

PSB WRM

COVER SHEET

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SEC Registration Number

PHILIPPINE SAVINGS BANK

(Company's Full Name)

PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City

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

Perfecto Ramon Z. Dimayuga Jr.

(Contact Person)

885-8208

(Company Telephone Number)

1 2 3 1

Month Day (Fiscal Year)

(Form Type)

ACGR

0 4 2 6

Month Day (Annual Meeting)

(Secondary License Type, If Applicable)

SEC - Corporate Finance Department

Dept. Requiring this Doc.

Amended Articles Number/Section

1,532

Total No. of Stockholders As of 31-Dec-2015

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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PHILIPPINE SAVINGS BANK
Metrobank Group

1 June 2016

ATTY. JUSTINA F. CALLANGAN
Director
Corporate Finance Department
Securities and Exchange Commission
SEC Building, EDSA Greenhills
Mandaluyong City, Metro Manila

Subject: Advisement Letter on Annual Corporate Governance Report (ACGR) Updates & Changes


Dear Atty. Callangan:

With reference to SEC Memorandum Cir. No. 12 s2014 re: Clarification for Changes and Updates in the ACGR, we submit as attached herewith the updates to our ACGR.

We hope you will find the above in order.

Very truly yours,


GILBERT L. NUNAG
Chief Compliance Officer


POCHOLO V. DELA PENA
Corporate Secretary

PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City, 1226
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is Filed for the Year 2016
2. Exact Name of Registrant as Specified in its Charter Philippine Savings Bank
3. Address of Principal Office PSBank Center 777 Paseo de Roxas corner Sedeno Street, Makati City
Postal Code 1226
4. SEC Identification Number 15552
5. (SEC Use Only) [REDACTED]
Industry Classification Code
6. BIR Tax Identification Number 000-663-983-000
7. Issuer's Telephone number, including area code (632) 885-8208
8. Former name or former address, if changed from the last report Not Applicable – Not Changed

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Nine (9) directors
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Actual number of Directors for the year	Nine (9) directors
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name (as of 31 May 2016)	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Chairman Jose T. Pardo (re-elected)	ID	Minority	Joaquin Aligguy (no relation)	2003	26 April 2016, ID for 9 years	Annual SH Meeting	13
Vice-Chairman Arthur V. Ty (re-elected)	ED	Metrobank (majority owner)	Metrobank President Fabian S. Dee	2001	26 April 2016	Annual SH Meeting	15
CEO Vicente R. Cuna, Jr. (re-elected)	ED	Metrobank (majority owner)	Arthur V. Ty	2013	26 April 2016	Annual SH Meeting	3
Samson C. Lim (re-elected)	ID	Minority	Dulce D. Arcebal (no relation)	2008	26 April 2016, ID for 8 years	Annual SH Meeting	8
Benedicto Jose R. Arcinas (re-elected)	ID	Minority	Yolanda L. dela Paz (no relation)	2012	26 April 2016, ID for 4 year	Annual SH Meeting	4
Jose Vicente L. Alde (new)	ED	Metrobank (majority owner)	Arthur V. Ty	2016	26 April 2016	Annual SH Meeting	New
Ma. Soledad D.S. De Leon (new)	NED	Minority	Danilo L. Dolor	2016	26 April 2016	Annual SH Meeting	New
Amelia B. Cabal	NED	Metrobank (majority owner)	Arthur V. Ty	2014	26 April 2016	Annual SH Meeting	2
Jeanne Frances T. Chua (re-elected)	NED	Metrobank (majority owner)	Arthur V. Ty	2013	26 April 2016	Annual SH Meeting	3

¹ Reckoned from the election immediately following January 2, 2012.

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

- PSBank's Board of Directors, Management, Officers and Staff are committed to the principles and practices as enshrined in our Articles of Incorporation and By-Laws, Corporate Governance Manual, company policies, committee charters and Code of Conduct and acknowledge that these will guide us in the development and achievement of the our corporate goals. We remain committed to excellence in corporate governance by striving for higher standards and adopting best practices that are beyond mere compliance with minimum requirements.

PSBank's Corporate Governance Manual, among other matters, sets forth the composition and responsibilities of the Board of Directors, the Bank's duties towards its shareholders, other stakeholders and its obligations to abide with various disclosure requirements. Specifically, PSBank ensures to respect and protect the following rights of its minority shareholders, among others:

1. Right to vote on all matters that require their consent or approval;
2. Pre-emptive right to all stock issuance of the Bank;
3. Right to inspect books and records of the Bank;
4. Right to information;
5. Right to dividends;
6. Appraisal right

Responsibility of the Board

The Board is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values. Further, the Board is also responsible for monitoring and overseeing the performance of senior management as the latter manages the day-to-day affairs of the Bank. The specific duties and responsibilities of the Board are provided for in the Bank's Corporate Governance Manual.

At PSBank, we abide by various disclosure requirements of the Bangko Sentral ng Pilipinas (BSP), the Securities and Exchange Commission (SEC), and the Philippine Stock Exchange (PSE) as a publicly-listed company. We ensure that we are transparent to our stakeholders by posting the latest public disclosures on the Investor Relations section of our website and in press releases. In compliance with SEC Memorandum Circular No. 11 s2014, we updated our website since 2014 to include all required disclosures in accordance with the SEC-prescribed web template for our stakeholders to readily check our corporate governance practices.

