

COVER SHEET

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SEC Registration Number

P H I L I P P I N E S A V I N G S B A N K

(Company's Full Name)

P S B a n k C e n t e r , 7 7 7 P a s e o d e R o x a s

c o r n e r S e d e ñ o S t r e e t , M a k a t i C i t

y

(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)

A C G R

(Form Type)

2015

0 4 2 8

Month Day (Annual Meeting)

(Secondary License Type, If Applicable)

SEC-Corporation Finance

Dept. Requiring this Doc.

Amended Articles Number/Section

1,550

Total No. of Stockholders As of March 31, 2015

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

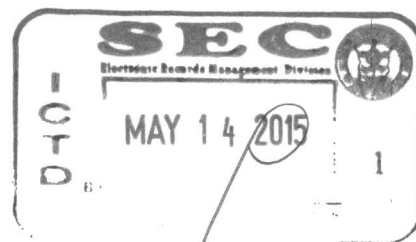
Cashier

STAMPS

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**PHILIPPINE SAVINGS BANK**  
Metrobank Group



14 May 2015

**ATTY. JUSTINA CALLANGAN**

Director

Corporate Finance Department  
Securities and Exchange Commission  
SEC Building, EDSA Greenhills  
Mandaluyong City, Metro Manila

**Dear Atty. Callangan,**


We submit herewith the updates on Philippine Savings Bank's (PSBank's) Annual Corporate Governance Report.

We hope you will find everything in order.

Thank you.

Very truly yours,

  
**GILBERT L. NUNAG**  
Chief Compliance Officer

  
**POCHOLO V. DELA PENA**  
Corporate Secretary

## 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 28 Apr 2015)	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) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Chairman Jose T. Pardo (re-elected)	ID	Minority	Joaquin Aligguy (no relation)	2003	28 April 2015, ID for 8 years	Annual SH Meeting	12
Vice-Chairman Arthur V. Ty (re-elected)	NED	Metrobank (majority owner)	Metrobank President Fabian S. Dee	2001	28 April 2015	Annual SH Meeting	14
CEO Vicente R. Cuna, Jr. (re-elected)	ED	Metrobank (majority owner)	Arthur V. Ty	2013	28 April 2015	Annual SH Meeting	2
Samson C. Lim (re-elected)	ID	Minority	Gilda Brigida C. Alunan (no relation)	2008	28 April 2015, ID for 7 years	Annual SH Meeting	7
Benedicto Jose R. Arcinas (re-elected)	ID	Minority	Dulce D. Arcebal (no relation)	2012	28 April 2015, ID for 3 years	Annual SH Meeting	3
Severinus Petrus Paulus Hermans (new)	NED	Metrobank (majority owner)	Arthur V. Ty	2015	28 April 2015	Annual SH Meeting	New
Maria Theresa G. Barretto (re-elected)	NED	Minority	Danilo L. Dolor	2006	28 April 2015	Annual SH Meeting	9
Amelia B. Cabal	NED	Metrobank (majority owner)	Arthur V. Ty	2014	28 April 2015	Annual SH Meeting	1
Jeanne Frances T. Chua (re-elected)	NED	Metrobank (majority owner)	Arthur V. Ty	2013	28 April 2015	Annual SH Meeting	2

<sup>1</sup> Reckoned from the election immediately following January 2, 2012.

(b) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>2</sup>

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"> <li>▪ Metropolitan Bank and Trust Company, GT Metro Foundation Inc, Metropolitan Bank (China) Ltd, Grand Titan Capital Holdings Inc, Global Treasure Holdings Inc.</li> <li>▪ GT Capital Holdings Inc., Metrobank Foundation Inc, Great Mark Resources Corporation, and First Metro Investment Corporation</li> <li>▪ Federal Land Inc</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chairman, Non-Executive</li> <li>▪ Vice Chairman, Non-Executive</li> <li>▪ Non-Executive Director</li> </ul>
Vicente R. Cuna Jr.	<ul style="list-style-type: none"> <li>▪ First Metro Investment Corporation</li> <li>▪ Metropolitan Bank and Trust Company</li> </ul>	<ul style="list-style-type: none"> <li>▪ Director, Non-Executive</li> <li>▪ Director, Non-Executive</li> </ul>

