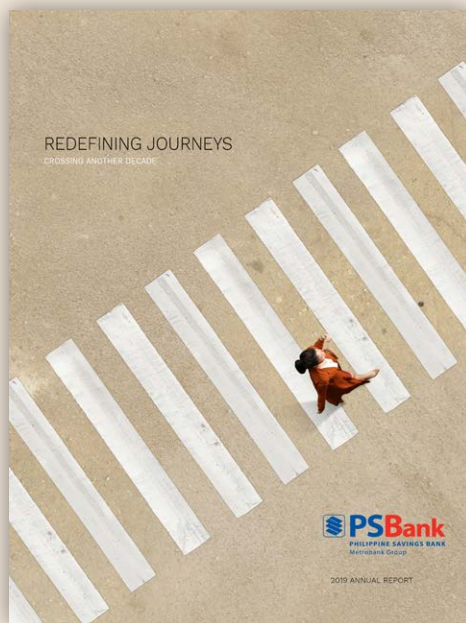


REDEFINING JOURNEYS

CROSSING ANOTHER DECADE



2019 ANNUAL REPORT



ABOUT THE REPORT

They say you can't understand a person until you've walked a mile in his shoes.

PSBank has been doing just that — walking the journey with its customers, understanding what motivates them in life, what they go through, what matters to them most, and how we can help them reach their dreams.

Fifty-nine years ago, this used to be a simple task. Customers came to our branch for basic banking needs: to open an account, make a deposit, apply for a loan, or ask for a printed statement of account.

With digital technology becoming ubiquitous, the customer journey is no longer just going from point A to B. Customers now demand access to their accounts through a channel of their choice — be it inside a branch, online, or on mobile.

Our 2019 Annual Report chronicles how we are Redefining Journeys. We made changes in our processes and systems, harnessed data and technology, engaged our customers more actively, and embedded a service culture in our organization — all geared towards making a positive impact on our customers' lives.

Crossing another decade to our 60th year does not mean the end of the journey. PSBank will continue to evolve and innovate to remain relevant to our customers, now and in the future.

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ABOUT PSBANK

Philippine Savings Bank (PSBank) is the second largest thrift bank in the Philippines, with PHP224.91 billion in assets as of 2019.

Business Model

As the thrift banking arm of the Metrobank Group, one of the largest financial conglomerates in the Philippines, PSBank focuses on the consumer banking business. It offers retail deposit and consumer loans, including small and medium enterprises, through various channels.

History

PSBank started as a small neighborhood bank in the historic Plaza Miranda in Quiapo, Manila, formerly the country's commercial hub, on September 26, 1960.

Proof that innovative banking has always been in its corporate DNA, PSBank was the first bank to offer Monday to Saturday banking with no noon break, extended banking hours, online electronic data system, and banking-by-mail in the country. This earned the bank a reputation for being “The Friendly Bank” because of its accessibility, convenience, and service quality.

Delivery Channels

Fifty-nine years later, PSBank continues to make a mark by providing products and services that are known for being simple and maaasahan (reliable).

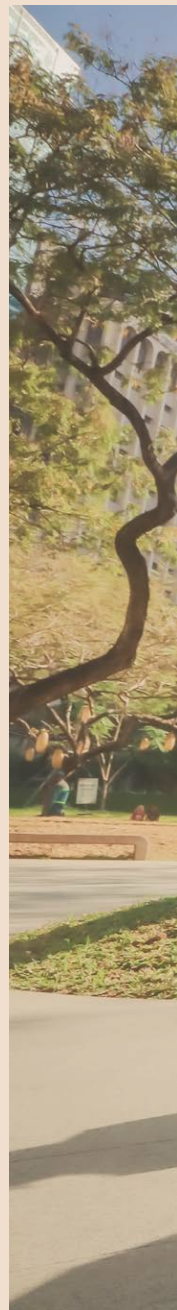
In addition to having a network of 250 branches and 557 ATMs strategically located nationwide, it offers 24/7 banking services through PSBank Mobile and PSBank Online. The bank is also accessible to customers through its Customer Experience Hotline, PSBank LiveChat, ISSA Chatbot, and PSBank Official accounts on social media.

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.









MESSAGE FROM THE CHAIRMAN

STAYING AHEAD

Seventeen years ago when I assumed the chairmanship of the Board of Directors of PSBank, the customer journey involved traveling to a branch, showing an identification card to open an account, submitting physical documents to meet loan requirements, and then waiting for days to receive decisions.

Nowadays, the difference between a traditional customer journey and a digitized one is like walking and flying. PSBank customers are even much ahead of the journey. They only need a mobile phone to take a photo of their check and make a deposit, to send and receive funds that can be withdrawn by the fund recipient from any ATM even without a card, or to apply for loans — all in a matter of minutes.

As your Chairman, I feel an immense sense of pride for being part of the dramatic growth story of PSBank which has gone beyond expectations. In 2019, the Bank breached the PhP3-billion net income mark and scored many firsts in Philippine banking history, including the launch of the PSBank Mobile Check Deposit. It also garnered a string of awards, including the much-coveted Pagtugon Award from the Bangko Sentral ng Pilipinas (BSP) for outstanding customer focus and service — the fourth consecutive year PSBank won since 2015.



In the face of feverish competition in our industry, however, we need to continue redefining the customer journey and not sit on our laurels.

We need to keep asking the tough questions in our pursuit to stay a step ahead. This self-reflective exercise is a humbling journey for a bank that is about to turn 60 years old. As the old saying goes, "It's hard to teach old dogs new tricks." I'm now 80 and yet I'm still learning.

From personal experience, humility is important in this journey. Sometimes we set ambitious goals and come up short. We spend time trying to find solutions to questions that have no answers. Must we end the journey once we reach a roadblock? The answer is no. To stay relevant in the face of unrelenting change, PSBank must learn to question the validity of its future existence.

Staying ahead seems like a nearly impossible pursuit in a world that grapples with so many uncertainties. How do you plan for a future when the global economic engine is always faltering?

In 2019, economic growth around the world recorded its weakest pace since the 2008 global financial crisis, according to the International Monetary Fund. Rising tariffs due to the U.S.-China trade war and related uncertainty weighed on business sentiment and dragged down activity globally.

A relaxation of monetary policies averted the nosedive. The BSP cut policy rates to stimulate the Philippine economy and prop up consumer confidence and household spending. As a result, our average GDP growth was at 5.9%. Were it not for the weakness in agriculture and the delayed passage of the 2019 budget which led to

“At times like this, it is more important than ever to stay close to the customer.”

government underspending and stalled infrastructure projects, our GDP would have grown by 6% to 6.5% in 2019. Thanks to our hard working overseas Filipino workers who sent home a record high of \$33.467 billion in remittances in 2019, our economy was cushioned against external shocks.