We also maintain an open communication line and use feedback from our stakeholders to develop better policies, products and services. We likewise accommodate requests for information pertaining to the management of our Bank, stockholders rights or any other bank-related matters, while remaining mindful of disclosure limitations under existing laws on bank deposits secrecy and data privacy.

Our Corporate Governance Manual (CGM) serves as a valuable guide and reference in our implementation of the corporate governance rules and regulations of both the BSP and the SEC. In 2015, we updated our CGM primarily to –incorporate recent regulatory issuances related to corporate governance.

As we continue to improve our corporate governance standards and practices, consistent with the Corporate Governance Charter, an overview of the Bank's compliance risk is now being reported on an annual basis to the Corporate Governance Committee.

We have also adopted the ASEAN Corporate Governance Scorecard (ACGS) to raise our corporate governance standards and practices.

(c) How often does the Board review and approve the vision and mission?

- Beginning 2016, the Bank has adopted an annual review of its Vision-Mission. In May 2016, the Bank's Board of Directors reviewed and approved the retention of the Bank's Vision-Mission statements and Core Values as reviewed and endorsed by the Corporate Governance Committee, as follows:

Vision:

To be the country's consumer and retail bank of choice.

Mission:

As an INSTITUTION: To conform to the highest standards of integrity, professionalism and teamwork.

For our CLIENTS: To provide superior products and reliable, top quality services responsive to their banking needs.

For our EMPLOYEES: To place a premium on their growth, and nurture an environment of teamwork where outstanding performance is recognized.

For our SHAREHOLDERS: To enhance the value of their investments.

Core Values:

In realizing our mission and vision, we will be:

PROACTIVE in serving our customers.

PERFORMANCE-driven and recognized, reinforced, and rewarded accordingly.

PROFESSIONAL to the highest standards and in all respects.

PEOPLE-ORIENTED in our dealings with our internal and external customers alike.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Arthur V. Ty	<ul style="list-style-type: none"> ▪ Metropolitan Bank and Trust Company ▪ Metropolitan Bank (China) Ltd ▪ GT Metro Foundation, Inc. ▪ GT Capital Holdings Inc. ▪ First Metro Investment Corporation ▪ Metrobank Foundation, Inc. ▪ Federal Land Inc. 	<ul style="list-style-type: none"> ▪ Chairman, Executive ▪ Chairman, Non-Executive ▪ Chairman, Non-Executive ▪ Co-Vice Chairman, Non-Executive ▪ Vice Chairman, Non-Executive ▪ Vice Chairman, Non-Executive ▪ Director, Non-Executive
Vicente R. Cuna Jr.	<ul style="list-style-type: none"> ▪ Orix Metro Leasing and Finance Corporation ▪ Metropolitan Bank and Trust Company 	<ul style="list-style-type: none"> ▪ Chairman, Non-Executive ▪ Director, Non-Executive
Jose Vicente L. Alde	<ul style="list-style-type: none"> ▪ Sumisho Motor Finance Corp. 	<ul style="list-style-type: none"> ▪ Director, Non- Executive

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent).
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² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

		Indicate if director is also the Chairman.
Jose T. Pardo	<ul style="list-style-type: none"> ▪ JG Summit Holdings Inc. ▪ Philippine Seven Corporation 	<ul style="list-style-type: none"> ▪ Independent Director ▪ Chairman and Independent Director

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Arthur V. Ty, PSBank Vice Chairman	Metropolitan Bank and Trust Company (MBTC)	MBTC Chairman

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	(Please see below)	(Please see below)
Non-Executive Director		
CEO		

- Under the Bank's CG Manual, the Nomination Committee shall consider the following guidelines in the determination of the number of directorships for the Board:
- Nature of the business strategies of PSBank which he is a director;
 - Age of the director;
 - Number of directorships/active memberships and officerships in other corporations or organizations; and
 - Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

The CG Manual likewise provides that the President/Chief Executive Officer and other senior officers shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

Bank, however, does not have any director holding board seats in other publicly-listed companies more than said limit.

- * *Current BSP rules and regulations (including the recent BSP Circular No. 749 re: Guidelines in Strengthening CG in BSP-supervised FIs), however, do not prescribe any limit nor guidelines but require that directors (executive or non-executive) should give sufficient time and attention to the affairs of the Bank. The position of President/CEO, however, requires full-time work and cannot be held concurrently in other companies in accordance with BSP's rules on Interlocking Officership.*

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

#	Name of Director	Position	Rollforward of Common Shares					
			Beginning		Movements		End	
			12/31/2015	%	Additions	Deductions	5/31/2016	%
1	Jose T. Pardo	Chairman & Independent Dir.	1,852	0.000771	-	-	1,852	0.000771
2	Arthur V. Ty	Vice-Chairman	117	0.000049	-	-	117	0.000049
3	Vicente R. Cuna, Jr.	President	100	0.000042	-	-	100	0.000042
4	Ma. Theresa G. Barretto *	Director	3,557	0.001481	-	3,557	-	
	Ma. Soledad D.S. De Leon	Director			4,000		4,000	0.001665
1	Jeanne Frances T. Chua	Director	100	0.000042	-	-	100	0.000042
2	Samson C. Lim	Independent Dir.	100	0.000042	-	-	100	0.000042
3	Benedicto Jose R. Arcinas	Independent Dir.	100	0.000042	-	-	100	0.000042
4	Amelia B. Cabal	Director	100	0.000042		-	100	0.000042
10	Severinus Petrus P. Hermans**	Director	100	0.000042		100	-	
	Jose Vicente L. Alde	Director			100		100	0.00042
	Total		6,126	0.002553	4,100	3,657	6,569	0.003115

