

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section? (updated – 2015)

Yes. The Bank's corporate social responsibility (CSR) programs are under the purview of the Office of the President of the Bank. The Bank has implemented the following CSR programs in 2014 and 2015:

- For the Year 2015:
- Young & Empowered Students for the Philippines (YESPH)
 - Pagtutulungan ng Bayan Outreach Projects
 - medical/funeral assistance to PNB employees and their families
 - cash assistance to employee-victims of Typhoon Lando
 - PNB-Tan Yan Kee Foundation, Inc. Partnership - TESDA Tacloban Motorcycle Repair Training
- For the Year 2014:
- PNB Greener Path Project of NLEX
 - Dr. Lucio Tan Legacy Forest Project
 - Greener Project in Negros Oriental
 - UPLB Coco-peration
 - Tacloban Mangrove Project
 - Assistance to Tacloban Elementary School
 - Books Across the Seas Project
 - Assistance to Sister of Mary Girstown Students
 - PNB Gives Relief Goods to Caloocan Fire Victims
 - PNB-PMAP Med Mission (Pagtutulungan ng Bayan)
 - Typhoon Glenda/Mario (Pagtutulungan ng Bayan)
 - Little Angels Home (Pagtutulungan ng Bayan)
 - Donation to Tan Yan Kee Foundation

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

PNB recognizes and values its employees as its greatest asset. PNB also believes that the promotion of employee welfare can create happy, loyal and productive employees.

Therefore, PNB has institutionalized programs and policies that protect, enhance and nurture employees' health, safety and general welfare and the giving of awards/recognition through the following:

- Wellness/Insurance
 - Coverage under a health care maintenance program (including employees' qualified dependents)
 - Coverage under a group term life and accident insurance
 - Conduct of annual physical exam; provision of gyms, badminton and basketball courts; grant of discounted rates for immunization/vaccination and other health/wellness products; conduct of lectures/fora on first aid, fitness/nutrition/diet, stress management and the like; conduct of annual fun runs and different sports tournaments
 - Clinic with doctors, nurses and dentist to provide free medical and dental services and free medicines (pain reliever, anti-allergies, antibiotics, antispasmodic, anti-diarrhea etc.) at the Head Office; and provision of medicine cabinets/first-aid kits in branches
- General Welfare
 - Annual Team Building activity for each Group/Unit/Branch and socialization events that promote camaraderie among employees such as Bank Anniversary and Christmas party
 - Support and recognition to various clubs/associations/cooperative organized by employees that promote, encourage and conduct civic, social, cultural and sports activities, as well as savings and loan facilities among its members and provision of mini-grocery at the Head Office
 - Chapel for spiritual meditation, worship and Eucharistic celebration (daily masses)
 - Financial assistance and special moratorium on payment of employee fringe benefit loans for employees affected by calamity/natural disaster
 - Scholarship for employees' qualified children
 - Free shuttle bus service for Head Office employees (Macapagal Boulevard - Buendia LRT and EDSA-Taft MRT stations routes and back)
 - Canteen with subsidized food rates and coffee shop at the Head Office
 - Free parking space at the Head Office
 - Employee Communications Program which includes: provision of bulletin boards; suggestion boxes; public announcement system; Intranet (e-mail) and on-line newsletters that disseminate Bank policies, corporate updates, job vacancies including tips on health and wellness as well as pointers on being prepared and safe before/during/after natural calamities (earthquake, typhoon, fire and floods)
 - Special interest and foreign exchange rates and waiver of annual fee of the Bank's credit card for employees
 - Office uniforms

- Safety/Security
 - Regular fire and earthquake drill exercises
 - 24/7 or round-the-clock security
 - Top-of-the-line centralized alarm system and CCTV coverage
 - Fumigation of building; regular maintenance of air-conditioning, lighting/electrical, alarm and elevator systems; cleaning of building premises; provision of walkways intended for Persons With Disability (PWD); provision of fire extinguishers and regular maintenance of building water-sprinklers; regular inspection of fire exits
- Awards/Recognition

Service Excellence Award for teams and individuals to recognize and further promote employees' excellence, productivity and professional growth; and Service Award to those who have been servicing the Bank for a number of years.
- Policy on Learning and Development

Learning and development activities are conducted for all levels of employees, taking into account their learning/training needs vis-a-vis the Bank's corporate mission, objectives, strategies and values. Learning and development shall be a shared responsibility among top management, middle management, supervisors, employees and training staff.