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

(c) 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 (2015)	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jose T. Pardo, Chairman	1,852	n/a	0.000771%
Arthur V. Ty, Vice Chairman	117	n/a	0.000049%
Vicente R. Cuna, Jr.	100	n/a	0.000042%
Samson C. Lim	100	n/a	0.000042%
Benedicto Jose R. Arcinas	100	n/a	0.000042%
Jeanne Frances T. Chua	100	n/a	0.000042%
Severinus Petrus Paulus Hermans	100	n/a	0.000042%

<sup>2</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Maria Theresa G. Barretto	3,557	n/a	0.001481%
Amelia B. Cabal	100	n/a	0.000042%
<b>TOTAL</b>	<b>6,126</b>	<b>n/a</b>	<b>0.002553%</b>

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

Voting Result of the last Annual General Meeting

Name of Director (2015)	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 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.
Arthur V. Ty (re-elected)	
Vicente R. Cuna, Jr. (re-elected)	
Samson C. Lim (re-elected)	
Benedicto Jose R. Arcinas (re-elected)	
Amelia B. Cabal (re-elected)	
Jeanne Frances T. Chua (re-elected)	
Severinus Petrus Paulus Hermans (new, replaced Margaret Ty Cham)	
Ma. Theresa G. Barretto (re-elected)	

3) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

Newly elected directors are provided copies of the Board's and of their individual general and specific duties and responsibilities of which they are required to acknowledge receipt thereof and certify that they have read, fully understood and accepted the same which notarized certifications are then submitted to the BSP within 10 banking days after their election.

(b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years:

<sup>3</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
<b>DIRECTORS:</b>			
Jose T. Pardo (Chairman & ID)	Sep. 21, 2012	Updated Anti-Money Laundering Rules & Regulations	Anti-Money Laundering Council (AMLC) Secretariat
	2013	AML Risk Rating System and other AML Updates	Metrobank
	Nov. 12, 2014	Seminar on Corporate Governance	SGV & Co.
Arthur V. Ty (Vice Chairman)	May 6, 2011	Insights on the AMLA, its Compliance Requirements and its Implications on Banking Operations	Anti-Money Laundering Council (AMLC) Secretariat
	May 23, 2013	AML Risk Rating System and Amendments to BSP Cir. No. 706 and AMLA Law, RA 10365	Bankers Institute of the Philippines, Inc.
	Feb. 5, 2014	Distinguished Corporate Governance Speaker Seminar Series	The Institute of Corporate Directors
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
Vicente R. Cuna, Jr.	May 23, 2013	AML Risk Rating System and Amendments to BSP Cir. No. 706 and AMLA Law, RA 10365	Metrobank thru Bankers Institute of the Philippines, Inc.
	June 8, 2013	Money Laundering and Terrorism Financing Prevention Program and AMLA Updates	PSBANK Compliance Office
	Feb. 5, 2014	Distinguished Corporate Governance Speaker Seminar Series	The Institute of Corporate Directors
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
Samson C. Lim (ID)	Jul. 29, 2011	Insights on the AMLA, its Compliance Requirements and its Implications on Banking Operations	Anti-Money Laundering Council (AMLC) Secretariat
	2013	AML Risk Rating System (ARRS) & Amendments to BSP Cir. No. 706	METROBANK
	Aug. 29, 2014	AML Briefing to Board of Directors and Senior Management	Bankers Institute of the Philippines, Inc.
	Nov. 27, 2014	Orientation Course on Corporate Governance	The Institute of Corporate Directors
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
Benedicto Jose R. Arcinas (ID)	Dec. 3-4, 2012	Corporate Governance Orientation Program	Institute of Corporate Directors (ICD)
	May 23, 2013	AML Risk Rating System	Metrobank