* Ms. Barretto was replaced by Ms. De Leon as director during the Annual Stockholders' Meeting in April 2016.
** Mr. Hermans was replaced by Mr. Alde as director during the Annual Stockholders' Meeting in April 2016.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

- In accordance with SEC Memorandum Circular No. 9, Series of 2011, the Bank complies with the required 5-year term limit for Independent Directors (IDs) commencing from 2012 to 2016 with a 2-year cooling-off period to commence in 2017. The Bank further commits to comply with SEC Advisory dated 31 March 2016 mandating that re-election in 2017 until 2021 will only be allowed if there are no suitable replacements, provided prior written notice & justification are submitted to the SEC. After 2021, these Directors will no longer be qualified as IDs of the Bank.

2) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Margaret Ty Cham (replaced by Severinus Petrus Paulus Hermans during the 2015 ASM)	Director	26 Feb 2015	Resignation

(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director (2016)	Votes Received
Jose T. Pardo (re-elected)	PSBank implements cumulative voting for its BOD members. Per section 5.05 of the PSBank Articles of Incorporation and By-Laws on voting, at any stockholders meeting, voting shall be by
Arthur V. Ty (re-elected)	
Vicente R. Cuna, Jr. (re-elected)	
Samson C. Lim (re-elected)	

Benedicto Jose R. Arcinas (re-elected)	shares of stock and not “per capita” unless the law provides. Cumulative voting should be used in the election of members of the Board of Directors.
Amelia B. Cabal (re-elected)	
Jeanne Frances T. Chua (re-elected)	
Jose Vicente L. Alde (new, replaced Severinus Petrus Paulus Hermans)	
Ma. Soledad D.S. De Leon (new, replaced Ma. Theresa G. Barretto)	

- Per section 5.05 of the PSBank Articles of Incorporation and By-Laws on voting, at any stockholders meeting, voting shall be by shares of stock and not “per capita” unless the law provides. Cumulative voting should be used in the election of members of the Board of Directors.

B. CODE OF BUSINESS CONDUCT & ETHICS

5. Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,³ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
None			

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Metropolitan Bank and Trust Co. / Arthur V. Ty	Parent Bank / Beneficial Owner	Mr. Ty is the Chairman of Metrobank and Vice Chairman of PSBank
Danilo L. Dolor	Beneficial Owner	Mr. Dolor is a stockholder and former director of PSBank

C. BOARD MEETINGS & ATTENDANCE

2. Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held in 2015 up to May 2016	No. of Meetings Attended	%
Chairman (ID)	Jose T. Pardo	April 2003	17	17	100%
Vice Chairman	Arthur V. Ty	April 2001	17	17	100%
Member	Vicente R. Cuna, Jr.	April 2013	17	17	100%
Member	Margaret Ty Cham *	April 2004	1	1	100%
Member	Ma. Theresa G. Barretto**	April 2006	15	15	100%
Member	Jeanne Frances T. Chua	April 2013	17	17	100%
Member (ID)	Samson C. Lim ****	April 2008	17	17	100%
Member (ID)	Benedicto Jose R. Arcinas	April 2012	17	16	94%
Member	Amelia B. Cabal	April 2014	17	17	100%
Member	Severinus P. P. Hermans***	April 2015	12	11	92%
Member	Ma. Soledad D.S. De Leon	April 2016	2	1	50%
Member	Jose Vicente L. Alde	April 2016	2	2	100%

(ID) Independent Director

³ Family relationship up to the fourth civil degree either by consanguinity or affinity.

- * Ms. Cham was replaced by Mr. Hermans who was elected as Director of the Bank in April 2015
- ** Ms. Baretto was replaced by Ms. De Leon who was elected as Director of the Bank in April 2016
- *** Mr. Hermans was replaced by Mr. Alde who was elected as Director of the Bank in April 2016
- **** Mr. Lim was not physically present but participated through Memorandum in the August and November 2015 Board Meetings.

3. Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

- Jointly with the Bank’s Chief Compliance Officer (CCO), its Chief Risk Officer (CRO), Chief Audit Executive (CAE), and the external auditor-SGV & Co., the non-executive directors of the Bank met on February 19, 2016, without the presence of any executive.

In addition, Board-level committees composed of independent and non-executive directors, particularly Related Party Transactions Committee and Audit Committee regularly meet on a monthly basis without the presence of any executive.

As stated in the Bank’s Corporate Governance Manual, periodic Executive Sessions with Independent Directors (ESI) is held at least annually and as needed in order to discuss significant issues that may warrant closer attention.