The economic outlook for 2020, however, remains uncertain. The year started with the sudden eruption of Taal volcano, which caused an estimated damage of over PhP3 billion to local agriculture. The COVID-19 virus outbreak in China is not only weakening the world's second-biggest economic powerhouse but disrupting the global supply chain and raising a global recession scenario.

At times like this, it is more important than ever to stay close to the customer.

If there is one thing we learned from past economic downturns, it is that listening closely to our customers and being agile

in meeting their needs is the only way to success. Thanks to the digital capabilities and data-driven processes that the Bank steadily invested in building up over the past years, today we have deeper customer relationships, the ability to keep redefining their journey, and more robust financials. This gives us greater confidence that PSBank will remain resilient and well positioned to weather any storm.

So hang tight as we look forward to more exciting journeys ahead. On behalf of your Board, I thank you for your continued trust and confidence as we cross another decade.



Jose T. Pardo
Chairman





PRESIDENT'S REPORT

SUSTAINING GROWTH

In many respects, 2019 proved to be a banner year for PSBank.

For the first time in its 59-year history, the Bank breached the Php3-billion mark, as net profit grew 13.8% to Php3.03 billion from Php2.66 billion in 2018. This came from the growth of both our core net interest margin and other operating income, supplemented by upsides from operating efficiencies. Return on equity stood at 10.3% while return on assets was at 1.3%.

We made a successful debut in the bond market and generated Php6.3 billion from our maiden Peso Fixed Rate Bond Issuance. We further diversified our funding sources by raising Php8 billion through a stock rights offer that resulted in an oversubscription.

We also set an industry first with the launch of the PSBank Mobile Check Deposit so mobile users can easily deposit checks without going to the bank.

2019 was also a year of big wins. For the fourth consecutive year since 2015, PSBank received the Pagtugon Award from the Bangko Sentral ng Pilipinas (BSP) for outstanding customer focus and service. Our effective adoption of digital strategies that continue to enhance customer experience was also recognized by the BSP and in the 2019 Customer Experience (CX) Asia Excellence Awards in Singapore, among others.

“As digital technology becomes more pervasive and uncertainties rise, more than ever customers would need a bank like PSBank that not only understands them better, but knows their experiences and journey better than others.”

A Challenging Year

We were able to make these significant strides amid the tough terrain in 2019. In the first half, the government curbed public spending due to the delayed passage of the national budget. The U.S.-China trade war continued to trigger market uncertainty and foreign fund outflows. On the other hand, falling inflation driven by stabilizing prices of food and energy enabled the BSP to relax its policy stance, sparking consumer confidence.

Coming from a difficult business environment in 2018 when interest rates and inflation rose, we were already prepared to face more headwinds in 2019. For the second straight year, we adopted an expense management program and mandated all our business groups to come up with a strategy to enforce cost discipline. We closely tracked our performance, and openly communicated our policies and actions to everyone, including our labor union.

The numbers speak of our united effort. For the first time, we generated a bankwide year-on-year savings in operational expenditures, excluding provision for impairment and credit

losses of PhP256.9 million, a 3% reduction in 2019. Higher net interest margins of PhP11.4 billion and other operating income of PhP3.2 billion cushioned our bottom line against the ripple effects of a global economic slowdown as we headed into 2020.

Redefining the Journey

Amid the market uncertainty in 2019, we relentlessly redefined the customer journey by pursuing digitalization and making our business processes and decisions more data driven.

Among our many firsts in digital innovation is the Robotics Process Automation in ATM monitoring to optimize the performance of our 557 ATMs nationwide. Our Integrated Loan Application System (ILAPS) mortgage loan applications interfaced with TransUnion to allow us to evaluate loan applications more comprehensively and render credit decisions faster.

We take immense pride in being a bank that is obsessed with two things: exceptional customer experience and intelligent data.



Using advanced data analytics, we are able to get deeper customer insights, listening and innovating to meet customers' unarticulated needs. Combined with digital technology, we are able to take an agile approach to meet customers in the channel of their choosing.

Digital technology also allows us to constantly engage our employees using social media tools. As more than half of our employees (many of whom are millennials) are outside the workplace, tools like Workplace by Facebook enable faster and easier transmission of information. Consequently, a highly engaged workforce is able to provide better customer experience. Proof is our consistently high Net Promoter Score, which we use to track our progress in employee and customer engagement.

Crossing Another Decade

Over the past 59 years, we have become an immensely entrepreneurial, agile, adaptive, and innovative organization. We believe these attributes will continue to serve us well in the years ahead, particularly in the face of rising competition, technological disruptions,

regulations, and other unsettling challenges such as the COVID-19 virus outbreak.

As digital technology becomes more pervasive and uncertainties rise, more than ever customers would need a bank like PSBank that not only understands them better, but knows their experiences and journey better than others. Our goal is to master the ability to differentiate ourselves through the value of a memorable customer experience.

Thank you to our valued customers, our shareholders, as well as our PSBankers for continuing on this journey with us. We hope the next 60 years will take us to more uncharted yet exciting territory.

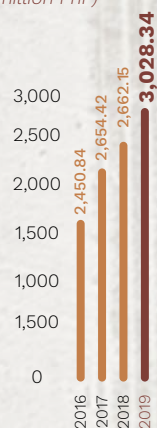
Jose Vicente L. Alde
President

CROSSING THE MARK



Net Income ▲ 14%

(in million PhP)



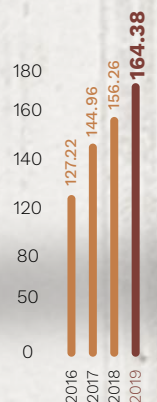
Earnings Per Share ▼ 24%

(in PhP)



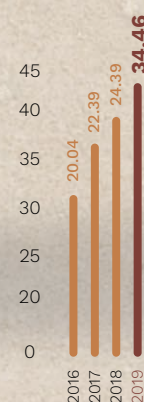
Total Loans and Receivables ▲ 5%

(in billion PhP)



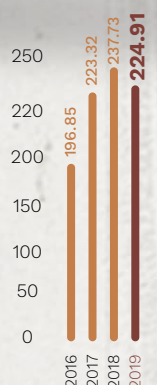
Capital Funds ▲ 41%

(in billion PhP)



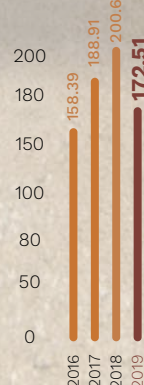
Total Assets ▼ 5%

(in billion PhP)



Total Deposits ▼ 14%

(in billion PhP)



Statements of Condition (in PhP)