The learning programs in PNB are the following:

- Learning within the Bank (In-House)
 - Learning outside the Bank
 - Learning program abroad
 - Orientation and Job Induction of new hires
 - Student Trainee Program
 - Junior Executive Development Institute
 - Management Training Program/Fast Track Training Program
 - Branch Operations Development Program
 - Leadership Courses
 - Human Resources Talent Management Program
- Employee-related approved Bank policies
 - Policy on Resignation and Retirement
 - Policy on Work Schedule
 - Harmonization of Bank Policies on Grant of Bonuses
 - Revisions on the PNB Policy on Transfer of Employee
 - Harmonization Policy on PNB Employees Loans
 - Policy on Special Leave – Anti-Violence Against Women
 - Workplace Policy on HIV/AIDS
 - Harmonization of PNB Policies on Leave Benefits
 - Harmonization Policy on the Group Term Insurance
 - Harmonized Policy on Christmas/Summer Allowance
 - Workplace Policy on Breastfeeding
 - Harmonized Policy on Overtime Pay and Allowance
 - Policy on Bank Expense – Official Travel
 - Policy on Employee Relocation/Dislocation
 - Harmonized Policy on Maternity Leave Benefits

(b) Show data relating to health, safety and welfare of its employees. (updated – October 2016)

- As of June 30, 2016, there are 8,206 Directors, Officers and Staff enrolled under the PNB Group Life Insurance and PNB Group Accident Insurance. A total of 8,126 principals are enrolled under the Bank's comprehensive health care maintenance program covering Directors, Officers, Staff and retired employees with extended coverage. A total of 11,110 subsidized dependents are likewise enrolled under the Bank's healthcare plan.
- A total of 113 PNB Maternity Benefits were processed and paid from January to June 2016.
- The Bank has adopted various health-care activities in the workplace (e.g. discounted vaccinations, lectures on health care or wellness program, etc.). The Bank also has an accredited Health Maintenance Organization (HMO) – accredited physician and nurses who are assigned at the PNB Medical Clinics in Makati and Pasay to attend to various medical needs/consultations of employees. Medicines for minor illnesses (e.g. pain relievers, anti-allergies, antibiotics, anti-spasmodic, anti-diarrhea, etc.) are available at the clinics.

(c) State the company's training and development programmes for its employees. Show the data. (updated – October 2016)

Course Title / Duration	Description	Objectives	Target Employees	No. of Runs	No. of Participants
Orientation	An induction program	At the end of this program, the	Newly Hired	2	6

Workshop (2 days)	advanced tools in mentoring and coaching, and impart to the participants the use of systematic thinking, as opposed to intuition and gut feel, in coaching subordinates. The program will also equip them with fundamental principles, technique and approaches, establishing authentic and meaningful working relationship and to move them towards greater effectiveness in their interface with their mentees.	JEDI Mentors, participants will be able to: <ul style="list-style-type: none"> • Appreciate the link between mentoring/ coaching and leadership • Practice the coaching and mentoring process • Recognize the foundation of emotional quotient and self-mastery • Learn how to create a coaching and mentoring culture • Practice the core competencies • Appreciate the concept and importance of Emotional Intelligence (EQ) • Master the REGROW process and coaching for superior commitment models 			
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(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. (updated – 2015)

Awards/Acknowledgment

Service Excellence Award for teams and individuals to recognize and further promote employees' excellence, productivity and professional growth; and Service Award to those who have been servicing the Bank for a number of years. Meritorious/exceptional performance is recognized through the Bank's semi-annual promotion.

Salary and Benefit Package

Salary and Benefit Package for rank and file employees is reviewed during Collective Bargaining Agreement (CBA) and/or as may be deemed necessary. For officers, compensation package is reviewed periodically based on performance.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation. (updated – October 2016)

Under the Bank's Whistleblower Policy (as approved under PNB Board Resolution No. 04/03-18-16 of March 18, 2016, as amended), employees can report or complain about internally any suspected or actual commission of theft/fraud, corruption, etc. The employee or the whistleblower is protected against retaliation, discrimination, harassment or adverse personnel action, for reporting in good faith a suspected or actual violation. Hence, anyone who retaliates against the whistleblower is subject to disciplinary action, including the possibility of termination/dismissal from the Bank service.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure (updated – 2015)

(a) Holding 5% shareholding or more (as of December 31, 2015)

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Non-Filipino)	116,921,488	9.3601612421	Various
Key Landmark Investments, Ltd.	109,115,864	8.7352812437	Its stockholders
PCD Nominee Corporation (Filipino)	100,080,817	8.0119796659	Various
Solar Holdings Corporation	67,148,224	5.3755576884	Its stockholders
Caravan Holdings Corporation	67,148,224	5.3755576884	Its stockholders