D. REMUNERATION MATTERS

3. Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Please refer to discussion below on Director and Executive compensation and their other benefits.		
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify) – Transportation Allowance			
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	Please refer to discussion below on Director and Executive compensation and their other benefits.		
2) Credit granted			
3) Pension Plan/s Contributions			

(d) Pension Plans, Obligations incurred
(e) Life Insurance Premium
(f) Hospitalization Plan
(g) Car Plan
(h) Others (Specify)
Total

➤ Below is the summary for the Executive Compensation (in millions of PhP):

Name and Principal Position	Year	Salary	Bonus*
Jose Vicente L. Alde – Executive Vice President			
Noli S. Gomez – Senior Vice President			
Perfecto Ramon Z. Dimayuga, Jr. – Senior Vice President			
Jose Jesus B. Custodio – Senior Vice President			
Emmanuel A. Tuazon - Senior Vice President			
Neil C. Estrellado - Senior Vice President			
TOTAL FOR THE TOP 5 EXECUTIVES ABOVE	2016 <i>(estimate)</i>	50.55	19.57
	2015	PhP46.80	PhP17.96
	2014	PhP36.78	PhP18.15
TOTAL FOR ALL OFFICERS (AVP & UP) and Directors	2016 <i>(estimate)</i>	138.60	51.89
	2015	PhP 128.33	PhP47.61
	2014	PhP 132.82	PhP 42.34
* In Million Pesos			

Each director receives a monthly professional fee for attending Board and committee meetings. This is also in consideration of their valuable contributions in the formulation of the Bank's overall strategy. The total per diem and transportation allowance paid to directors for their attendance in Board meetings amounted to PhP16.9 million, PhP16.3 million, PhP13.0 million in 2015, 2014 and 2013, respectively. This translates to an average of PhP 123,287.04, PhP116,343.00 and PhP120,490.00 per month/per director in 2015, 2014 and 2013, respectively. Aside from said amounts, they have no other compensation plan or arrangement with the Bank.

The executive officers receive salaries, bonuses and other usual bank benefits that are also included in the amounts stated above. Aside from these, they have no other compensation plan or arrangement with the bank.

There are no warrants or options held by the Bank's officers and directors.

E. BOARD COMMITTEES

2. Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee

Chairman	Arthur V. Ty	April 2009	5	5	100%	7yrs. 2 mos.
Member (ED)	Vicente R. Cuna, Jr.	April 2013	5	5	100%	3 yrs. 2mos.
Member (NED)	Jeanne Frances T. Chua *	April 2015	5	5	100%	1 yr.
Member	Rosanna F. De Vera (non-director/MBTC representative)	October 2012	5	4	100%	3 yrs. 8 mos.
Member	Mary Myleen M. Masanque (non-director/PSBank representative)	April 2015	5	5	100%	1 yr. 2 mos
Member (ED)	Jose Vicente L. Alde	April 2016	0	0	NA	2 mos.

* Appointed as Member in April 2015 and replaced Ms. Margaret Ty Cham

** Appointed as Member in April 2015 and replaced Ms. Maris Lou S.Velicaria

*** Appointed as Member in April 2016 and replaced Ms. Jeanne Frances T. Chua

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee
Chairman (ID)	Jose T. Pardo	April 2009	19	19	100%	7 yrs. 2 mos.
Member (ID)	Samson C. Lim	April 2008	19	18 *	95%	8 yrs. 2 mos.
Member (NED)	Amelia B. Cabal	April 2014	19	13	100%	2 yrs. 2 mos.

* participated in 4 meetings via Memorandum

Disclose the profile or qualifications of the Audit Committee members.

- **JOSE T. PARDO, Chairman / Independent Director**
 Chairman since 2003. Chairman/ Independent Director, Philippine Seven Corporation, Philippine Stock Exchange, Securities Clearing Corporation of the Philippines, Bank of Commerce. Chairman, Franchise Investment Holdings Inc., De La Salle University, Inc., ECOP Council of Business Leaders, PCCI Council of Business Leaders, Philippine Business Center Inc., Foundation for Crime Prevention, Assumption (Antipolo), EDSA People Power Foundation. Co-Chairman, De La Salle Philippines. Vice Chairman, EDSA People Power Commission, Office of the President. Independent Director, JG Summit Holdings, Inc. Director, National GRID Corporation of the Philippines and ZNN Radio Veritas, Monte Oro Grid Corporation. First graduate of the Harvard-DLSU Advisory Program. BS Commerce-Accountancy and MBA, De La Salle University.
- **SAMSON C. LIM, Independent Director**
 Director since 2008. Chairman, Blims Lifestyle Group (BLG), President, Canadian Tourism & Hospitality Institute. Chairman, Collins International Trading Corporation and Francorp Philippines . Vice President for Tourism, Philippine Chamber of Commerce and Industry. Chairman Emeritus/ International Relation, Philippine Franchise Association. Chairman Emeritus, Philippine Retailers Association. BS Liberal Arts, Cum Laude, Ateneo de Manila University. Masters in Business Economics, University of Asia and the Pacific. Exchange Student, Sophia University Tokyo , Japan . Special Training on International Business, Institute of International Studies and Training, Fujinomia, Japan. Top Management Program, Asian Institute of Management.
- **AMELIA B. CABAL, Director**
 Director since 2014. Independent Director, Deutsche Regis Partners, Inc., Ionics EMS, Inc., Ionics Inc., Bank Supervisor, Metropolitan Bank (China) Ltd. BS Commerce Major – Accounting, Far Eastern University. Advanced Management Program, Harvard Business School. Advanced Management Program,

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee
Chairman (ID)	Samson C. Lim	April 2009	2	2	100%	7 yrs. & 2 mos.
Member (ED)	Arthur V. Ty	April 2004	2	2	100%	12 yrs. & 2mos.
Member (ID)	Jose T. Pardo	April 2012	2	2	100%	4 yrs. & 2 mos.