	December 31 2019	December 31 2018	December 31 2017	December 31 2016
ASSETS				
Cash and Other Cash Items	10,235,321,035	20,615,077,767	19,370,749,882	18,603,423,903
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	-	1,891,820,000	1,842,023,049	3,254,311,599
Investments	39,009,406,957	48,588,473,810	46,765,446,014	37,633,491,634
Loans and Receivables	164,384,202,213	156,260,362,775	144,964,513,221	127,221,847,151
Investment in a Joint Venture	755,781,369	691,425,681	607,162,821	727,176,484
Property and Equipment	3,312,836,126	2,257,379,905	2,480,012,354	2,667,170,455
Investment Properties	3,765,748,696	4,036,317,716	3,930,317,479	3,861,708,308
Other Assets	3,443,524,794	3,388,434,384	3,363,817,804	2,883,973,158
	224,906,821,190	237,729,292,038	223,324,042,624	196,853,102,692
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities	172,505,110,160	200,687,939,383	188,913,401,607	158,387,318,602
Bills Payable	4,189,736,932	2,968,567,431	1,492,418,518	6,093,796,533
Bonds Payable	6,254,701,780	-	-	-
Subordinated Notes	-	2,981,673,382	2,978,997,695	5,975,732,110
Other Liabilities	7,499,998,855	6,696,963,632	7,545,900,637	6,358,583,251
	190,449,547,727	213,335,143,828	200,930,718,457	176,815,430,496
Equity				
Common Stock	3,831,094,160	2,402,524,910	2,402,524,910	2,402,524,910
Capital Paid in Excess of Par Value	9,287,650,873	2,818,083,506	2,818,083,506	2,818,083,506
Surplus Reserves and Surplus	22,306,758,913	20,427,749,521	18,132,449,405	16,198,787,750
Fair Value Reserves on Financial Assets at FVOCI	(18,931,431)	(782,896,279)	-	-
Net Unrealized Gain on AFS Investments	-	-	(411,510,218)	(842,908,364)
Remeasurement Losses on Retirement Plan	(937,954,589)	(470,611,677)	(545,392,541)	(541,701,193)
Equity in Remeasurement Gains on Retirement Plan of a Joint Venture	941,681	3,131,435	1,245,144	1,443,599
Cumulative Translation Adjustment	(12,286,144)	(3,833,206)	(4,076,039)	1,441,988
	34,457,273,463	24,394,148,210	22,393,324,167	20,037,672,196
	224,906,821,190	237,729,292,038	223,324,042,624	196,853,102,692

Statements of Income (in PhP)

Years ended December 31	2019	2018	2017	2016
Interest Income	17,412,487,728	16,373,976,976	14,543,776,800	12,492,470,031
Interest Expense	6,053,619,403	5,042,026,680	3,464,677,418	2,828,547,914
Net Interest Income	11,358,868,325	11,331,950,296	11,079,099,382	9,663,922,117
Net Service Fees and Commission Income	1,863,504,377	1,625,637,759	1,375,774,149	1,136,347,206
Other Operating Income	1,379,839,143	1,240,991,855	1,434,248,690	1,678,559,898
Total Operating Income	14,602,211,845	14,198,579,910	13,889,122,221	12,478,829,221
Other Expenses	11,129,338,845	11,309,215,373	11,039,478,119	9,843,739,367
Share in Net Income of a Joint Venture	105,905,423	82,376,569	71,836,533	35,466,690
Provision for Income Tax	550,440,783	309,595,240	267,061,507	219,713,234
Net Income	3,028,337,640	2,662,145,866	2,654,419,128	2,450,843,310

Profitability (vs. 2018)

Total Net Interest Income
▲ 0.2% to PhP 11,358,868,325

Total Non-Interest Income
▲ 13.1% to PhP 3,243,343,520

Total Non-Interest Expenses
▼ 2.8% to PhP 8,914,348,988

Pre-Provision Profit
▲ 13.1% to PhP 5,687,862,857

Provision for Credit and Impairment Losses*
▲ 3.6% to PhP 2,214,989,857

Share in Net Income of a Joint Venture
▲ 28.6% to PhP 105,905,423

Provision for Income Tax
▲ 77.8% to PhP 550,440,783

Net Income
▲ 13.8% to PhP 3,028,337,640

*Allowance for credit losses (MORB Appendix 125)

Selected Balance Sheet Data (vs. 2018)

Gross Loans
▲ 4.7% to PhP 164,113,858,360

Total Assets
▼ 5.4% to PhP 224,906,821,190

Deposits
▼ 14% to PhP 172,505,110,160

Total Equity
▲ 41.3% to PhP 34,457,273,463

Selected Ratios

Return on Equity (ROE)
2019 - 10.29%
2018 - 11.38%

Return on Assets (ROA)
2019 - 1.31%
2018 - 1.15%

Capital Adequacy Ratio
2019 - 17.76%
2018 - 13.88%

Per Common Share Data (vs. 2018)

Net Income per Share

Basic
▼ 23.6% to PhP 8.03

Diluted
▼ 23.6% to PhP 8.03

Book Value
▼ 11.4% to PhP89.94

Others

Total Cash Dividends Declared
2019 PhP 1,149,328,248
2018 PhP 720,757,473

Headcount (vs. 2018)

Officers
▲ 1% to 1,199

Staff
▲ 1% to 1,931



AWARDS & MILESTONES

A YEAR OF FIRSTS



Amidst a period of heightened uncertainty, PSBank turned 2019 into a banner year for making milestones — from strengthening our business to winning major achievements locally and abroad.

Financial Strength

In the first quarter of 2019, we successfully raised PhP8 billion through a **stock rights offer** that resulted in an oversubscription. This was followed by our **maiden Peso Fixed Rate Bond Issuance** that generated PhP6.3 billion, more than double the planned initial offering. Strong investor demand for our capital-raising activities is concrete proof of the level of trust placed on PSBank as a financial institution.

During the year, PSBank posted a **net income of PhP3.03 billion**, 14% higher than in 2018 and the **first time we breached the PhP3-billion mark**. 2019 was also the first time, the bank earned from the Bangko Sentral ng Pilipinas (BSP) an **ROE CAMELS rating of “4”** — the highest rating for management capability; the first time for us to reach an incremental **PhP1 billion per month in branch peso deposits**; and the first time we achieved a **bank-wide year-on-year savings in operational expenditures**.

Product and Service Offerings

By listening more intently to our customers, we continue to redefine their journeys at every encounter. In 2019, we unveiled new products, services, and enhancements inspired by diving deeper into customer insights.

We launched the **PSBank Mobile Check Deposit**, a first in the local banking industry.

