce the competencies of Relationship Officers in the different facets of banking, selling and leadership. The program is also intended to fast track the career development of ROs into becoming branch managers.</p>	<p>At the end of the certification program, the participants are expected to:</p> <ol style="list-style-type: none"> 1. Acquire knowledge of the Bank Products and Services and their specific features and peculiarities 2. Be familiarized with different aspects of banking such as: (a) Risk Management; (b) Compliance; (c) Trust Banking; (d) Treasury; (e) Retail Banking; (f) Institutional Banking; and (g) Other technical aspects of banking 3. Demonstrate the necessary competencies needed by a Branch Manager and Relationship Officer, such as the following: (a) Supervisory and leadership skills; (b) interpersonal and Communication skills; (c) Selling skills; and (d) Negotiation skills

G. DISCLOSURE AND TRANSPARENCY

2. External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SGV & Co.		
-Regular Audit	P9,452,076.00	
-For the offerings of P5 B and P4 B LTNCDs	1,601,600.00	P11,704,000.00

3. Disclosure of RPT

The information relating to the DOSRI loans of the Group follows:

Consolidated	Parent Company					
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Total Outstanding DOSRI Accounts	3,557,857	2,650,526	4,916,441	3,557,857	2,650,526	4,916,441
Percent of DOSRI accounts granted prior to effectivity of BSP Circular No. 423 to total loans	1.40%	2.03%	4.34%	1.45%	2.04%	4.36%
Percent of DOSRI accounts granted after effectivity of BSP Circular No. 423 to total loans	1.40%	2.03%	4.34%	1.45%	2.04%	4.36%
Percent of DOSRI accounts to total loans	1.40%	2.03%	4.34%	1.45%	2.04%	4.36%
Percent of unsecured DOSRI accounts to total DOSRI	1.52%	3.29%	14.60%	1.52%	3.29%	14.60%

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accounts						
Percent of past due DOSRI accounts to total DOSRI accounts	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>
Percent of nonaccruing DOSRI accounts to total DOSRI accounts	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

Details on the significant related party transactions of the Group and the Parent Company as follows:

Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Subsidiaries			
Receivables from customers		<i>778,815</i>	Revolving credit lines with fixed annual interest rate of 4.25% and maturity terms of less than 31 days Unsecured - 564.0 million with no impairment No collateral
Accounts receivable		<i>56,236</i>	Advances to finance deficit in pension liability, remittance cover and additional working capital Non-interest bearing, unsecured, payable on demand
Accrued interest receivable		<i>3,694</i>	Interest on receivables from customers
Deposit liabilities		<i>3,532,328</i>	With annual rates ranging from 0.1% to 3.0% and maturity terms ranging from 30 days to one (1) year
Bills Payable		<i>2,749,457</i>	Foreign currency-denominated bills payable with fixed annual interest rate of 1.03% and maturity term of 180 days; unsecured No collateral
Accrued interest payable		<i>2,184</i>	Interest on deposit liabilities and bills payable
Due to Banks		<i>276,522</i>	Clearing accounts for funding and settlement of remittances
Interest income	<i>36,410</i>		Interest income on receivable from customers
Interest expense	<i>42,095</i>		Interest expense on deposit liabilities and bills payable
Other income	<i>19,225</i>		Rental income with lease term of three (3) years and annual escalation rate of 10%
Other expense	<i>9,979</i>		Share in utilities expense
Other Related Parties			
Receivable from customers		<i>5,066,887</i>	Loans with interest rates ranging from 0.5% to 16.5% and maturity terms ranging from one (1) month to 25 years. Secured - 2.8 billion and unsecured - 0.07 billion; with no impairment Collateral includes bank deposit hold-out, real estate and chattel mortgages
Sales Contract Receivable		<i>105,750</i>	From sale of Investment Property Title will be transferred upon full payment Non-interest bearing loan payable within one year Secured- 105.8 million, with no impairment Collateral pertains to investment property sold
Accrued interest receivables		<i>21,445</i>	Interest on receivables from customers
Bills payable		<i>40,541</i>	Foreign currency-denominated bills payable with fixed annual interest rate of 1.77% and maturity term of 181 days, no collateral
Deposit liabilities		<i>4,990,785</i>	With annual rates ranging from 0.38% to 1.73% and