(d) Compensation and Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee
Chairman (ID)	Jose T. Pardo	April 2003	3	3	100%	13 yrs. 2mos.
Member (ED)	Arthur V. Ty	April 2001	3	3	100%	15 yrs. 2 mos.
Member (ID)	Samson C. Lim **	April 2014	3	3	100%	2 yrs. 2 mos.

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

Corporate Governance Committee (CGC)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee
Chairman (ID)	Samson C. Lim	April 2008	17	15	88%	8 yrs. 2mos.
Member (ID)	Jose T. Pardo	April 2009	17	17	100%	7 yrs. 2 mos.
Member (NED)	Jeanne T. Chua	April 2013	17	17	100%	3 yr. 2 mos.

Related Party Transactions Committee (RPTC)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee
Chairman (ID)	Jose T. Pardo	Jan 2012	17	17	100%	4 yrs.5 mos.
Member (ID)	Benedicto Jose R. Arcinas	April 2012	17	15	88%	4yrs. & 2 mos.
Member (NED)	Amelia B. Cabal	April 2014	17	17	100%	2yrs. 2 mos
Member	Emma B. Co (non-director/Chief Audit	Jan 2012	17	16	94%	4 yrs.5 mos

	Executive)					
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Risk Oversight Committee (ROC)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee
Chairman (ID)	Benedicto Jose R. Arcinas	April 2012	17	14	82%	4 yrs. 2 mos.
Member (ED)	Vicente R. Cuna, Jr.	April 2013	17	15	88%	3 yrs. 2 mos.
Member (NED)	Amelia B. Cabal	April 2014	17	13	76%	2 yr. 2 mos.
Member	Bernardito M. Lapuz (non-director/MBTC representative)*	Sept 2007	10	9	90%	8 yrs. 2 mo.
Member	Edmund A. Go (non-director/adviser)	May 2009	17	14	82%	7yrs. 1 mo.
Member	Severinus Petrus P. Hermans**	April 2015	11	8	73%	1 yr.
Member (ED)	Jose Vicente L. Alde***	April 2016	1	1	100%	2 mos.

*Resigned in November 2015

**Appointed as member in April 2015

*** Appointed as member in April 2016 and replaced Mr. Hermans

Trust Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015 up to May 2016)	%	Length of Service in the Committee
Chairman (ID)	Benedicto Jose R. Arcinas	June 2012	6	6	100%	4 yrs.
Member (ED)	Vicente R. Cuna, Jr.	April 2013	6	6	100%	3 yrs. 2 mos.
Member (NED)	Ma. Theresa G. Barretto	April 2008	5	5	100%	8 yrs.
Member (NED)	Jeanne Frances T. Chua	April 2013	2	2	100%	2 yrs. 2 mos.
Member (NED)	Severinus Petrus P. Hermans*	April 2015	4	2	50%	1 yr.
Member	Ma. Soledad D.S. De Leon**	April 2016	1	1	100%	2 mos.

AML Oversight Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2015)	%	Length of Service in the Committee
Chairman (ID)	Benedicto Jose R. Arcinas	April 2014	17	14	82%	2 yrs. 2 mos.
Member (ED)	Vicente R. Cuna, Jr.	April 2014	17	16	94%	2 yrs. 2 mos.
Member (NED)	Amelia B. Cabal	April 2014	17	15	88%	2 yrs. 2 mos.

Member (NED)	Jeanne Frances T. Chua	April 2014	17	17	100%	2 yrs. 2 mos.
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3. Changes in Committee Members (as of 26 April 2016)

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	<ul style="list-style-type: none"> • Mary Myleen M. Masanque (inclusion) • Dir. Margaret Ty Cham (exclusion) • Dir. Jeanne Frances T. Chua (inclusion and exclusion) • Dir. Jose Vicente L. Alde (inclusion) 	<p>Appointed as PSBank Representative and Credit Administration Group Head in April 2015</p> <p>Resignation</p> <p>Replacement of Dir. Margaret Ty Cham; replaced by Mr. Jose Vicente L. Alde</p> <p>Appointed as new director and member in April 2016; replaced Ms. Jeanne Frances T. Chua</p>
Audit	(none)	(none)
Nomination	(none)	(none)
Compensation and Remuneration	(none)	(none)
Risk Oversight	<ul style="list-style-type: none"> • Dir. Severinus P.P. Hermans (inclusion and exclusion) • Bernardito M. Lapuz, non-director/MBTC representative (exclusion) • Dir. Jose Vicente L. Alde (inclusion) 	<p>Appointed as new director and member in April 2015; replaced by Mr. Jose Vicente L. Alde</p> <p>Resignation</p> <p>Appointed as new director and member in April 2016; replaced Mr. Severinus P.P. Hermans</p>
Corporate Governance	(none)	(none)
Related Party Transactions	(none)	(none)
Trust	<ul style="list-style-type: none"> • Severinus P. P. Hermans (inclusion and exclusion) • Dir. Jeanne Frances T. Chua (inclusion) • Dir. Ma. Soledad D.S. De Leon (inclusion) 	<p>Appointed as new director in April 2015; replaced by Ms. Jeanne Frances T. Chua</p> <p>Appointed as member in the April 2016 ASM; replaced Mr. Severinus P. P. Hermans</p> <p>Appointed as new director and member in April 2016; replaced Ms. Theresa G. Barretto</p>
AML Oversight	(none)	(none)