This allows PSBank Mobile users to deposit local peso checks by simply taking a photo on their mobile phone and without the need to go to the bank. Other initiatives during the year include services such as PaSend, the Cash Deposit Machine, and E-bid for onsite bidding at PSBank Auto Mart.

Awards and Accolades

As proof of its continued delivery of exceptional customer service and experience, PSBank also scored major wins from several award-winning bodies and institutions.

We are most proud of being conferred the **BSP Pagtugon Award** for outstanding customer focus and service — the fourth consecutive year since 2015. The BSP also recognized PSBank as an “Outstanding Partner in Digital Transformation” for its effective adoption of digital strategies that enhance customer experience.

PSBank also bagged five trophies at the 2019 Customer Experience (CX) Asia Excellence Awards held in Singapore, including the top prize: gold for the Best Customer Experience in Asia Pacific, besting 245 other entries. PSBank also won a gold for having the “Best Digital Experience,” a silver for the “Best CX Team” for the second consecutive year, a bronze for having the “Best Social Media Experience,” and an honorary mention for its efforts in employee engagement.

For the second time, the World HRD Congress and Stars of the Industry Group also awarded PSBank the “Best Employer Brand Award” in recognition of its ability and efforts to attract, retain, and develop talents.



REDEFINING STRUCTURES

REIMAGINING THE FUTURE

At PSBank, we see every journey as a continuing cycle of meeting customer needs and expectations quickly and seamlessly. To be a consumer bank of choice requires a fast, agile, and flexible IT network that provides solutions to our current customers while building out an extremely responsive infrastructure that anticipates customer needs in the future.

In 2019, we rolled out various groundbreaking initiatives and system upgrades to reliably provide superior and integrated experience to all our customers.

We embarked on our very first **Robotics Process Automation (RPA)** that enables us to enhance the performance of our automated teller machines (ATMs) so our customers will continue to have uninterrupted access to their funds.

Through our **Mobile APPraisal System (MAPPS)**, we are improving the turnaround time on customers' mortgage loan applications by doing away with the manual preparation, review, and encoding of reports. We linked our Integrated Loan Application System (ILAPS) with credit reporting agency TransUnion, allowing us to process and approve personal loan applications faster.

We rolled out a **payment gateway using KAFKA and API design**, an open-source software platform that enables us to improve the handling of real-time data. We implemented an **e-Bid system** so prospective auto buyers at our PSBank Automart warehouse can bid online.

To improve our strict monitoring of money laundering activities, we adopted Base60, a new Anti-Money Laundering Act (AMLA) electronic system that complies with the Bangko Sentral ng Pilipinas' mandate and complements our new deposit system.

These integrated systems are expected to create a ripple effect across our organization: from better business decision-making to a smoother and more positive experience for our customers.



We are redefining our infrastructure to further make customer experience simpler and seamless at every encounter.



DIGITAL IS STAPLE

UNLOCKING POSSIBILITIES

The customer journey used to be a straight and narrow path: from home to the bank. Digital technology has changed all that. Customers now travel through various pathways, online and off-line, all at their fingertips 24/7.

Digital thus no longer just represents a way to reach and serve customers. At PSBank, digital is staple.

In 2019, we continued to fully embrace the integration of digital technology in our service and product innovations that redefine the customer journey.

We launched the industry's first **Mobile Check Deposit** that allows our customers to deposit local peso checks by simply taking a photo of the check on their mobile phone. We also unveiled **PaSend**, enabling our customers to send cash instantly, 24/7, using their mobile device while the fund recipient can withdraw from any ATM without the need for a PSBank ATM card or bank account. These new services can be accessed using the latest version of the **PSBank Mobile app**, which was also rolled out in 2019.

We **enhanced user experience on our website**, www.psbank.com.ph, which now dons a refreshed look and a friendlier interface.

We started installing a self-service **Cash Deposit Machine** so our customers can make deposits without the need to queue in our branches.

We made electronic fund transfer via **PESONet available through the PSBank Business Online Buddy (BOB)**, our Corporate Internet Banking platform. Our customers with small and medium enterprises can now conveniently and securely transfer funds between accounts or settle payments to individuals or other businesses.

As demand for convenience, mobility, and personalized customer experience evolves, PSBank will continue to harness digital technologies to stay in step with customers' needs.



We will continue to harness digital technologies to stay in step with our customers' evolving needs.

Digital by the Numbers



52%: Increase in enrollment in PSBank Mobile since its launch in September 2019



72: average number of weekly transactions in Mobile Check Deposit, six weeks from launch



128%: Increase in PaSend transactions just one month after launch



341%: Increase in Cash Deposit Machine transactions a month after launch

MARRYING CUSTOMER AND EMPLOYEE ENGAGEMENT

EMBRACING INTEGRATION



At PSBank, our customer experience (CX) strategy starts by connecting the dots.

We promote a clear understanding of what we are trying to achieve as an organization. We capture the hearts and minds of our employees to work together towards one shared purpose: to make banking exceptional and more meaningful for our customers. Employees who work with passion go the extra mile to deliver memorable customer experiences. In the end, our customers entrust their financial well-being with PSBank and promote the bank to others.

Tracking CX Performance

After embedding our CX goals in our Vision and Mission statements, we rallied the entire organization to embrace our CX battlecry and declare their key CX commitments through service standards and action items. More than 3,000 employees signed up as our CX Champions.

To track the adherence of our frontliners against their CX commitment, we started using performance metrics such as the Net Promoter Score (for customer advocacy), Overdue RUSH, net Requests (breaches in turnaround time), and Call-in-Action (telephone handling audit). For support teams, we conduct an internal survey.

Customer Experience Portal (CXP)

We use the Customer Experience Portal (CXP) to serve as our platform for customer relationship management. In 2019, we introduced system enhancements in the CXP such as real-time issuance of loan and deposit certifications, and an onscreen alert to prompt users to greet our customers on their birthday/ anniversary or remind them to update their personal or contact information.

Other Initiatives

More determined to make our CX strategy a key differentiation in a highly competitive Philippine banking landscape, we embarked on several initiatives in 2019 to make our employees more engaged.

PSBank Business Campus

A first in the industry, PSBank Business Campus represents our most progressive approach to learning. It has an Open University concept with three unique features: flexible learning, faculty excellence, and choose-your-career options. In 2019, the Campus offered a total of 181 training programs.

Information Technology (IT) Training

To make our workforce more prepared to tackle challenges in the Industrial Revolution 4.0, we introduced four new IT modules in the PSBank Business Campus. More than 100 IT, business unit leads, and project managers availed of the training modules. We also offered other modules on data analytics, automation, mobile programming, system administration, among others, which covered 59 IT personnel.

