

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

<p>Program for New Hires (5 days)</p>	<p>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.</p>	<p>participants will:</p> <ol style="list-style-type: none"> 1. Be familiar with the bank's goals, history, organizational set-up, functions/ services of the divisions/ departments. 2. Be able to understand the Bank's personnel policies and procedures, employee benefits and other employment-related matters. 3. Be able to know what the Bank expects of you in terms of job performance and conduct. 4. Be able to demonstrate a positive work attitude through a deeper appreciation of the value of your work. 5. Be able to learn and practice the skills on quality customer service with the aim of: <ol style="list-style-type: none"> a. sustaining the Bank's competitiveness in the industry; and b. further strengthening the Bank's corporate image. 	<p>Employees</p>		
<p>Self-Transformation and Rediscovery (STAR) Workshop (2 days)</p>	<p>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 professional image. <i>Program Outline:</i></p> <ul style="list-style-type: none"> • Self-Mastery (Self-Knowledge) • Personal Values • Self-Motivation • Habit • Effectiveness • Good grooming and proper hygiene • Corporate wardrobe and visual poise • Workplace etiquette and social graces • Professional image 	<p>At the end of the training, participants will be able to:</p> <ol style="list-style-type: none"> 1. Provide the participants with the necessary tools to enhance their personal and corporate effectiveness 2. Apply skills on how to achieve self-mastery 3. Rediscover personal and corporate values and integrate them with their actions 4. Set personal goals 5. Demonstrate ways on how to motivate oneself 	<p>Officership Program Participants (Part of FTTP, MTP and JEDI)</p>	<p>2</p>	<p>83</p>
<p>Leadership & Visioning Workshop (2 days)</p>	<p>This workshop aims to provide participants with an introduction to the basic concepts and principles of effective leadership and visioning</p>	<p>At the end of the workshop, the participants would be able to:</p> <ol style="list-style-type: none"> 1. Differentiate leadership and management 2. Describe the five sources of power and how each causes different follower behavior 	<p>Officership Program Participants (Part of FTTP, MTP and JEDI)</p>	<p>3</p>	<p>119</p>

		<ol style="list-style-type: none"> 3. Identify qualities associated with effective leaders 4. Enumerate and describe the different leadership styles and their application 5. Develop an appreciation for having leadership vision 6. Prepare action plans to achieve goals and objectives 			
POC (Planning, Organizing, Controlling) for Productivity (2 days)	This program provides participants with the necessary competencies for day-to-day supervision through the application of the management functions.	<p>At the end of the program, participants would be able to:</p> <ol style="list-style-type: none"> 1. Explain the systems approach to management; 2. Explain the different transformational processes in management to include the basic competencies for each process; and 3. Apply the learnings in planning, organizing, and controlling through structured learning exercises and case studies. 	Officership Program Participants (Part of FTTP, MTP and JEDI)	2	93
Performance Management (2 days)	This course aims to provide the participants with the different management techniques necessary to achieve superior performance	<p>At the end of the workshop, the participants would be able to:</p> <ol style="list-style-type: none"> 1. To explain the importance of performance management. 2. To identify the roles of the officer in performance management 3. To simulate a formal performance review. 	Officership Program Participants (Part of FTTP, MTP and JEDI)	2	93
Managing Effective Teams (MET) (2 days)	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.	<p>At the end of the program, the participants will be able to:</p> <ol style="list-style-type: none"> 1. Recognize the importance of building a team to accomplish goals. 2. Identify the different stages of team development. 3. Identify and practice the necessary skills in managing effective teams. 	Officership Program Participants (Part of FTTP, MTP and JEDI)	3	119
PNB CARES (1 day)	This workshop aims to provide participants with the requisite knowledge and skills to effectively deliver quality customer service for both external and internal customers.	<p>At conclusion of the course participants will be able to:</p> <ol style="list-style-type: none"> 1. Review the concepts and principles of quality customer service. 2. Describe the framework for delivering quality customer service 3. Demonstrate the steps in handling customer complaints 	New Employees (Part of Orientation Program), Officership Program Participants (Part of FTTP, MTP and JEDI)	5	262
Negotiation Skills Training (2 days)	This practical two-day workshop will give participants the tools that	<p>After the training program, participants should be able to:</p> <ol style="list-style-type: none"> 1. Identify the two main 	Employees with Sales Functions	1	26

	are necessary in negotiations to help them identify what is really negotiable. In this highly interactive program, they will learn effective negotiating strategies and tactics. In addition, participants will learn how to read a situation and apply empathy to help minimize the downside risks and avoid bad results.	types of negotiations. 2. Describe types of power available to negotiators. 3. Explain guidelines to making concessions more effectively. 4. Demonstrate various response techniques to use during negotiations	(i.e. AO, RO, BM, etc.)		
Effective Business Writing (2 days)	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.	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.	Officership Program Participants (Part of FTTP, MTP and JEDI)	2	93
Living Your Values Everyday (LIVE) (1 day)	A one-day program which aims to effect clarification and alignment in the value systems of the individual employee with the core values of the Bank.	At the end of the program, you will be able to: 1. Clarify your personal values 2. Appreciate the importance of values in life and work 3. Identify PNB's corporate values 4. Align your personal values with PNB's corporate values	New Employees (Part of Orientation Program), Officership Program Participants (Part of FTTP, MTP and JEDI)	28	1,029
Presentation Skills Training (2 days)	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.	Upon completing this course participants will know how to: 1. Develop and organize a presentation for any audience and any event 2. Design visuals to enhance both the presenter's message & performance 3. Deliver visual information in a way that keeps the audience in sync 4. Handle tough questions 5. Master memorization techniques 6. Use humor effectively	Officership Program Participants (Part of FTTP, MTP and JEDI)	3	134