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

<p>Environmentally friendly value-chain</p>	<p><u>WE S.A.V.E. Program</u></p> <p>WE S.A.V.E., which stands for “We Safeguard and Value the Environment”, is an environmental awareness campaign that aims to mobilize PSBankers to avoid waste, conserve resources and, ultimately, save the environment for the future generation.</p>	<p>The program was launched on June 5, 2012, World Environment Day, through an environmental film showing and exhibit of PSBank Eco-Art Contest entries. The contest had the theme “Small things you can do at work to help the environment. Since then, efforts to reduce the building’s carbon footprint has been implemented, such as having only two (2) elevators operating from 7pm to 6am; having four (4) elevators turned off in the evening as PSBankers are encouraged to use the stairs; using LED lights in some of the floors (more wings to follow; and turning off of light during lunch breaks. The PSBank Center has also been a no smoking zone since 2011. The Bank has also upgraded major equipments such as Elevators and Chillers with a much higher efficiency to conserve energy. We are also now starting to mock up waterless urinals for water conservation.</p> <p>PSBank also continues to join the Earth Hour programs within the Metrobank Group</p>
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2. Performance-enhancing mechanisms for employee participation

b. Show data relating to health, safety and welfare of its employees.

➤ PSBank held the following Health/Welfare activities:

2014

Activity	Date	No. of Employees (and Dependents) Covered
Central Luzon Badminton Tournament	March 29, 2014	28
Basketball Tournament	April 26 – July 12, 2014	315
Volleyball Tournament	April 26 – July 12, 2014	48
Vaccination Program (including dependents)	May 17, 2014	
- Head Office		585
- Branches		209
Educational Fun Day	May 17, 2014	120
South Luzon Bowling Tournament	May 31, 2014	62
World Vision Run	June 22, 2014	124
Bowling Tournament	August 2 & 9 2014	64
Executive Checkup	September 1, 2014 – January 31, 2015	46
Annual Physical Checkup (including dependents)	October 1 – November 30, 2014	2,730
Halloween Party	October 29, 2014	100

Activity	Date	No. of Employees (and Dependents) Covered
Badminton Tournament	December 6, 2014	80

2015

Activity	Date	No. of Employees (and Dependents) Covered
Basketball Tournament	April 18 – July 12, 2015	286
Volleyball Tournament	April 18 – July 11, 2015	44
Davao – Digos Bankers Table Tennis Tournament	May 3, 2015	5
Zamboanga Bankers Sports Fest	May 24, 2015	17
Cebu Inter-Branch Bowling and Billiards Tournament	June 3, 2015	63
Aklan Inter-Color Basketball Tournament	June 20, 2015	5
Vigan Bankers Run-For-A-Cause	June 27, 2015	5
Educational Fun Day	May 16, 2015	160
Bowling Tournament	June 13 & 20, 2015	64
World Vision Run	June 21, 2015	131
Self-Defense Workshop	June 26 & 27, 2015	50
Central Luzon Bowling Tournament	July 17, 2015	115
Badminton Tournament	October 17, 2015	96

2016

Activity	Date	No. of Employees (and Dependents) Covered
Paintball Tournament	April 23, 2016	90

The following workshops, training, seminars and drills on Safety were conducted and attended:

Activity	Date	No. of Employees (and Tenants) Covered
Basic Occupational Health and Safety Training	Various Dates (2014 & 2015)	4
Fire Safety Seminar	May 16, 2014	70
First Aid Seminar	June 5 & 6, 2014	17
Fire Drill (Head Office Employees and Tenants)	July 3, 2014	980
Earthquake Safety Seminar	July 10, 2015	110
First Aid Seminar	April 25 and November 05-06, 2015	52
Earthquake Drill (Head Office Employees and Tenants)	July 30, 2015	1,171
First Aid Seminar	April 21-22, 2016	13

The Bank has come up with the following announcements on Health, Safety and Welfare:

- “What Should I Do In Case of Earthquake?” (May 30, 2014);

- "What You Need To Know About Diabetes Mellitus" (July 6, 2015);
- "What To Know and Do Before Emergency?" (July 6, 2015)
- "What You Need to Know About Pulmonary Tuberculosis" (August 17, 2015)
- "What You Need to Know About Dengue Fever" (October 9, 2015)
- "What You Need to Know About Diarrhea" (November 10, 2015)
- "What You Need to Know About EBOLA Virus?" (November 20, 2014); and,
- "Effects Of Chronic Kidney Disease To Our Bones" (November 25, 2014).
- Hypertension" (January 11, 2016);
- "Zika Virus Infection" (February 18, 2016);
- "Difference Between Cardiac Arrest & Heart Attack" (February 23, 2016);
- "Heat Stroke" (March 18, 2016);
- "Tuberculosis" (March 31, 2016);
- "Novovirus" (May 10, 2016); and,
- "Asthma" (May 11, 2016)

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

The Bank provides the below listed training and development programs.