MARRYING CUSTOMER AND EMPLOYEE ENGAGEMENT

Sales Productivity Training

To boost performance and productivity, we rolled out various sales programs in 2019, including a Branch Sales Clinic, Sales Bootcamp, i-LEAD, Solution Selling, and SPEED Accelerated Learning.

Winning Ways

Validating our gains from these customer and employee engagement strategies, the Bangko Sentral ng Pilipinas (BSP) conferred PSBank the highest recognition for excellence in managing customer issues and ensuring financial consumer protection through the BSP Pagtugon Award. This was the fourth time the bank received the coveted trophy out of eight times the BSP awarded it — the most for any bank in the Philippines.

PSBank also won an award from the International Quality and Productivity Center (IQPC) as Asia Pacific's Best Customer Experience (Gold) for 2019, the top award at the CX Asia Excellence Awards in Singapore.

Our Social Media Engagements



1,025,283: Facebook community members



99%: PSBank response rate on queries, concerns, and issues raised through PSBank's Facebook page



4,550: Instagram followers



2,275: Twitter followers



798: Youtube followers



Over 1 million: Views of PaSend and Mobile Check Deposit TV commercials on PSBank's Facebook page in just three days



Net Promoter Score improved:
Branches +91





MAINTAINING BALANCE

Good risk management does not simply imply avoiding risks at all cost. It means making well-informed decisions regarding the risks we want to take in pursuit of our goals and the measures to mitigate those risks. We design our risk management policies, not as an isolated add-on process, but as embedded in our strategy design and execution.

To integrate the risk dimension fully in our strategy design, we identify how much risk we are willing to take, and how we want to balance risks and opportunities. Our ability to perform this tight balancing act is an essential element of our Enterprise Risk Management (ERM).

Our risks arise in the areas of deposit taking, lending, securities investment and trading, foreign exchange, and operational support. Our risk appetite is defined by a set of qualitative standards and quantitative metrics aimed at maintaining strong capital and liquidity position, stable funding, good risk-reward balance, acceptable business practices and dynamic compliance culture. Our risk metrics allow us to monitor our risk exposure under normal and stressed scenarios against established trigger levels and limits. Predefined approval hierarchy and escalation processes apply during breach of our risk limits. Reports on our risk profile are presented to the senior management and the Board of Directors. These are all contained in the Board-approved risk manuals and are revisited annually or more frequently based on the changing risk environment and evolving regulatory landscape.

In 2019, we enhanced our consumer loan acquisition scoring models. This allowed us to optimize our return while maintaining our risk appetite. Moreover, we implemented enhancements to the internal Philippine Financial Reporting Standards 9 (PFRS9)-compliant Expected Credit Loss (ECL) models. Through regular governance and validation of our models, we are able to ensure that credit models remain accurate, effective and regulatory compliant.

We also complied with the requirements under BSP Circular No. 989 on the “Guidelines on the Conduct of Stress Testing,” BSP Circular No. 996 on the “Amendments to the Liquidity Coverage Framework and Minimum Prudential Liquidity Requirements for Stand Alone Thrift Banks, Rural Banks, Cooperative Banks, and Quasi Banks,” BSP Circular No. 1007 on the “Implementing Guidelines on the Adoption of the Basel III Framework on Liquidity Standards – Net Stable Funding Ratio,” and BSP Circular No. 1042 on the “Guidelines on Investment Activities of BSP-Supervised Financial Institutions.”



Risk Management Structure

Our Board of Directors takes the lead on all major risk management initiatives. It approves broad strategies and policies, and ensures that these are consistent with our overall objectives.

The Risk Oversight Committee (ROC) is comprised of at least three members of the Board, the majority of whom are independent directors, including its Chairperson. Its Chairperson is not the Chairperson of the Board or of any other committee. The ROC members possess expertise and knowledge of our risk exposures, which enable them to develop appropriate strategies for preventing or minimizing the impact of losses.

The Board may also appoint non-Directors to the ROC as part of the Metrobank Group's risk oversight measures. However, only Bank Directors shall be considered as voting members. Non-voting members are appointed in an advisory capacity.

The ROC oversees our Enterprise Risk Management (ERM) framework, the consistency of current and emerging risk exposures with our strategic direction and overall risk appetite

and the effectiveness of our risk management function in monitoring our risk-taking activities. It formulates policies and strategies to identify, measure, manage and limit risks. The ROC ensures that the system of limits approved by the Board remains effective. It also makes certain that limits are observed and that immediate corrective actions are taken whenever needed.

The Risk Management Office (RMO), together with the President, various committees and management, support the ROC in the fulfillment of its duties and responsibilities.

The RMO is independent from executive functions and business line responsibilities, operations and revenue-generating functions. It reports directly to the Board through the ROC. *(See our Risk Organization below.)*

The RMO supports the ROC in carrying out its responsibilities by:

- Analyzing, communicating, implementing and maintaining the risk management policies approved by the ROC and the Board;
- Spearheading the regular review of our risk management policies and elevating recommendations that enhance the risk management process to the ROC and the Board, for their approval;
- Ensuring that the risks arising from our activities are identified, measured, analyzed, reported and

understood by risk takers, management, and the Board. It analyzes limit exceptions and recommends enhancements to the limits structure;

- Monitoring the risk exposures and determining the corresponding capital requirement in accordance with the Basel III capital adequacy framework and based on our internal capital adequacy assessment on an ongoing basis;
- Monitoring and assessing decisions to accept particular risks whether these are consistent with Board-approved policies on risk tolerance and appetite as well as the effectiveness of the corresponding risk mitigation measures; and
- Reporting on a regular basis to Senior Management and the Board the results of assessment and monitoring.

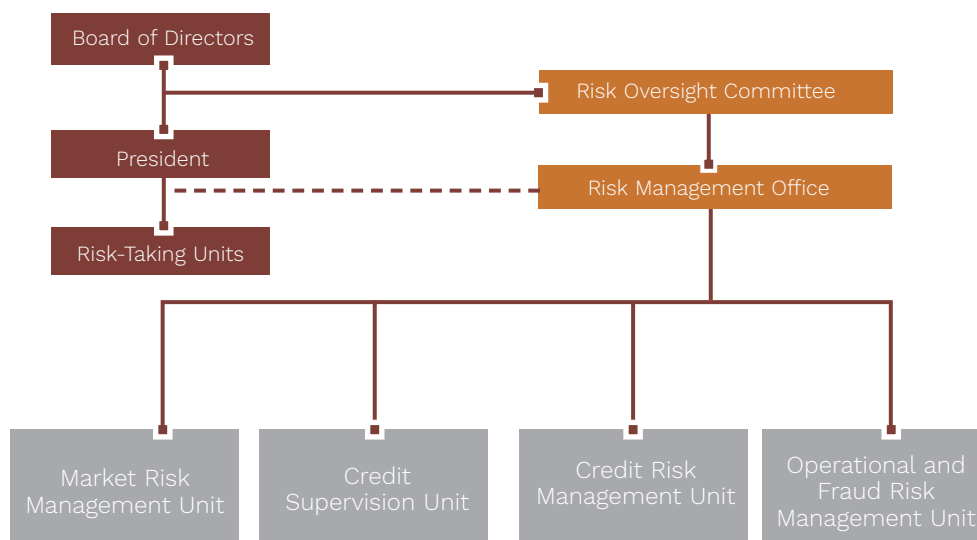
Types of Risks

Our posture towards risks is described below.