		and other AML Updates	
	Aug. 15, 2014	Seminar on Corporate Governance	SGV & Co.
	Aug. 29, 2014	AML Briefing to Board of Directors and Senior Management	Bankers Institute of the Philippines, Inc.
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
Ma. Theresa G. Barretto	Jul. 29, 2011	Insights on the AMLA, its Compliance Requirements and its Implications on Banking Operations	Anti-Money Laundering Council (AMLC) Secretariat
	May 23, 2013	AML Risk Rating System and other AML Updates	Metrobank
	Aug. 29, 2014	AML Briefing to Board of Directors and Senior Management	Bankers Institute of the Philippines, Inc.
	Nov. 27, 2014	Orientation Course on Corporate Governance	The Institute of Corporate Directors
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
Jeanne Frances T. Chua	May 23, 2013	AML Risk Rating System and other AML Updates	Metrobank
	Aug. 29, 2014	AML Briefing to Board of Directors and Senior Management	Bankers Institute of the Philippines, Inc.
	Nov. 27, 2014	Orientation Course on Corporate Governance	The Institute of Corporate Directors
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
Amelia B. Cabal	Jan. 30, 2013	Philippine Investments Summits 2013	Dr. NourielRoubini
	Jan. 29, 2014	Risk Management Briefing	Christian G. Lauron Partner, SGV & Co.
	Feb. 5, 2014	Corporate Governance	Institute of Corporate Directors
	Jun.6, 2014	Seminar on Corporate Governance	SGV & Co.
	Aug. 29, 2014	AML Briefing to Board of Directors and Senior Management	Bankers Institute of the Philippines, Inc.
SeverinusPetrus Paulus Hermans (New)	May 26, 2009	Corporate Governance & Anti-Money Laundering Act Seminar	Philippine Securities Consultancy Corporation (PHILSECC)
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
<b>SENIOR MANAGEMENT (Officers with rank of SVP &amp; up):</b>			
EVP Jose Vicente L. Alde	Jan. 21, 2011	BSP Circular 706: Updated Anti-Money Laundering Rules and Regulation	PSBank Compliance Office
	Oct. 13, 2012	AMLA Updates: RA Nos. 10167, 10168 & Others	PSBank Chief Compliance Officer
	May 23, 2013	AML Risk Rating System and Amendments to BSP Cir. No. 706 and AMLA Law, RA 10365	Metrobank thru Bankers Institute of the Philippines, Inc.