- New Employees Orientation (NEO) – provided to all newly hired employees
- Staff Professional Enhancement and Educational Development (SPEED) program
- Senior Officer Leadership Development Program
- Sales Professional
- Ideal BSCO
- Compliance Training (i.e. AML and Financial Consumer Protection))
- Systems Training
- Functional/Technical Training
- Product Knowledge Orientation
- Behavioral Training (Effective Leadership; Train the Trainers Workshop, etc.)
- Branch Operations Training for (Customer Service Associates; Branch Service and Control Officers and Branch Heads)

Training Data:

Internal Trainings

Training	Total No. of Attendees		
	2014	2015	2016 (Q1)
NEO	388	389	91
SPEED	33	16	19
XCEED	-	-	21
Systems Training	1149	744	234
Products	1235	390	120
Functional Program	813	1318	322

External Trainings

	2014	2015	2016
Total No. of Trainings	63	92	40
Total No. of Employees	121	342	59
Employees with Multiple Trainings	4	12	3

I. DISCLOSURE AND TRANSPARENCY

1. Ownership Structure

a. Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Metropolitan Bank and Trust Co. Metrobank Plaza, Gil Puyat Avenue, Makati City (Parent Company of PSBank)	182,535,895	75.977%	Arthur V. Ty (Chairman of Metrobank)
PCD Nominee Corporation 37 th Floor, Enterprise Bldg., Tower 1, Ayala Avenue, Makati City	18,445,641	7.678%	Various Stockholders via PCD
Danilo L. Dolor # 56 Tamarind Rd., Forbes Park, Makati City	12,610,891	5.249%	Danilo L. Dolor

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

5. Date of release of audited financial report:

➤ 22 March 2016

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7. Disclosure of RPT

Counterparty	Relationship	Nature of Transaction	Amount Involved (i.e. Selling Price/Rental Income) (in Millions of PhP)
MBTC	Parent-bank	Sale of Bank-owned chattel properties to DOSRI-for the Car Plan of their officers	PhP 6.328
MBTC	Parent-bank	MBTC Letter of Guaranty (LOG) for the take-out of PSBank Home Loan	PhP6.600
MBTC	Parent-bank	Renewal of Intercompany Counterparty Line of Trust Division	Clean – PhP 1,000; Pre-Settlement – PhP 5 ; Settlement – PhP 50 & IMA – PhP 100
FMIC	Affiliate	Renewal of Intercompany Counterparty Line Trust Division	Pre-Settlement – PhP 20 & Settlement – PhP 200
FMSBC	Affiliate	Renewal of Intercompany Counterparty Line Trust Division	Pre-Settlement – PhP 500 & Settlement – PhP 500
PSB	Bank Proper	Renewal of Intercompany Counterparty Line Trust Division	Secured – 1,000; Clean – 1,000; Pre-Settlement – No Limit; Settlement – No Limit & IMA – 2,000
MBTC	Parent-bank	Renewal of Intercompany Counterparty Lines of Treasury Group	Clean –2,000; Secured - 16,000; Settlement – 1,500 & PSR -750

FMIC	Affiliate	Renewal of Intercompany Counterparty Lines of Treasury Group	Clean –1,000; Secured -4,000 & PSR -85
ORIX	Affiliate	Renewal of Intercompany Counterparty Lines of Treasury Group	Clean –500
MCC	Affiliate	Renewal of Intercompany Counterparty Lines of Treasury Group	Clean-500 & Secured -500
CPAIC	Parent-MBTC affiliate	Annual renewal of PSBank’s Money, Securities, Payroll and Robbery (MSPR) insurance coverage	PhP8.200
Mary Mylene A.Caparas	EVP of parent-MBTC	Home Loan application by an EVP of parent-MBTC.	PhP11.000
CPAIC	Parent-MBTC affiliate	Renewal of Various General Insurance Coverage with Affiliate Charter Ping An Insurance Corp. (CPAIC)	PhP17.89
MBTC	Parent-bank	Sale of ROPA auto units to DOSRI-companies - for the Car Plan of their officers	PhP9.680
OMLFC	Affiliate	Annual renewal of Multi-Purpose Loan (MPL) Facility accreditation, which involves employee salary Deduction and Remittance arrangement, of related parties ORIX Metro Leasing & Finance Corp. (OMLFC) .	PhP11.000
SMFC	PSBank joint-venture - 40 % owned	Annual renewal of Multi-Purpose Loan (MPL) Facility accreditation, which involves employee salary Deduction and Remittance arrangement, of related parties SMFC.	PhP6.000
MBTC	Parent-bank	Sale ROPA-Auto units to DOSRI-companies - for the Car Plan of their officers	PhP7.140
MBTC	Parent-bank	Sale of ROPA-Auto units to DOSRI-companies – for the Car Plan of their officers	PhP11.982
Anton C. Furagganan	Brother/2nd degree relative of officer/Branch Head Ramon C. Furagganan	Home Loan application of a Brother of officer	PhP 17.970
Francisco C. Sebastian	Director/Vice Chairman of parent-MBTC	Renewal & increase of an existing SME BCL of a Director/Vice Chairman of parent-MBTC	PhP20.000
MBTC	Parent-bank	Sale of Bank-owned Chattel Properties (ROPA-Auto units) to DOSRI-companies for the Car Plan of their officers	PhP 7.313
MBTC	Parent-bank	Sale of bank-owned chattel properties (i.e. ROPA-Auto Units) to parent-MBTC for the car plan of its officers	PhP 9.210
SMFC	PSBank joint-venture - 40 % owned	Annual Renewal of Multi-Purpose Loan (MPL) Facility Accreditation for Sumisho Motor Finance Corp. (SMFC)	Php6.00
BSCI	Majority owned by stockholder	Full Settlement of Past Due DOSRI-Batangas Sugar Central Inc. (BSCI) Account	PhP 393.338
GILLADOGA CONSTRUCTION INC.	President is a brother-in-law/2nd degree relative of Treasury Group Trading Officer Ma. Luisa Ilagan Gilladoga.	New fully secured SME Business Credit Line (BCL) account amounting to Php5.80 Million	Php5.800