Credit Risk

This is the risk in which a counterparty fails to meet its contractual obligations. We have low tolerance for non-performing loans. To ensure this, our lending business follows credit policy guidelines set by the Board, ROC, and RMO. These guidelines serve as our minimum standards for extending credit. Everyone engaged in the credit process is required to understand and adhere to these policies.

RISK ORGANIZATION



Our product manuals contain business plans and define the business parameters by which credit activity is to be performed. Before extending a loan, we observe a system of checks and balances, including the approval of at least two credit approvers through the Credit Committee (Crecom), Executive Committee (Excom), or the Board.

The ROC reviews our business strategies and ensures that revenue-generating activities are within our overall risk appetite and meet the Board-approved credit risk thresholds.

We hold regular audits across our organization. The Board — through the Excom, Crecom, and ROC ensures that all business segments follow sound credit policies and practices.

We assess the portfolio growth and health using key performance indicators. We measure the credit quality of financial assets using our internal loan loss models. We use credit scoring models and decision systems for consumer loans, and borrower risk rating and facility risk rating models for SME loans, as approved by the Board.

We carry out stress testing analyses using Board-approved statistical models, relating the default trends to macroeconomic indicators.

Credit Concentration Risk

Risk concentration is managed by type of individual or group of borrowers, by geographical region, and by industry sector. These are closely monitored with sufficient senior level oversight to ensure that our low risk tolerance and policies for risk concentration are enforced.

We compute for additional risk-weighted assets attributed to credit concentration following the methodology of the Metrobank Risk Group. Concentration risk is scoped in two dimensions: name (or concentration due to specific obligors) and industry (or concentration due to specific industries).

Market Risk

This covers the areas of trading, interest rate, and liquidity risks. Trading market risk is the risk to earnings and capital arising from changes in the value of traded portfolios of financial instruments. Interest rate risk arises from movements in interest rates. Liquidity risk is the inability to meet obligations when they fall due without incurring unacceptable losses.

Our market risk policies and implementing guidelines are regularly reviewed by the Assets and Liabilities Committee (ALCO), ROC and the Board to ensure that these are up-to-date, in accordance with our low appetite for market risks, and in line with changes in the economy, environment and regulations.

The ROC and the Board set a comprehensive market risk limit structure and define the parameters of market activities that we can engage in. We utilize various measurement and

monitoring tools to ensure that risk-taking activities are managed within instituted market risk parameters.

Trading Market Risk

Our trading portfolios are currently composed of peso- and dollar-denominated debt securities that are marked-to-market daily. We use Value-at-Risk (VaR), a statistical measure that calculates the maximum potential loss from a portfolio over a holding period, within a given confidence level. Our current VaR model is based on a historical simulation methodology with a one-day holding period and a 99% confidence level.

We also perform back testing to validate the VaR model, and stress testing to determine the impact of extreme market movements on our portfolios. We establish limits for trading portfolios and closely monitor our daily profit and loss against loss triggers and stop-loss limits. These ensure that our trading activities are in line with our low tolerance for market risk.

To a certain degree, we also carry foreign exchange (FX) risk. It is our policy to maintain exposures within approved position limits, stop loss limits, loss trigger, VaR limits and to remain within regulatory standards. We also use VaR to measure market risk arising from our FX exposure. We use BSP-approved Type 3 Derivative License for plain vanilla FX forwards to manage our FX risk against adverse exchange rate movements.

Interest Rate Risk

We have in place a risk management system and processes to quantify and manage interest rate risk in the banking book. We use measurement tools such as Interest Rate Repricing Gap, Earnings at Risk (EaR), Delta Economic Value of Equity (ΔEVE), and Sensitivity Analysis. All models are regularly validated by an independent auditor.

Interest Rate Repricing Gap is a tool that distributes rate-sensitive assets and liabilities into predefined tenor buckets according to time remaining to their maturity (if fixed rate) or repricing (if floating rate). Items lacking definitive repricing schedule (e.g., current and savings accounts) are assigned to repricing tenor buckets based on analysis of deposit behavioral patterns, past experience and/or expert judgment.

EaR measures the possible decline in our net interest income as a result of adverse interest rate movements, given the current repricing profile. It is a tool used to evaluate the sensitivity of the accrual portfolio to changes in interest rates in the adverse direction over the next 12 months.

We calculate our EaR using historical simulation approach, with one-year horizon and using five years data. EaR is then derived as the 99th percentile biggest drop in net interest income. This historical approach was introduced starting 2019, causing EaR figures to significantly change compared to 2018.

In addition to EaR, starting 2019, we use Δ EVE to measure changes in the net present value of our banking book at different interest rates shocks and stress scenarios. It reflects changes in the economic value of equity over the remaining life of the assets and liabilities, i.e. runoff assumption. Δ EVE is calculated by slotting the notional repricing cash flows arising from rate sensitive assets and liabilities into pre-defined tenor buckets. The present value of the net repricing cash flows is then calculated using various interest rate scenarios which we internally developed or as prescribed by Basel.

We generate and monitor our monthly EaR and Delta EVE exposures. EaR and Delta EVE levels are assessed vis-a-vis limits which are based on a percentage of net interest income or capital.

Aside from the EaR and Δ EVE, we perform regular sensitivity and stress testing analysis on our banking book to further broaden our forward-looking analysis. This way, our management can craft strategies to address and/or arrest probable risks, if necessary.

The ALCO is responsible for managing our structural interest rate exposure. Its goal is to achieve a desired overall interest rate profile within our low appetite for interest rate risk and keeping flexibility to interest rate movements and changes in economic conditions. RMO and ROC review and oversee our interest rate risks.

Liquidity Risk

In managing our liquidity position, we ensure that we have more than adequate funds to meet maturing obligations.

We use the Maximum Cumulative Outflow (MCO) model to measure liquidity risk arising from the mismatches of our assets and liabilities.

We administer stress testing to assess our funding needs and strategies under different conditions. Stress testing enables us to gauge our capacity to withstand both temporary and long-term liquidity disruptions. Our Liquidity Contingency Funding Plan (LCFP) helps us anticipate a liquidity crisis under various stress scenarios. Liquidity limits for normal conditions cap the outflows on a cumulative and per tenor basis.