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			maturity terms ranging from 30 days to one (1) year
Interest income	94,512		Interest income on receivable from customers
Profit from asset sold	20,858		Gain from sale of investment property
Interest expense	7,154		Interest expense on deposit liabilities
Other income	78,246		Rental income with lease term of 10 years from November 1, 2007 to October 31, 2017 and annual escalation rate of 5% starting sixth year of the lease term
Due from other banks		2,961,030	Includes savings deposits with interest rate of 0.13%
Investment securities		270,212	52,443,860 shares of stock classified as AFS investments with allowance for impairment loss of 270.0 million.

H. RIGHTS OF STOCKHOLDERS

(a) Stockholders' Rights

Dividends

The Bank has not declared any cash or stock dividends on its common equity for the fiscal year 2013. The Bank's ability to pay dividends is contingent on its ability to set aside unrestricted retained earnings for dividend distribution. In addition, the Bank's declaration of dividends, including computation of unrestricted retained earnings, is subject to compliance with certain rules and regulations prescribed by the BSP as provided under the Manual of Regulations for Banks (MORB).

(b) Stockholders' Participation

Measures Adopted	Communication Procedure
Adoption of SRC Rule 20 – Disclosures to Stockholders Prior to Meeting	Mailing of the Information Statement and Management Report together with the latest Audited Financial Statement to the stockholders at least 15 business days <i>prior to the</i> date of the stockholders' meeting.
Section 4.4, Article IV of the Bank's Amended By-Laws.	Publication of Notice of Meeting for one (1) week daily in at least one newspaper of newspaper of general circulation
Adoption of the Question and Answer Portion	Stockholders are allowed to take the floor and asked questions to the Chairman of the Board, the other directors or the officers of the bank to air their concerns. If the queries cannot be addressed immediately on the floor, the stockholders are encouraged to <i>have</i> dialogue with Management after the meeting.

(c) Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

- Date of sending out notices:

Date Sent

For the Annual Stockholders' Meeting *April 29, 2013 to May 6, 2013*
held on *May 28, 2013*:

In compliance with SRC Rule 20 (3)(c)(iv), the Information Statement, Management Report and written notice of the meeting was sent to the shareholders of record at least fifteen (15) business days prior to the date of the meeting. In addition, the notice of meeting was likewise published by the Corporate Secretary for one (1) week daily in at least one newspaper of general circulation in the Philippines, in accordance with Section 4.4, Article IV of the Bank's Amended By-Laws.

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- Date of the Annual/Special Stockholders' Meeting:
Date of Special Stockholders' Meeting: *None*
Date of Annual Stockholders' Meeting: *May 28, 2013*

Section 4.2, Article IV of PNB Amended By-Laws states that "the annual meeting of the stockholders shall be held at the principal office of the Bank on the last Tuesday of May of each year unless such day is a legal holiday in which case the business day next following shall be the meeting day for the particular year".

(d) State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

Questions and Answers during the Annual Stockholders' Meeting held on May 28, 2013:

- Q. *Mr. Stephen Soliven, a stockholder, asked about the nature of the substantial increase in the Other Liabilities of the bank.*
- A. *Mr. Zacarias Gallardo, the bank's Chief Financial Officer, explained that the audited financial statements presented were consolidated and included the books of PNB General Insurers Co., Inc., as subsidiary of PNB. The Insurance Contract Liabilities pertains to the insurance premiums of PNB General Insurers Co., Inc.*
- Q. *Ms. Eugenia Socorro Gomez, a stockholder and former employee, asked the Board and Management to look into the retirement program of the bank for all its employees.*
- A. *President Mier commented on the issue on the retirement program of the employees. He said that he would ask the new Human Resource Group Head to look at it again before the next CBA.*
- Q. *Mr. Mariano Soria, a stockholder and employee of the bank, stated that one item that was still pending in the bargaining of the CBA was the retirement program for the employees.*
- A. *Chairman Tarriela said that the unfinished provision in the CBA is something that Management should look at and focus on before the next annual stockholders' meeting of the bank.*
- Q. *Mr. Soria also asked about the transfer of the Head Office to Makati.*
- A. *President Mier explained that the reason for the transfer is that the PNB Head Office in Pasay is quite huge and inefficient and at the same time, the electric power expenses are very hefty. He said the transfer has to be done properly and they want to make sure that there is enough space in PNB Makati.*
- Q. *Mr. Noel Zapanta, a stockholder, asked if the Board has considered or discussed any specific plan regarding the 100th year anniversary of the bank. He also said that he was not able to receive his notice of the meeting.*
- A. *Chairman Tarriela instructed the Corporate Secretary to make sure that all notices of the meeting are received by the stockholders on time. Atty. Doris Te, the Corporate Secretary, said that she would have one of the staff approach Mr. Zapanta to update his mailing address. President Mier said that the bank will definitely have a celebration for its 100th year anniversary.*
- Q. *Mr. Jose Lis Leagogo, a stockholder, congratulated the Board and the employees as well as those who are responsible for the successful merger of the bank despite the insurmountable obstacle cited during the last stockholders' meeting which was the reason for the delay of the merger. He expressed his confidence and optimism that dividends will be declared by 2015.*
- A. *The Chairman expressed her gratitude to the Board of Directors, the President, Management, officers and staff and all the employees of the bank for their respective contributions to the positive performance of the bank for the year 2012. She thanked the stockholders for their invaluable support and understanding.*

Please note that items in italics represent changes or updates.

**PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR**

(e) Result of Annual/Special Stockholders' Meeting's Resolutions

<i>2013 Annual Stockholders' Meeting</i>			
<i>Resolution</i>	<i>Approving</i>	<i>Dissenting</i>	<i>Abstaining</i>
<i>Confirmation of the Minutes of the 2012 Annual Stockholders' Meeting Held on May 29, 2012</i>	<i>Unanimous</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>Notation of President's Report</i>	<i>Majority</i>	-	24,639,291
<i>Approval of the 2012 Annual Report</i>	<i>Unanimous</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>Approval of the Increase in Authorized Capital Stock of the Bank from Php50,000,000,040.00 divided into 1,250,000,001 Common Shares with a par value of Forty Pesos (Php40.00) per Share to Php70,000,000,040.00 divided into 1,750,000,001 Common Shares with a par value of Forty Pesos (Php40.00) per share</i>	<i>Majority</i>	28,034,90 1	-
<i>Approval of the Amendment of Article VII of the Articles of Incorporation to reflect the aforementioned increase in the Authorized Capital of Stock of the Bank</i>	<i>Majority</i>	28,034,90 1	-
<i>Ratification of All Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2012 Annual Stockholders' Meeting</i>	<i>Unanimous</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
<i>Approval of the Election of the following Directors:</i>			
<i>a) Florencia G. Tarriela</i>	<i>Majority</i>	179,073	-
<i>b) Felix Enrico R. Alfiler</i>	<i>Majority</i>	642,985	-
<i>c) Florido P. Casuela</i>	<i>Unanimous</i>	-	-
<i>d) Anthony Q. Chua</i>	<i>Majority</i>	642,985	-
<i>e) Leonilo G. Coronel</i>	<i>Unanimous</i>	-	-
<i>f) Reynaldo A. Maclang</i>	<i>Majority</i>	642,985	-
<i>g) Estelito P. Mendoza</i>	<i>Majority</i>	642,985	-
<i>h) Omar Byron T. Meir</i>	<i>Majority</i>	1,249,515	-
<i>i) Christopher J. Nelson</i>	<i>Majority</i>	822,058	-
<i>j) Washington Z. Sycip</i>	<i>Majority</i>	822,058	-
<i>k) Harry C. Tan</i>	<i>Majority</i>	6,849,380	-
<i>l) Lucio C. Tan</i>	<i>Majority</i>	991,598	-
<i>m) Lucio K. Tan, Jr.</i>	<i>Majority</i>	1,197,728	-
<i>n) Michael G. Tan</i>	<i>Majority</i>	1,428,588	-
<i>o) Deogracias N. Vistan</i>	<i>Majority</i>	873,845	-
<i>Appointment of External Auditor</i>	<i>Unanimous</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

(f) Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

The results of the Annual Stockholders' Meeting (ASM) were immediately disclosed to the bank's regulators, i.e., the Philippine Stock Exchange (PSE), the Bangko Sentral ng Pilipinas (BSP), and the Securities and Exchange Commission (SEC) right after the ASM on May 28, 2013. A press conference was also held after the ASM.

