

Philippine Business Bank, Inc. A Savings Bank
List of Supplementary Information
December 31, 2013

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** These schedules and supplementary information are not included as these are not applicable to the*

PHILIPPINE BUSINESS BANK, INC. (A SAVINGS BANK)

SEC Released Amended SRC Rule 68

Annex 68-E

Schedule A - Financial Assets

December 31, 2013

(Amounts in Philippine Pesos)

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount	Amount Shown in the Statement Financial Position	Value Based on Market Quotation at Statement of Condition Date	Income Received and Accrued
1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Bureau of the Treasury	P 800,000,000	P 917,529,252	P 917,630,877	P 47,375,000
2. AVAILABLE-FOR-SALE FINANCIAL ASSETS				
A. Equity Securities				
xxx				
B. Debt Securities				
Bureau of the Treasury	P 4,365,386,673	P 5,375,155,582	P 5,375,155,582	P 320,669,266
Republic of the Philippines	1,243,060,000.00	1,296,325,121	1,296,325,121	62,153,000
Metropolitan Bank & Trust Co.	4,439,500.00	4,737,524	4,737,524	399,555
SM Investments Corp.	310,765,000.00	297,274,691	297,274,691	13,207,513
Citic Pacific Ltd.	177,580,000.00	163,648,849	163,648,849	12,075,440
Ptt Public Company Ltd.	110,987,500.00	85,575,802	85,575,802	4,994,438
Republic of the Indonesia	443,950,000.00	380,349,723	380,349,723	23,307,375
Int'l Container Terminal Services Inc.	8,879,000.00	8,161,577	8,161,577	410,654
JGSH Philippines Ltd.	88,790,000.00	81,091,907	81,091,907	3,884,563
Petron Corporation	33,296,250.00	32,768,837	32,768,837	2,497,219
Filinvest Development Corp	199,777,500.00	182,960,230	182,960,230	8,490,544
Subtotal	P 6,986,911,423	P 7,908,049,843	P 7,908,049,843	P 452,089,565
3. HELD-TO-MATURITY INVESTMENTS				
Bureau of the Treasury	P 8,000,000	P 8,656,409	P 8,656,409	P 560,000
GRAND TOTAL	P 7,794,911,423	P 8,834,235,504	P 8,834,337,129	P 500,024,565

PHILIPPINE BUSINESS BANK, INC. A SAVINGS BANK
Schedule B - amounts Receivable from Directors, Officers Employees, Related
Parties and Principal Stockholders (Other than related parties)
December 31, 2013

Name and Designation of debtor	Balance at beginning of the period	Additions	Deductions		Current	Non Current	Balance at end of period
			Amounts collected	Amounts written off			
<u>RECEIVABLES FROM CUSTOMER</u>							
Asiawide Airways, Inc.	P 500,260,762	P -	(P 260,762)	-	-	-	P 500,000,000
Gidget Salud	726,900	9,862	-	-	-	-	736,762
Zest airways, Inc.	281,793,024	450,000,000	(281,793,024)	-	-	-	450,000,000
Advances to Officers and Employees	18,060,438	4,988,489	-	-	-	-	23,048,927
Alfredo M. Yao	-	241,009,750	-	-	-	-	241,009,750
Subtotal	<u>P 800,841,124</u>	<u>P 696,008,101</u>	<u>(P 282,053,786)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>P 1,214,795,439</u>
<u>CONTINGENT ACCOUNTS</u>							
Zest Airways, Inc.	P 217,964,847	P -	(P 17,964,847)	-	-	-	P 200,000,000
Mega Asia Bottling Corp.	-	8,000,000	-	-	-	-	8,000,000
Zest-O Corporation	-	10,000,000	-	-	-	-	10,000,000
Asiawide Refreshments	-	12,000,000	-	-	-	-	12,000,000
Subtotal	<u>P 217,964,847</u>	<u>P 30,000,000</u>	<u>(P 17,964,847)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>P 230,000,000</u>
TOTAL	P 1,018,805,971	P 726,008,101	(P 300,018,633)	-	-	-	P 1,444,795,439

PHILIPPINE BUSINESS BANK, INC. A SAVINGS BANK
Schedule D - Intangible Assets - Other Assets
December 31, 2013

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other charges additions (deductions)	Ending Balance
Branch license	P 246,500,000	P 1,880,000	P -	P -	P -	P 248,380,000
Computer software	20,662,395	74,528,611	(44,362,093)	-	-	50,828,913
Goodwill	<u>49,878,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,878,393</u>
GRAND TOTAL	<u>P 317,040,788</u>	<u>P 76,408,611</u>	<u>P (44,362,093)</u>	<u>P -</u>	<u>P -</u>	<u>P 349,087,306</u>

Philippine Business Bank, Inc. A Savings Bank
Schedule H - Capital Stock
December 31, 2013

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common Stock	870,000,000	343,333,400	-	217,799,137	24,200,863	101,333,400
Preferred Stock	<u>130,000,000</u>	<u>62,000,000</u>	<u>-</u>	<u>34,500,000</u>	<u>27,500,000</u>	<u>-</u>
Total	<u><u>1,000,000,000.00</u></u>	<u><u>405,333,400.00</u></u>	<u><u>-</u></u>	<u><u>252,299,137.00</u></u>	<u><u>51,700,863.00</u></u>	<u><u>101,333,400.00</u></u>