We discourage dependence on Large Funds Providers (LFPs) and monitor our deposit funding concentrations versus our High Quality Liquid Assets (HQLA). This way, we will not be vulnerable to a substantial drop in deposit level should there be an outflow of large deposits. ALCO is responsible for managing our liquidity while RMO and ROC review and oversee our overall liquidity risk management.

We have zero appetite for non-compliance with liquidity requirements and ensure this through the close monitoring and management of our High Quality Liquid Assets vis-a-vis our net cash outflows. Beginning 2019, we manage and monitor our Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) on a daily basis to ensure compliance with the required regulatory ratios.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. These risks are classified into eight key risk areas: People, Technology, Regulatory, Financial control, Products and Sales, Service delivery, Legal and External events. These key risk areas are assessed against the Board-approved thresholds through the ORM tools like Key Risk Indicator Reports, Risk Control Self Assessments, and various Risk Assessments. To mitigate these and meet our standard for low tolerance of operational risks, we constantly strive to maintain our strong “control culture,” prudently use technology and adopt an effective internal control system. We consider these as key factors in our continuous self-improvement under a “no-surprise” operating environment.

We have no appetite for fraud and constantly improve our policies and processes and tools to prevent instances of fraud. We also have no appetite for non-compliance to our internal policies as well as applicable local regulations and laws.

Our Board-approved, bank-wide organizational chart clearly establishes areas of management responsibility, accountability and reporting lines for all senior officers.

Operational risk management policies and frameworks are regularly reviewed and updated, subject to ROC and Board approvals to ensure that they remain relevant and effective. Performance gaps are identified and resolved by strengthening existing controls and implementing additional controls.

Our products and operating manuals, policies and procedures spell out internal controls implemented by our business and operating support units. Our Internal Audit Group (IAG) provides independent reasonable assurance on control adequacy and compliance with these manuals. We identify and assess operational risks across the organization and develop controls to mitigate and manage them as part of our continuing efforts to enhance our Operational Risk Management Framework. We perform this vis-a-vis the Board-approved operational loss thresholds and benchmarks.

To ensure that we manage all operational risks adequately, specialized functions are engaged in risk management. These include Information Technology and Quality Assurance, Information Security, Financial Control, Legal, Compliance, Human Resources and Security Command. IAG regularly reports to the Board's Audit Committee on the effectiveness of internal controls.

We likewise implement a Business Continuity Plan and a Disaster Recovery Program that are reviewed and tested annually on a per segment and bank-wide basis to ensure their effectiveness in case of business disruptions, system failures and disasters.

Technology Risk

Technology risk is the risk to earnings or capital arising from deficiencies in systems design, implementation, maintenance of systems or equipment and the failure to establish adequate security measures, contingency plans, testing and auditing standards.

We invest in information technology to provide simpler, faster, more convenient and secured banking services to our growing clientele. We also utilize an advanced management information system that enables us to make fast and well-informed business decisions. We continuously venture into core business process automations, key system enhancements, and information security solutions while ensuring we meet our low appetite for technology risks.

Given the heavily automated operating environment, we ensure that we identify and quantify risks to the greatest extent possible. We also establish standards and controls to manage technology-associated risks through effective planning, proper implementation, periodic measurement and monitoring of performance.

We have a Bank-wide IT Risk Management Framework which is being revisited annually to ensure its conformity to the existing and/or latest bankwide processes and compliance to related local regulatory requirements. This provides for annual conduct of IT Risk Assessment to identify, assess, monitor and control the technology-related risks.

Legal Risk

Legal risk is the potential loss arising from regulatory or legal action, disputes for or against us, failure to correctly document, enforce or adhere to contractual arrangements, inadequate management of non-contractual rights or failure to meet non-contractual obligations. We have low tolerance for legal risks and employ a legal review process to control and manage these risks. The Legal Department performs this function and ensures that contracts, documentation and activities adequately protect our interests and comply with applicable legal and regulatory requirements.

Regulatory Risk

Regulatory risk, also known as compliance risk, covers the potential loss from non-compliance with laws, rules and regulations, policies and procedures, and ethical standards.

We recognize that compliance risk can diminish our reputation, reduce our franchise value, limit business opportunities, and reduce our potential for expansion. Thus, guided by our Compliance Office, we continuously promote a culture of compliance to support our low appetite for regulatory risk.

Strategic Risk

Strategic risk is the current and prospective impact on earnings or capital arising from adverse business decisions, improper resolution of conflicts, and slow response to industry changes.

Strategic risk can shape our long-term goals, business strategies, and resources. Thus, we utilize both tangible and intangible resources to carry out our business strategies and meet our low appetite for Strategic Risk. These include communication channels, operating systems, delivery networks, and managerial capacities and capabilities.

Reputational Risk

Reputational risk is the current and prospective impact on earnings or capital arising from negative public opinion. This affects our ability to establish new relationships or services, or manage existing relationships. The risk may also expose us to litigation, financial loss, or a decline in customer base.

All employees are responsible for building our brand reputation and exercising an abundance of caution when dealing with customers and communities to support our zero tolerance for reputational risk.

To further mitigate reputational risk, we have policies and procedures on client complaint handling and employee conduct. These are embedded in our business operations manuals such as, but not limited to, the following: 1) Financial Consumer Protection Manual and Compliance Program; 2) Employee Code of Conduct; 3) related Information Security policies and procedures (such as Social Media, Limited Access to Systems & Customer Information); and, 4) related Customer Experience policies and procedures (such as Customer Handling, Complaints Handling).

For a complete discussion of PSBank's capital details, please refer to the Supplementary Management Discussion and Notes to the Financial Statements on Financial Risk Management Policies and Objectives.

AUDIT COMMITTEE REPORT

The Audit Committee is delegated by the Board of Directors (Board) to provide independent oversight on the Bank's financial reporting process, corporate governance, risk management, and control processes; fraud management; internal and external audit functions; and monitoring of compliance with Bank policies and Code of Conduct and applicable laws, rules, and regulations.

The Committee, comprised of three members, all of whom are independent directors including the Chairperson, held its regular monthly and special meetings in 2019. The Committee also had executive sessions with the external auditors; with the non-executive directors, the heads of Compliance, Internal Audit, and Risk Management, and the Bank's external auditor; and with the Board without the presence of the management team.