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PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR

- Stockholders' Attendance

Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual Stockholders' Meeting	<i>Chairman F.G. Tarriela</i> <i>Vice Chair F.E.R. Alfiler</i> <i>Director F. P. Casuela</i> <i>Director A. Q. Chua</i> <i>Director L. G. Coronel</i> <i>Director R.A. Maclang</i> <i>Director O.B. T. Mier</i> <i>Director C. J. Nelson</i> <i>Director H. C. Tan</i> <i>Director L. C. Tan</i> <i>Director M. G. Tan</i> <i>Director D. N. Vistan</i> <i>Board Advisor W. T. Lim</i> <i>EVP M. E. Piccio</i> <i>EVP C. C. Dobles</i> <i>EVP J. B. Hernandez</i> <i>EVP H. E. Cebrero III</i> <i>EVP Z. E. Gallardo, Jr.</i> <i>FSVP R. E. Abasolo</i> <i>FSVP Y. M. Albano</i> <i>FSVP C. C. Audencial, Jr.</i> <i>FSVP M.A. G. Gonzales</i> <i>FSVP R. L. Lim</i> <i>FSVP B. s. Oliva</i> <i>FSVP E.G.V. Plan II</i> <i>FSVP E.A. S. Sarte</i> <i>FSVP R.Z. Sison</i> <i>SVP A. Z. Cordero</i> <i>SVP E. Centeno</i> <i>SVP M.P. Lim</i> <i>SVP J.H. Medina</i> <i>SVP A.M. Padilla</i> <i>SVP C.A. Pama</i> <i>SVP E.A. Tuazon</i> <i>FVP D. T. Lim</i> <i>FVP M. C. Bahena</i>	May 28, 2013	<i>In person and by a representative to act by written proxy</i>	0.004%	77.665 %	77.668%

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**PHILIPPINE NATIONAL BANK
SUMMARY OF CHANGES OR UPDATES IN 2013 ACGR**

- Definitive Information Statements and Management Report

	Annual Stockholders' Meeting (May 28, 2013)
Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	30,690
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	<i>April 29, 2013 – May 6, 2013</i>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<i>April 29, 2013 – May 6, 2013</i>
State whether CD format or hard copies were distributed	<i>CD Format</i>
If yes, indicate whether requesting stockholders were provided hard copies	<i>Numerous printed (hard) copies of the Information Statement together with the Audited Financial Statements were made available during the Annual Stockholders' Meeting and given to the requesting stockholders. Moreover, printed (hard) copies were sent to the stockholders upon receipt of their written request.</i>

- Does the Notice of Annual/Special Stockholders' Meeting include the following:

	Special Stockholders' Meeting	Annual Stockholders' Meeting (May 28, 2013)
Each resolution to be taken up deals with only one item.	<i>Not Applicable</i>	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	<i>Not Applicable</i>	Yes
The auditors to be appointed or re-appointed.	<i>Not Applicable</i>	Yes
An explanation of the dividend policy, if any dividend is to be declared.	<i>Not Applicable</i>	<i>Not Applicable</i>
The amount payable for final dividends.	<i>Not Applicable</i>	<i>Not Applicable</i>
Documents required for proxy vote.	<i>Not Applicable</i>	<i>Proxies are not solicited.</i>

I. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company in 2013.

<i>Initiative</i>	<i>Beneficiary</i>
<i>Financial Literacy Project in partnership with Bangko Sentral ng Pilipinas</i>	<i>Elementary Schoolchildren</i>
<i>NLEX Tree Planting Project</i>	<i>Local communities along NLEX</i>
<i>Pagtutulunganng Bayan</i>	<i>Victims of calamities</i>
<i>Global Filipino Scholarship Project</i>	<i>Children of OFWs</i>
<i>Zamboanga Community Assistance Project</i>	<i>Homeless Zamboanga still residing in evacuation centers</i>

Please note that items in italics represent changes or updates.