CPAIC	Parent-MBTC affiliate	Replevin Bonds with Charter Ping An Insurance Corporation (CPAIC)	Php8.320
Sps. Napoleon Tok Lu Ang Sy & Helma Uy Sy	Parents-in-Law of Iloilo Quezon Branch Service & Control Officer (BSCO), Ms. Kathryn Chua	New SME Business Credit Line (BCL) facility of Php20.0 Million for working capital purposes	Php20.000

J. RIGHTS OF STOCKHOLDERS

c. Stockholders' Rights

Dividends

Quarterly Dividends	Declaration Date	Record Date	Payment Date
1Q2015	24 Jan 2015	30 March 2015	17 April 2015
2Q2015	28 April 2015	14 July 2015	28 July 2015
3Q2015	28 July 2015	26 Oct 2015	11 Nov 2015
4Q2015	29 Oct 2015	16 Nov 2015	27 Nov 2015
1Q2016	19 Jan 2016	1 Feb 2016	17 Feb 2016
2Q2016	26 April 2016	11 May 2016	26 May 2016

d. Stockholders' Participation

3. 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?

➤ Yes

a. Date of sending out notices:

➤ 22 March 2016

b. Date of the Annual/Special Stockholders' Meeting:

➤ 26 April 2016

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

Questions and Answers at the 2016 ASM

After the President's Report, stockholder Philip Turner commended the bank on the consistency of its performance as one of the best banks in the Philippines. He noted that with the changing banking industry, especially in the area of money laundering, branch heads are allowed to do many things easily on their own. He asked the PSBank President Vicente R. Cuna Jr, how the bank is controlling this aspect of its operations.

Mr. Cuna responded by saying that many banks, including PSBank, are reviewing their AMLC procedures due to the recent heist involving USD 81 million. He said that the bank has to take a good look at how it does things. For PSBank, this means that branches need to escalate their transactions up to a certain limit including incoming remittances. He explained that PSBank has limits in terms of amounts that branches can approve without referring them to the Head Office. In the case of the USD 81 million heist, he said that a transaction like that would have been referred to head office.

Mr. Turner also asked how controls are implemented within the bank especially in cases where alarms should have gone off or requests for stop payments should have been issued.

Mr. Cuna explained that even with the best controls and systems in place, banks still depend on people to process transactions. He further said that the bank will always take the risk of potential negligence or even outright fraud. In this particular case, there may even be collusion. He noted that while it is difficult to have a 100% full-proof system in place, there are usual maker and checker functions and controls are available to stop items that are out of the ordinary.

Lastly, Mr. Turner asked about auditors that visit branches to checks on branch operations.

Mr. Cuna said that PSBank has an independent internal audit team that checks branches. Its external auditor, on the other hand, conducts random checks on branches.

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolutions (2016)	Approving	Dissenting	Abstaining
Approval of the Minutes of the Previous ASM	77.64%	0.00%	0.00%
President's Report to the Stockholders	77.64%	0.00%	0.00%
Confirmation of all Acts of the BOD, Excom and Management	77.64%	0.00%	0.00%
Election of Directors	77.64%	0.00%	0.00%
Appointment of the External Auditor	77.64%	0.00%	0.00%

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

➤ 26 April 2016 via PSE Edge and 28 April 2015 via PSE Edge and 28 April 2014 via PSE Edge

f. Stockholders' Attendance

(i) 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	1. Jose T. Pardo 2. Arthur V. Ty 3. Vicente R. Cuna Jr. 4. Samson C. Lim 5. Jeanne Frances T. Chua 6. Ma. Soledad D.S. De Leon 7. Amelia B. Cabal 8. Jose Vicente L. Alde 9. Benedicto Jose R. Arcinas 10. All PSBank officers with a rank of AVP and	26 April 2016	Cumulative Voting	77.63%	0.003%	77.64%

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i. Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,538 for 2016 1,553 for 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	22 March 2016 for 2016 25 March 2015 for 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	22 March 2016 for 2016 25 March 2015 for 2015
State whether CD format or hard copies were distributed	CD format and hard copies
If yes, indicate whether requesting stockholders were provided hard copies	Yes