Developing People (2 days)	This program aims to introduce participants to the different concepts of learning and people development.	At the end of the workshop, the participants would be able to: 1. Define training and appreciate its benefits 2. Explain the steps involved in the Training Cycle 3. Enumerate and describe the adult learning principles 4. Enumerate and apply the steps to On-The-Job-Coaching	Officership Program Participants (Part of FTTP, MTP and JEDI)	2	93
Management Training Program (MTP) (87 days)	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-and-File personnel from Head Office and other special units of the Bank	1	43
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	Officer Candidates (Branches)	1	50
Teller Training Program (13 Days)	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,	At the end of the program, the participants are expected to: 1. Understand their duties and responsibilities as Bank Tellers 2. Identify the different Retail Cash Products and other Bank products	SSA-Tellers	2	123

	emphasizing on tellering duties. Re-orientation of Bank Tellers on Company profile and HR related policies are also included in the seminar.	<ol style="list-style-type: none"> 3. Be familiarized with the Clearing Operations and Teller System 4. Improve skills in tellering operations, such as in handling cash, verifying signatures, and detecting counterfeit money, KYC, and providing customer service. 5. Be re-oriented with the Company profile and HR policies 			
New Accounts Seminar (7 days)	This course aims to provide participants with the knowledge and skills to efficiently handle the opening and servicing of accounts.	<p>At the end of the course the participants should be able to :</p> <ol style="list-style-type: none"> 1. Comply with Bank's guidelines, procedures and KYC Policy in opening and servicing of accounts. 2. Identify and discuss the Bank's products and services. 	SSA-New Accounts Service Reps	1	45
Branch Banking System (3 days)	This two-day program aims to provide employees the use of the Core Banking System.	To know how to use and operate the new Core Banking System and its online components to effectively process the financial and non-financial transactions of the Bank.	Branch Employees	4	1,162
Fundamentals of Supervision (2 days)	This two-day course aims to help participants make the transition from team members to responsive and effective supervisors. The discussion and activities will focus on the roles, responsibilities and basic competencies of a supervisor.	<p>At the end of the training, participants will be able to:</p> <ol style="list-style-type: none"> 1. Define supervision and explain its transformational processes. 2. Appreciate the roles and responsibilities of a manager. 3. Practice the necessary competencies for day-to-day supervision through the use of structured learning exercises and case studies. 4. Prepare and present a program plan of action. 	Supervisors	2	64
Officership Certification Program (16 days)	This 16-day course is designed to upgrade the knowledge and competence of the Bank's officers in various areas of branch operations.	<ol style="list-style-type: none"> 1. Provide a review of branch operational policies and procedures relative to the Sales and Service functions. 2. Enable the participants to assess their customer service and develop a supportive team climate for the delivery of excellent customer service. 	Officership Program Participants (Branch Officers)	1	31
Junior Executive Development Institute (JEDI)	The Junior Executive Development Institute – Management Development Program (JEDI) is an extensive leadership and management development program and comprehensive training designed to	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.	PNB Rank-and-File personnel from the Head Office, Provincial and Metro Manila branches who have a minimum of two years of	1	26

	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.		service with the Bank		
In-Branch Selling/High Impact Selling Workshop (2 days)	This two-day program aims to provide participants with the knowledge and skills to transform their branch into an aggressive sales-oriented distribution point.	At the end of this workshop, the participants will be able to: 1. Develop a sales-oriented mindset. 2. Identify the musts to having a positive attitude. 3. Enumerate and practice the steps in building good sales relationships. 4. Enumerate and apply the steps to the selling cycle.	Officership Program Participants (Part of FTTP and JEDI)	6	198
Consulting Skills Program (1 day)	This workshop aims to provide participants with the requisite knowledge and skills in becoming effective consultants, improving personal integration and enhancing their consulting skills.	At the end of the 1-day consulting skills workshop, participants will be able to: 1. Gain awareness that the key tool in consulting is the integrated person of the consultant. 2. Get to know the client, his/her personality issues, and dilemmas. 3. Develop the proper service knowledge, attitudes, and skills, specifically, facilitation skills. 4. Understand the consulting cycle, standards and measures of excellence for each phase. 5. Appreciate what it takes to go the extra mile for the JEDI Trainee through best practices.	JEDI Mentors	3	53
Courseware Design (1 day)	This workshop aims to provide participants with the tools to design and evaluate effective classroom training for their audience according to the training guidelines and objectives.	At the end of the workshop: The participants will be able to design and evaluate effective classroom training for their audience according to the training guidelines and objectives. Specifically, they will be able to: <ul style="list-style-type: none"> • Appreciate the learning principles • Describe the training cycle • Write clear training objectives • Prepare a complete program design • Evaluate training effectiveness 	Trainers	1	44
Coaching and Mentoring Skills	This program aims to provide PNB Mentors the	At the end of 1-day mentoring and coaching skills program for	JEDI Mentors	3	55

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 			
----------------------	---	---	--	--	--

- (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. (updated – 2015)

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. 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