



PHILIPPINE SAVINGS BANK
Metrobank Group

15 July 2015

ATTY. JUSTINA CALLANGAN

Director

Corporate Finance Department

Securities and Exchange Commission

SEC Building, EDSA Greenhills

Mandaluyong City, Metro Manila

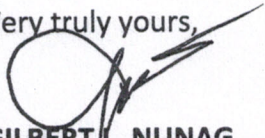
Dear Atty. Callangan,

We submit herewith the updates on Philippine Savings Bank' (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

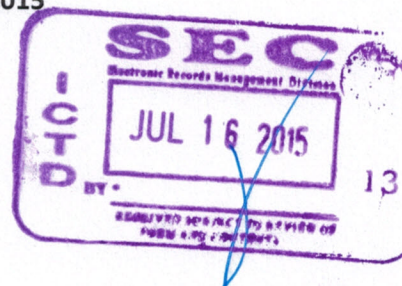
PHILIPPINE SAVINGS BANK
ACGR UPDATES AS OF 16 JULY 2015

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(1) Board of Directors

A. BOARD MATTERS

(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:

- Movements and levels of ownership of the directors' shares from beginning to end of the year are summarized as follows:

#	Name of Director	Position	Rollforward of Common Shares					
			Beginning		Movements		End	
			12/31/2013	%	Additions	Deductions	12/31/2014	%
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	0.001481
5	Margaret T. Cham	Director	100	0.000042	-	-	100	0.000042
6	Jeanne Frances T. Chua	Director	100	0.000042	-	-	100	0.000042
7	Samson C. Lim	Independent Dir.	100	0.000042	-	-	100	0.000042
8	Benedicto Jose R. Arcinas	Independent Dir.	100	0.000042	-	-	100	0.000042
9	Amelia B. Cabal	Director	-	-	100	-	100	0.000042
10	Joaquin Aligguy**	Director	400	0.000166	-	400	-	0.000000
	Total		6,426	0.002677	100	400	6,126	0.002553

* Except for Mr. Pardo, Ms. Barretto and Mr. Aligguy, shares of rest of directors are just assigned nominal shares.

** Mr. Aligguy was replaced by Ms. Cabal as director during the Annual Stockholders' Meeting in April 2014.

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(4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

- Yes. The Bank's CG Manual (under Sec. 2.2.2.1) specifies the qualifications of a director, one of which is that he must be fit and proper for the position of a director of the bank. In determining whether a person is fit and proper for the position of a director, the following matters must be considered: integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience. Therefore, no director or candidate for directorship shall be discriminated upon by reason of gender, age, ethnicity, nationality or political, religious or cultural backgrounds.

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C. BOARD MEETINGS & ATTENDANCE

(2) Do non-executive directors have a separate meeting during the year without the presence of any executive? If

yes, how many times?

- Yes. The last separate session of the independent directors, in the absence of any executives, was held on July 22, 2014.

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- (4) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.
- Yes. The Corporate Secretary, Mr. Pocholo V. Dela Peña graduated at the University of Santo Tomas with a degree of Bachelor of Science in Commerce major in Accounting. The Company Secretary holds executive positions in Metrobank as the Head of Special Accounts Management Division and Legal Division. Within the Bank, he is assisted by the Corporate Affairs Division. He has likewise attended seminars and trainings on corporate functions and is the corporate secretary since July 2011.

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- (3) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Under Sec. 6.08 of the Bank's Amended Code of By-Laws, the Chairman, Vice Chairman and each Director shall receive reasonable per diems for attendance at any meeting of the Board, for each day of session; Provided, however, that nothing herein contained shall be construed to preclude any Director from serving in any other capacity and receiving compensation therefore. The Board shall fix the compensation and other remuneration of any Director or any other officer of the Bank should they be designated to perform executive functions or any special services to the Bank.	Regular compensation and bonuses (as officer of the Bank), Director's fee	Regular compensation and bonuses + Director's fee
Non-Executive Directors		Director's fee, Transportation allowance, committee meeting allowance and Christmas Bonus	Director's fee + Transportation allowance + committee meeting allowance + Christmas Bonus

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F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
- ROC does an annual self assessment which is submitted to the Corporate Governance Committee, which in turn, reviews the same and reports its assessment to the Board. Based on its annual self-assessment, the ROC concludes that the risk management system of the bank is adequate in all material aspects.
 - The Audit Committee through the Internal Audit Group (IAG) reviewed and confirmed the adequacy and effectiveness of the Bank's risk management systems.