**SUMMARY OF CHANGES OR UPDATES REPORTED IN SEC FORM 17-C
FOR FULL YEAR 2013**

DATE	SEC 17-C (CURRENT REPORT) FOR THE YEAR 2013
01-07-13	Promotion of five PNB senior officers effective January 07, 2013 with their beneficial ownership on PNB shares.
01-18-13	<p>Receipt of advice from the Financial Services Authority (FSA) of the United Kingdom approving the change in control of Allied Bank Philippines (UK) Plc and PNB (Europe) Plc in relation to the upcoming merger between PNB and ABC.</p> <p>Receipt of SEC approval on the merger and the corresponding amendment of Articles VI and VII of PNB's Amended Articles of Incorporation (AOI) reclassifying PNB authorized preferred shares into common shares and increasing the number of directors from eleven (11) to fifteen (15).</p>
01-22-13	Setting of the effective date of the merger of PNB and Allied Banking Corporation (ABC) on February 09, 2013.
02-11-13	<p>Result of the Organizational and Special Meeting of the Board of Directors on February 9, 2013:</p> <ol style="list-style-type: none"> (1) Resignation of Mr. Carlos A. Pedrosa as director and President & CEO; resignations of Mr. Domingo T. Chua and Mr. John G. Tan as directors; (2) Assumption of office of the three (3) directors for the merged bank; (3) Election of Mr. Reynaldo Maclang as a director; (4) Appointment of the directors and officers to various positions; (5) Amendment of Article VII of the bank's Amended AOI increasing the authorized capital stock by 500 million common shares; (6) Announcement of various senior officers of the merged bank
02-14-13	Beneficial ownership over PNB of thirteen (13) senior officers.
02-22-13	<p>Holding of the Annual Stockholders' Meeting (ASM) on May 28, 2013; Record Date of April 29, 2013.</p> <p>Appointment of Mr. Alberto E. Bienvenida as President of PNB Capital and Investment Corporation.</p>
03-18-13	Submission of Audited Financial Statements of PNB and Subsidiaries and ABC and Subsidiaries as of December 31, 2012 and 2011 and January 1, 2011, and Years Ended December 31, 2012, 2011, 2010.
04-05-13	Receipt of advice that the LT Group, Inc., had acquired indirect ownership of PNB shares by purchasing 7 companies which own 22.74% of equity in PNB and thereafter, acquisition of additional indirect ownership in PNB, subject to regulatory approvals, by subscribing to an increase in capital stock of 10 companies which likewise own 25.87% in equity in PNB.
04-26-13	Appointment of Sycip Gorres Velayo (SGV) & Co, as the bank's external auditor for the year 2013; appointment of Ms. Alice Z. Cordero as the Chief Compliance Officer of Allied Savings Bank (ASB) and secondment of Mr. Edgardo T Nallas as President & CEO of Japan-PNB Leasing and Finance Corporation.