	June 8, 2013	Money Laundering and Terrorism Financing Prevention Program and AMLA Updates	PSBANK Compliance Office
	Aug. 29, 2014	AML Briefing to Board of Directors and Senior Management	Bankers Institute of the Philippines, Inc.
	Nov. 27, 2014	Orientation Course on Corporate Governance	The Institute of Corporate Directors
SVP Noli S. Gomez	Jan. 21, 2011	BSP Circular 706: Updated Anti-Money Laundering Rules and Regulation	PSBank Compliance Office
	Sep. 21, 2012	Updated Anti-Money Laundering Rules & Regulations	PSBank thru Anti-Money Laundering Council (AMLC) Secretariat
	Oct. 13, 2012	AMLA Updates: RA Nos. 10167, 10168 & Others	PSBank Chief Compliance Officer
	May 23, 2013	AML Risk Rating System and Amendments to BSP Cir. No. 706 and AMLA Law, RA 10365	Metrobank thru Bankers Institute of the Philippines, Inc.
	June 8, 2013	Money Laundering and Terrorism Financing Prevention Program and AMLA Updates	PSBANK Compliance Office
	Feb. 8, 2014	Six Sigma Champion	Ma. Nenita Asuncion Concio: Neville-Clarke Philippines, Inc.
	Aug. 29, 2014	AML Briefing to Board of Directors and Senior Management	Bankers Institute of the Philippines, Inc.
SVP Perfecto Ramon Z. Dimayuga (CFO)	Jan. 11, 2011 & Aug. 12, 2010	The Evolving Financial Reporting Landscape: Changes and Updates (IFRS Quarterly Executive Briefing)	SGV & Co.
	Jan. 21, 2011	BSP Circular 706: Updated Anti-Money Laundering Rules and Regulation	PSBank Compliance Office
	Oct. 13, 2012	AMLA Updates: RA Nos. 10167, 10168 & Others	PSBank Chief Compliance Officer
	May 23, 2013	AML Risk Rating System and Amendments to BSP Cir. No. 706 and AMLA Law, RA 10365	Metrobank thru Bankers Institute of the Philippines, Inc.
	Nov. 27, 2014	Orientation Course on Corporate Governance	The Institute of Corporate Directors
	Apr. 22, 2015	Annual Training Program for Corporate Governance	The Institute of Corporate Directors
SVP Jose Jesus B. Custodio	Jan. 21, 2011	BSP Circular 706: Updated Anti-Money Laundering Rules and Regulation	PSBank Compliance Office
	Sept. 21, 2012	Updated Anti-Money Laundering Rules & Regulation	PSBank thru Anti-Money Laundering Council (AMLC) Secretariat
	Oct. 13, 2012	AMLA Updates (R.A. No. 10167, R.A. No. 10168 &	PSBank Chief Compliance Officer



		Others)	
	June 8, 2013	Money Laundering and Terrorism Financing Prevention Program and AMLA Updates	PSBANK Compliance Office
	Nov. 27, 2014	Orientation Course on Corporate Governance	The Institute of Corporate Directors
SVP Emmanuel A. Tuazon	Nov. 27, 2014	Orientation Course on Corporate Governance	The Institute of Corporate Directors

## B. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

BOD meetings, which are conducted on a regular (monthly) basis, are usually scheduled a month before the actual meeting depending on the availability of the directors.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held in 2014	No. of Meetings Attended	%
Chairman (ID)	Jose T. Pardo	April 2003	12	12	100%
Vice Chairman	Arthur V. Ty	April 2001	12	12	100%
Member	Vicente R. Cuna, Jr.	April 2013	12	12	100%
Member	Joaquin Aligguy *	April 2009	3	3	100%
Member	Margaret Ty Cham	April 2004	12	11	92%
Member	Ma. Theresa G. Barretto	April 2006	12	12	100%
Member	Jeanne Frances T. Chua	April 2013	12	12	100%
Member (ID)	Samson C. Lim ***	April 2008	12	11	92%
Member (ID)	Benedicto Jose R. Arcinas	April 2012	12	11	92%
Member	Amelia B. Cabal **	April 2014	9	8	89%

(ID

) Independent Director

\* Mr. Joaquin Aligguy's term as Director of the Bank expired on April 2014.

\*\* Ms. Amelia B. Cabal was elected as Director of the Bank on April 2014.

Dir. Lim was not physically present but participated through Memorandum in the September 2014 Board meeting.

## C. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee (2014)	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	1	2	-	Yes	It regularly reviews and approves credit proposals within its limits	It recommends additional conditions and requirements on loan applications for Board approval	Approval of credit proposals; Recommendations to the board of directors any credit exceptions that merit approval provided they are supported by strong business rationale.
Audit	-	3	2 (including the Chair)	Yes	It provides independent oversight of internal controls and financial reporting, risk management, ethical environment, compliance with laws and regulations, and internal and external audit activities	Oversight of audit activities	Oversight of audit activities
Nomination	-	3	2 (including the Chair)	Yes	It reviews and evaluates all nominees to the Board	It promulgates the guidelines or criteria to govern the conduct of nominations. It pre-screens the qualifications and prepares a final list of all candidates and put in place	It pre-screens and shortlists all candidates nominated to become a member of the board of directors.

						screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors.	
Remuneration	-	3	2 (including the Chair)	Yes	It reviews and evaluates remuneration packages of executive and corporate officers and directors	It establishes a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior mgt and other key personnel ensuring that compensation is consistent with the corporate culture, strategy and control environment	Oversight of remuneration process
Trust	1	3	1	Yes	Oversees the fiduciary activities of the Bank	Ensures that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices; - Ensures that policies and	Prescribes and approves new fiduciary activities that are in accordance with applicable laws, rules and regulations, and prudent practices;

						<p>procedures that translate the Board of Directors' objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective;</p> <ul style="list-style-type: none"> <li>- Oversees the implementation of the risk management framework and ensure that internal controls are in place relative to fiduciary activities;</li> <li>- Adopts an appropriate organizational structure/staffing pattern and operating budgets that shall enable the Trust department to effectively carry out its functions;</li> <li>- Oversees and evaluate the performance of the Trust Officer;</li> <li>- Conducts regular</li> </ul>	<ul style="list-style-type: none"> <li>- Prescribes and approve policies and procedures that translate the Board of Directors' objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective;</li> <li>- Approves new products that adhere to the risk management framework and are covered by internal controls</li> </ul>
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						meetings at least once every quarter, or more frequently as necessary, depending on the size and complexity of the fiduciary business; - Reports regularly to the Board of Directors on matters arising from fiduciary activities.	
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Committee (2014)	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Risk Oversight	1	3	1 (the Chair)	ROC Charter	See below		Recommends or endorses to the Board for approval
Corporate Governance	0	3	2 (including the Chair)	CGC Charter	See below		Recommends or endorses to the Board for approval
Related Party Transactions	0	3	2 (including the Chair)	RPTC Charter	See below		Recommends or endorses to the Board for approval
AML Oversight	1	3	1 (the Chair)	AMLOC Charter	See below		Recommends or endorses to the Board for approval

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman	Arthur V. Ty	April 2009	1	1	100%	5 yrs. 9 mos.
Member (ED)	Vicente R. Cuna, Jr.	April 2013	1	1	100%	1 yr. 9 mos.
Member (ED)	Margaret Ty Cham	2004	1	0	0%	10 yrs.

Member	Rosanna F. De Vera (non-director/MBTC representative)	October 2012	1	1	100%	2 yrs. 3 mos.
Member	Maris Lou S.Velicaria (non- director/PSBank representative)	April 2014	1	1	100%	9 mos.

\* Aside from Excom meeting, the Bank conducted 43 special routing of accounts in 2014.

#### (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman (ID)	Jose T. Pardo	April 2009	12	12	100%	5 yrs. 9 mos.
Member (ID)	Samson C. Lim	April 2008	12	11	92%	6 yrs. 9 mos.
Member (NED)	Joaquin Aligguy *	Nov 2009	4	4	100%	4 yrs. 6 mos.
Member (NED)	Amelia B. Cabal **	April 2014	8	8	100%	9 mos.

\* Term expired in April 2014

\*\* Appointed as Member in April 2014

Disclose the profile or qualifications of the Audit Committee members.

- JOSE T. PARDO, Chairman / Independent Director  
Chairman of PSBank since January 2003. Independent Director since May 2007. Chairman/Independent Director, Philippine Seven Corporation, Philippine Stock Exchange, Securities Clearing Corporation of the Philippines, Bank of Commerce. Chairman, 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, Philippine-Japan Vocational Technical 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. First graduate of the Harvard-DLSU Advisory Program. BS Commerce-Accountancy and MBA, De La Salle University.
- SAMSON C. LIM, Independent Director  
Independent Director since April 2008. Chairman, Blims Fine Furniture, Collins International Trading Corporation and Francorp Philippines. Honorary Chairman, Automatic Appliances Inc. Chairman/ Tourism Committee, Philippine Chamber of Commerce and Industry. Chairman Emeritus/ International Relation, Philippine Franchise Association and Philippine Retailers Association. President, Canadian Tourism and Hospitality Institute. 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 April 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, Asian Institute of Management. Pacific Rim Banking Program, Pacific Coast Banking School/ University of Washington, Seattle, USA. Top Management Program- Bangkok.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee is delegated with fiduciary functions to assist the Board in fulfilling its oversight responsibility to the shareholders relating to the external audit functions.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman (ID)	Samson C. Lim	April 2009	1	1	100%	5 yrs. 9 mos.
Member (NED)	Arthur V. Ty	April 2004	1	1	100%	10 yrs. 9 mos.
Member (ID)	Jose T. Pardo	April 2012	1	1	100%	2 yrs. 9 mos.