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G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate.
- Based on the Report of the Audit Committee to the Board of Directors (for the year ended 31 December 2014), the Audit Committee reviewed with the Internal Audit Group (IAG) the results of its examinations and evaluations of internal control processes; and monitored and assessed the adequacy and effectiveness of internal control system. Given the foregoing, the Audit Committee confirmed that the Bank's internal controls are adequate and effective in all material aspects.

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- (h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.
- Based on the results of the annual evaluation, the Bank's Compliance Officer confirms the Bank's full compliance with the SEC Code of Corporate Governance and with the requirements of the Corporate Governance Manual.

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(2) Performance-enhancing mechanisms for employee participation.

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

The Bank supports a clean and healthy lifestyle among its employees. It also promotes work-life balance for its employees and dependents.

Health. The Bank provides the below health benefits:

- Health card for employees and qualified dependents;

- Hospital cash assistance;
- Medical, dental and optical subsidies for employees;
- Maternity benefit; and,
- Vaccination (Flu, Cervical Cancer, Pneumonia and/or Hepatitis A and B) for employees and/or dependents at a lower cost and at staggered payment scheme.

Welfare. Employees are encouraged to join activities, such as but not limited to sports tournaments, exercise and dance classes, and pampering sessions. These activities are not only good for health; they also build competitiveness and camaraderie. The Bank also partnered with Philippine Children's Medical Center (PCMC) for annual bloodletting program.

To give employees an opportunity for rest, recreation, and to attend to their personal concerns, they are entitled to different type of leaves annually – vacation, sick, emergency, maternity, paternity, etc.

The Bank institutionalizes family-bonding activities, such as the Halloween Party and the Educational Fun Day.

Safety. The Bank has an Occupational Health and Safety (OSH) Program that aims to ensure that the workplace is safe and free from work hazards that may cause or likely cause physical harm to the workers, or damages to property.

For this, the Bank has the following initiatives:

- Annual Emergency Drills drill to ensure that all employees are prepared during emergencies;
- Regular maintenance of critical equipments like the elevators, generator sets and air-conditioning systems to ensure that occupants are comfortably served well and safe;
- Rehabilitation of the electrical system of the head office building;
- Rehabilitation of the centralized air-conditioning systems;
- Availability of purified water is made available to all employee;
- A housekeeping team by a service provider helps ensure the building and branch premises are clean;
- Implemented the no smoking policy within the building in coordination with HRG; and,
- 24-hour security at the head office and selected branches; placement of security alarms

Every now and then, the Bank through email sends articles pertaining to Health, Safety and Wellness.

(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	May 31, 2014	62

Activity	Date	No. of Employees (and Dependents) Covered
Tournament		
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
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

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

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 EBOLA Virus?" (November 20, 2014); and,
- "Effects Of Chronic Kidney Disease To Our Bones" (November 25, 2014).

(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
- Compliance Training (i.e. AMLA)
- 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 (as of June)
NEO	388	220
SPEED	33	20
Systems Training	1149	472
Products	1235	222
Functional Program	813	228

External Trainings

	2014	2015 (as of June)
Total No. of Trainings	63	32
Total No. of Employees	121	162
Employees with Multiple Trainings	4	4

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2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes. Subject to existing BSP and SEC rules and regulations, starting

	2012, the Bank pays its stockholders a regular cash dividend rate of 30%, or Php3.00 per share annually which is paid quarterly at Php0.75 per share.
Details of whistle-blowing policy - referred to as reporting of violations in the PSBank AR	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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D. DISCLOSURE AND TRANSPARENCY

5. Results of Annual/Stockholders' Meeting's Resolutions

Resolutions (2015)	Approving	Dissenting	Abstaining
Approval of Minutes	75.985%	0.00%	0.00%
Report to the Stockholders	75.985%	0.00%	0.00%
Election of Directors	75.985%	0.00%	0.00%
Appointment of the External Auditor	75.985%	0.00%	0.00%