04-30-13	Nominees for the Board of Director of the PNB for the Year 2013-2014.
05-07-13	Exercise of PNB's Call Option on its P6.0 Billion 8.5% Unsecured Subordinated Notes due on June 19, 2018 amounting to P5,818,300,000.00 (Series A) and P 181,700,000.00 (Series B). The Call Option date will be on June 20, 2013.
05-24-13	Nomination of Mr. Leonilo G. Coronel as a member of the Board of Directors of PNB for the Year 2013-2014.
05-27-13	Affidavit of Publication re: nomination of Mr. Leonilo G. Coronel as a member of the Board of Directors of PNB for the Year 2013-2014.
05-28-13	Results of the ASM of PNB: (1) Increase in Authorized Capitol Stock to Php 70,000,000,040.00 divided into 1,750,000,001 Common Shares with a par value of Forty pesos (Php40.00) per share; (2) Amendment of Article VII of the Amended AOI to reflect the increase in the authorized capital stock; (3) Election of the 14 directors; (4) Appointment of SGV & Co. as the bank's External Auditor.
06-28-13	Resignation of Mr. Rafael G. Ayuste, Jr., First Senior Vice President (FSVP) and Group Head of Trust Banking Group, effective July 15, 2013.
07-16-13	Receipt of authority from the Bangko Sentral ng Pilipinas (BSP) to issue Long Term Negotiable Certificates of Time Deposit (LTNCDs) up to Php 5 Billion.
07-22-13	Submission of the Consolidated Financial Statements of the PNB and Subsidiaries as of March 31, 2013, December 31, 2012 and January 1, 2012 and for the three (3) month period ended March 31, 2013 and 2012 and Independent Auditor's Report
07-25-13	Copies of the newspaper print ad and press release re: Issuance of LTNCD.
07-25-13	Press Release re: "PNB closes LTNCD offering in record time".
07-25-13	Pricing of PNB's PHP5 billion 5.5 year LTNCD at 3.00%.
07-26-13	Retirement of Mr. Antonio Q. Chua, SEVP and COO; and Ms. Ma. Elena B. Piccio, EVP and Group Head of Institutional Banking Group (IBG); Appointment of Mr. Cenon C. Audencial, Jr. FSVP as Head of IBG; and Atty. Josephine Jolejole, FVP as Officer-in-Charge of Trust Banking Group.
08-13-13	Issuance of LTNCDs
08-15-13	Press Release re: PNB's 2013 1 st Half Net Income Surges to Php5.3 Billion, Up 125% Y-O-Y.
09-30-13	Promotion of three senior officers; Board Committees for the year 2013-2014; Creation of the Board Oversight RPT Committee (BORC); 2013 Corporate Governance Manual; and Appointment of Mr. Manuel T. Gonzales as a Board Advisor.
10-09-13	Receipt of BSP authority to issue LTNCD and Press Release re: Issuance of Php denominated LTNCDs.

10-21-13	Press Release: PNB raises Php 4 billion after successful LTNCD offer.
10-29-13	Secondment of Mr. Elfren Antonio S. Sarte, FSVP and Head Of Consumer Finance Group, as President of Allied Savings Bank (ASB).
11-07-13	Conduct of a Stock Rights Offering and Share Offering (Offer).
11-14-13	Shares to be offered in connection with the Stock Rights Offering to be issued partly from the Bank's authorized but unissued capital stock and partly in support of the increase in authorized capital stock previously approved by the Board and shareholders.
11-18-13	Filing of application for confirmation of exemptive relief of the Offer Shares from the registration requirements under the Securities Regulation Code (SRC) of the Securities and Exchange Commission (SEC); and application for listing of the Offer Shares with the Philippine Stock Exchange (PSE).
11-21-13	Filing of amended application for confirmation of exemptive relief from the registration requirements under the SRC.
11-22-13	Appointment of Mr. Emmanuel A. Tuazon, Senior Vice President as Marketing Director of ASB on a secondment basis effective December 1, 2013; designation of Ms. Janette Y. Abad Santos, Vice President, as Acting Head of the Marketing Group to replace Mr. Tuazon; designation of Ms. Modette Ines V. Cariño, Vice President, as Acting Head of the Consumer Finance Group, to replace Mr. Elfren Antonio S. Sarte; increase in equity investment in Allied Commercial Bank in the amount of US\$14.13M.
11-25-13	Beneficial ownership over PNB shares of Ms. Abad Santos (VP) and Ms. Carino (VP).
11-27-13	Engagement of Credit Suisse (Singapore) Limited and Deutsche Bank AG, Hongkong Branch as Joint International Lead Managers and International Lead Underwriters and PNB Capital and Investment Corporation as Sole Domestic Underwriter for the Stock Rights Offering.
12-05-13	SEC approval of PNB's application for confirmation of exempt transaction in respect of the 32,600,000 shares which shall be issued from the Bank's authorized but unissued capital pursuant to the Bank's proposed Stock Right's Offering.
12-13-13	Receipt of advice of commitment of subscription of the LT Group, Inc. to at least 97,800,000 shares to the Stock Rights Offering
12-20-23	Investment/infusion of additional equity in Allied Savings Bank (ASB) amounting to Php10 Billion