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman (ID)	Jose T. Pardo	April 2003	2	2	100%	11 yrs. 9 mos.
Member (NED)	Arthur V. Ty	April 2001	2	2	100%	13 yrs. 9 mos.
Member (ID)	Benedicto Jose R. Arcinas *	April 2012	1	1	100%	2 yrs. 9 mos.
Member (ID)	Samson C. Lim **	April 2014	1	1	100%	9 mos.

\* Term expired in April 2014

\*\* Appointed as Member in April 2014

(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 (2014)	%	Length of Service in the Committee
Chairman (ID)	Samson C. Lim	April 2008	12	12	100%	6 yrs. 9 mos.
Member (ID)	Jose T. Pardo	April 2009	12	12	100%	5 yrs. 9 mos.
Member (NED)	Jeanne T. Chua	April 2013	12	12	100%	1 yr. 9 mos.
Member (NED)	Joaquin Aliggy *	April 2012	4	4	100%	2 yrs.

\* Term expired in April 2014

**Related Party Transactions Committee (RPTC)**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman (ID)	Jose T. Pardo	Jan 2012	12	12	100%	3 yrs.
Member (ID)	Benedicto Jose R. Arcinas	April 2012	12	11	92%	2 yrs. 9 mos.
Member (NED)	Joaquin Aliggy *	April 2012	4	4	100%	2 yrs.
Member (NED)	Amelia B. Cabal **	April 2014	8	8	100%	9 mos.
Member	Emma B. Co (non-director/Chief Audit Executive)	Jan 2012	12	12	100%	3 yrs.

\* Term expired in April 2014

\*\* Appointed as Member in April 2014

### Risk Oversight Committee (ROC)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman (ID)	Benedicto Jose R. Arcinas	April 2012	12	11	92%	2 yrs. 9 mos.
Member (ED)	Vicente R. Cuna, Jr.	April 2013	12	12	100%	1 yr. 9 mos.
Member (NED)	Joaquin Aligguy *	April 2012	4	4	100%	2 yrs.
Member (NED)	Amelia B. Cabal **	April 2014	8	8	100%	9 mos.
Member	Bernardito M. Lapuz (non-director/MBTC representative)	Sept 2007	12	10	83%	7 yrs. 4 mos.
Member	Edmund A. Go (non-director/adviser)	May 2009	12	10	83%	5 yrs. 8 mos.

\*Term expired in April 2014

\*\*Appointed as member in April 2014

### Trust Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman (ID)	Benedicto Jose R. Arcinas	June 2012	4	4	100%	2 yrs. 7 mos.
Member (ED)	Vicente R. Cuna, Jr.	April 2013	4	4	100%	1 yr. 9 mos.
Member (NED)	Ma. Theresa G. Barretto	April 2008	4	4	100%	6 yrs. 9 mos.
Member (NED)	Jeanne T. Chua	April 2013	4	4	100%	1 yr. 9 mos.

### AML Oversight Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended (2014)	%	Length of Service in the Committee
Chairman (ID)	Benedicto Jose R. Arcinas	April 2014	8	7	87.50%	8 mos.
Member (ED)	Vicente R. Cuna, Jr.	April 2014	8	8	100%	8 mos.
Member (NED)	Amelia B. Cabal	April 2014	8	7	87.50%	8 mos.
Member (NED)	Jeanne Frances T. Chua	April 2014	8	8	100%	8 mos.