PHILIPPINE BUSINESS BANK, INC. A SAVINGS BANK
350 Rizal Ave. Ext., 8th Avenue Grace Park, Caloocan City

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2013

Unappropriated Retained Earnings at Beginning of Year, As Restated		P	1,042,764,316
Prior Years' Outstanding Reconciling Items, net of tax			
Deferred tax income	P	196,675,507	
Gain on foreclosure, net of tax		<u>34,880,867</u>	<u>231,556,374</u>
			811,207,942
Net Profit Realized during the Year			
Net profit per audited financial statements			1,004,046,612
Non-actual/unrealized income, net of tax			
Deferred tax income		(68,930,591)
Other Transactions During the Year			
Appropriation of retained earnings		(<u>890,704</u>)
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year		P	<u>1,745,433,259</u>

PHILIPPINE BUSINESS BANK, INC. A SAVINGS BANK
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchange Commission and the
Financial Reporting Standards Council as of December 31, 2013

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		✓		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		✓		
Practice Statement Management Commentary			✓	
<i>Philippine Financial Reporting Standards (PFRS)</i>				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters**	✓		
	Amendment to PFRS 1: First-time Adoption of PFRS – Repeated Application of PFRS 1 and Borrowing Costs**	✓		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters **	✓		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters**	✓		
	Amendment to PFRS 1: Meaning of Effective PFRS* (<i>effective July 1, 2014</i>)			✓
	Amendments to PFRS 1: Government Loans**	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Definition of Vesting Condition* (<i>effective July 1, 2014</i>)			✓
	Amendment to PFRS 2: Share-based Payment – Definition of Vesting Condition			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination* (<i>effective July 1, 2014</i>)			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures* (<i>effective July 1, 2014</i>)			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets**	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition**	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets**	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures* (<i>effective January 1, 2015</i>)			✓
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities**	✓		
PFRS 8	Amendment to PFRS 8: Aggregation of Operating Segments, and Reconciliation of the Total of the Reportable Segment's Assets to the Entity's Assets* (<i>effective July 1, 2014</i>)			✓
PFRS 9	Financial Instruments***			✓
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures*** (<i>effective January 1, 2015</i>)			✓
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Consolidation of Investment Entities* (<i>effective January 1, 2014</i>)			✓

PFRS 11	Joint Arrangements			✓
	Amendment to PFRS 11: Transition Guidance			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendment to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Consolidation of Investment Entities* (effective January 1, 2014)			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Discounting of Short-term Receivables and Payables* (effective July 1, 2014)			✓
	Amendment to PFRS 13: Scope of Portfolio Exception			✓

Philippine Accounting Standards (PAS)				
PAS 1	Presentation of Financial Statements	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation**	✓		
	Amendment to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Presentation of Financial Statements – Clarification of the Requirements for Comparative Information	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets**	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment**	✓		
	Amendment to PAS 16: Revaluation Method – Proportionate Restatement of Accumulated Depreciation* (effective July 1, 2014)			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
PAS 19 (Revised)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation**	✓		
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24	Related Party Disclosures	✓		
	Amendment: Disclosure of Key Management Personnel * (effective July 1, 2014)			✓
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate			✓
	Separate Financial Statements			✓
	Amendments to PAS 27 (Amended): Investment Entities			✓
PAS 28 (Amended)	Investments in Associates			✓
	Investments in Associates and Joint Ventures			✓

PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation**	✓		
	Amendment to PAS 32: Classification of Rights Issues**	✓		
	Amendment to PAS 32: Tax Effect of Distributions to Holders of Equity Instruments**	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities* (effective January 1, 2014)			✓
PAS 33	Earnings per Share	✓		
PAS 34 (Amended)	Interim Financial Reporting and Segment Information for Total Assets and Liabilities			✓
PAS 36 (Amended)	Recoverable Amount Disclosures for Non-financial Assets* (effective January 1, 2014)			✓
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets - Revaluation Method – Proportionate Restatement of Accumulated Amortization * (effective July 1, 2014)			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities**	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions**	✓		
	Amendments to PAS 39: The Fair Value Option **	✓		
	Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting* (effective January 1, 2014)			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts**	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets**	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition**	✓		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives**	✓		
	Amendment to PAS 39: Eligible Hedged Items**	✓		
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives**	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives**	✓		
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction	✓		
IFRIC 15	Agreements for the Construction of Real Estate****			✓

IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners**	✓		
IFRIC 18	Transfers of Assets from Customers**	✓		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments**	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies* (effective January 1, 2014)			✓
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders**	✓		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

* These standards will be effective for periods subsequent to 2013 and are not early adopted by the Company.

** These standards have been adopted in the preparation of financial statements but the Bank has no significant transactions covered in both years presented.

*** The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. This consists of three main phases enumerated below.

Phase 1 : Classification and Measurement (issued to date)

Phase 2 : Impairment methodology

Phase 3 : Hedge accounting (issued to date at the IASB level)

Mandatory effectivity date of PFRS/IFRS 9 has been deferred with the new date to be determined when IFRS 9 is closer to completion.

**** Deferred application in the Philippines as approved by the Philippine SEC until completion and effectivity of the revenue recognition project of the FASB and IASB.