### 3) Changes in Committee Members (as of April 28, 2015 ASM)

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

Name of Committee	Name	Reason
Executive	Mary Myleen M. Masanque (inclusion)	Appointed as PSBank Representative and Credit Administration Group Head



	Dir. Margaret Ty Cham (exclusion)	Resignation
	Dir. Jeanne Frances T. Chua (inclusion)	Replacement of Director Margaret Ty Cham
Audit	(none)	(none)
Nomination	(none)	(none)
Remuneration	(none)	(none)
Risk Oversight	Severinus Petrus Paulus Hermans (inclusion)	Appointed as new director in the April 2015 ASM
Corporate Governance	(none)	(none)
Related Party Transactions	(none)	(none)
Trust	Severinus Petrus Paulus Hermans (inclusion)	Appointed as new director in the April 2015 ASM; Replaced Dir. Jeanne Frances Chua
AML Oversight	(none)	(none)

#### D. 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 <sup>th</sup> Floor, Enterprise Bldg., Tower 1, Ayala Avenue, Makati City	18,354,256	7.640%	Various Stockholders via PCD
Danilo L. Dolor # 56 Tamarind Rd., Forbes Park, Makati City	12,610,891	5.249%	Danilo L. Dolor

##### 2) Date of release of audited financial report: 25 March 2015

###### (a) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
None	None

## Dividends

Quarterly Dividends	Declaration Date	Record Date	Payment Date
4Q2013	24-Jan-14	5-Mar-14	20-Mar-14
1Q2014	28-Apr-14	1-Jul-14	16-Jul-14
2Q2014	22-Jul-14	2-Sep-14	17-Sep-14
3Q2014	30-Oct-14	12-Jan-15	30-Jan-15
4Q2014	22-Jan-15	30-Mar-15	17-Apr-15

### (b) Stockholders' Participation

1. 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: 25 March 2015
  - b. Date of the Annual/Special Stockholders' Meeting: 28 April 2015
2. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

### Questions and Answers at the 2015 ASM

After the President's Report, stockholder Philip Turner commended the Bank for the significant improvement in its core income. He brought forward two concerns, namely: higher foreclosures and large loans with little to no collateral.

PSBank President Vicente R. Cuna explained that the Bank monitors its past due rates and emphasized that higher foreclosure rate is a function of a rise in the volume of loans. He added that when a loan turns bad, the foreclosed properties become assets that are properly managed and monitored. The level of foreclosed assets of the Bank has been stable. Mr. Cuna added that the Bank also strives to sell its foreclosed assets. For Mr. Turner's second question, Mr. Cuna said that PSBank's loans are mostly secured loans while unsecured personal loans comprise only of a small portion of the Bank's loan portfolio.

### 3. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolutions (2015)	Approving	Dissenting	Abstaining
1. Approval of the Minutes of the ASM held last 28 April 2014	Majority	None	None
2. Annual Report to the Stockholders	Majority	None	None
3. Confirmation of all corporate acts of the BOD, the Executive Committee and the Management	Majority	None	None
4. Election of the members of the BOD	Majority	None	None
5. Appointment of the External Auditor	Majority	None	None

4. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: 28 April 2015 via PSE Edge

(c) 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. Theresa G. Barretto 7. Amelia B. Cabal 8. Severinus Petrus Paulus Hermans 9. Benedicto Jose R. Arcinas 10. All PSBank officers with a rank of AVP and up	28 April 2015	Cumulative Voting	75.985%	0.003 %	75.982%

(d) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	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	25 March 2015 for 2015 27 March 2014 for 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	25 March 2015 for 2015 27 March 2014 for 2014
State whether CD format or hard copies were distributed	Hard copies
If yes, indicate whether requesting stockholders were provided hard copies	Yes