The Committee performed the following:

- Discussed and approved the overall plans and scope of the Internal Audit Group (IAG), Fraud Management Group (FMG), and Sycip Gorres Velayo & Co. (SGV);
- Recommended the re-appointment of SGV as the Bank's external auditor, including its assigned certifying partner, based on the result of the annual assessment of their overall qualifications, professional experience, performance, independence, and objectivity; and endorsed the group-negotiated SGV audit fee to the Board for approval;
- Reviewed and discussed the year-end financial statements with SGV, which is responsible for expressing an independent opinion on the Audited Financial Statements (AFS) and their conformity with Philippine Financial Reporting Standards (PFRS); and with management, which is responsible for the preparation and fair presentation of the Bank's financial statements and adequacy of disclosures in accordance with PFRS. The Committee endorsed the 2019 AFS of the Bank to the Board, which approved the AFS on February 20, 2020;
- Reviewed and monitored through IAG the results of evaluation on the adequacy and effectiveness of the Bank's governance, risk management, and control processes; and the Bank's adherence to applicable laws, rules, regulations, Code of Conduct, and whistle-blowing policy;
- Reviewed and monitored through FMG the results of overall fraud management which included the prevention, detection, investigation, and recovery monitoring of possible, suspected and actual fraud;
- Evaluated the process in assessing the significant risks and related risk mitigation efforts of the Bank;
- Reviewed and monitored through IAG the management's actions taken and plans for the implementation of recommendations to improve the operations of the branches, head office units, and information systems and security;
- Confirmed that the Bank's corporate governance, risk management, and internal control framework and processes are generally established, adequate, and are operating properly;
- Reviewed and endorsed for approval by the Board the revised Audit Committee Charter;
- Reviewed and approved the revised Internal Audit Charter;
- Discussed the results of the external quality assessment review of the Bank's internal audit activity by Punongbayan & Araullo, where IAG obtained "Generally Conforms" rating signifying IAG's conformance with the Core Principles, Code of Ethics, Definition of Internal Auditing, and the International Standards for the Professional Practice of Internal Auditing;
- Discussed and approved the result of the annual internal quality assessment of IAG's conformance with the International Standards for the Professional Practice of Internal Auditing and internal audit policies;
- Reviewed the adequacy of resources, staff competencies, activities, and effectiveness of the IAG and FMG; and
- Confirmed, through a self-assessment process, that the Committee has effectively fulfilled its responsibilities as embodied in its Charter.

Based on the reviews and discussions undertaken and subject to the limitations on the roles and responsibilities provided for in the Audit Committee Charter, the Committee recommends that the Audited Financial Statements be included in the Annual Report for the year ended 31 December 2019, for filing with the Securities and Exchange Commission and other regulatory bodies.

The Committee will continuously review and monitor management's activities to ensure its conformance with the guidelines set by the Board.



EDUARDO A. SAHAGUN
Chairman



JOSE T. PARDO
Member



SAMSON C. LIM
Member

DOING BUSINESS THE RIGHT WAY



At PSBank, compliance with applicable laws, rules, and regulations is regarded as a minimum requirement. Going beyond such minimum is the true essence of good corporate governance. We always aim to continually build the trust and confidence of our stakeholders by running our business in a prudent and sound manner, being fair and transparent in all our dealings, providing reliable and better service in response to the ever-growing expectations of our customers, and working with integrity and accountability.

CORE GOVERNANCE POLICIES

The policies and guidelines embodied in our updated Corporate Governance Manual are posted in our website, www.psbank.com.ph, and in our intranet site, InfoChannel, for the guidance of all our stakeholders. These primarily revolve around three basic values that we observe:

Fairness

We see to it that all dealings with counterparties and other stakeholders are fairly conducted. We ensure that such dealings, especially with our related parties, are made in the regular course of our business, and upon terms not less favorable to us than those offered to others. Our Board-level Related Party Transactions Committee (RPTC), entirely composed of non-executive directors, and Management-level Related Party Transactions Management Committee (RPTMC) help ensure that our transactions with related parties are conducted at arm's length, and that our resources are not misappropriated, in accordance with our Board-approved Related Party Transactions (RPT) policy and its specific guidelines and handling procedures, vis-à-vis set transaction materiality thresholds and exposure limits.

Our transaction materiality thresholds for RPTs were set on a per transaction type basis considering the high-end of their historical ticket sizes, their nature, and our risk appetite. These thresholds are applied on a per single transaction basis for one-time/ non-recurring transactions or the aggregate amount of multiple transactions expected in a year for some arrangements with recurring/ continuing transactions. Except for loan transactions to Directors, Officers, Stockholders, and their Related Interests (DOSRI), as well as to subsidiaries and affiliates requiring prior approval of the Board of Directors under existing Bangko Sentral ng Pilipinas (BSP) rules regardless of their amounts, RPTs amounting within these thresholds are subject to the review and approval of the Management-level RPTMC and endorsement of the Board-level RPTC for the Board of Directors' confirmation. On the other hand, those beyond such thresholds are considered "material" and shall pass through the Board-level RPTC for review and endorsement for the Board of Directors' approval prior to their consummation and then Stockholders' confirmation in the Annual Stockholders' Meeting. In 2019, the following "material" RPTs were entered into between the Bank and its related parties (*see also Note 29 of the Audited Financial Statements section*):

MATERIAL RELATED PARTY TRANSACTIONS

In PhP millions					
Related Parties	Relationship	Nature of Transaction	Terms and Conditions	Original Amount	Dec. 31, 2019 Balance
INSURANCE					
Charter Ping An Insurance Corporation (CPAIC)	Affiliate	Annual Renewal of Bank's Money, Securities, Payroll & Robbery Insurance Coverage	Total Sum Insured is at PhP425 Million with a net annual premium rate of 1.67% thereof	8.30	N/A
		Annual Renewal of the Bank's Fire Insurance Coverage for ROPA-Real Estate Properties	Total sum insured is PhP4.259 Billion with a net annual premium rate of 0.1500% thereof	8.24	N/A
INTERCOMPANY COUNTERPARTY LINES					
Metropolitan Bank & Trust Company (MBTC)	Parent-Bank	Annual Renewal of Related Intercompany Counterparty Lines of Treasury Group	Clean/unsecured lines for Interbank Call Loan (IBCL) only; secured lines are collateralized by non-risk assets i.e. Government Securities (GS)	Clean – 2,000.00; Secured -16,000.00; Settlement – 1,500.00 & Pre-Settlement -750.00	-
First Metro Investment Corporation (FMIC)	Affiliate		Clean/unsecured lines for Interbank Call Loan (IBCL) only; secured lines are collateralized by non-risk assets i.e. Government Securities (GS)	Clean –1,000.00; Secured - 4,000.00 & Pre-Settlement – 85.00	-
ORIX Metro Leasing & Financing Corporation (OMLFC)	Affiliate		Clean/unsecured lines for Interbank Call Loan (IBCL) only	Clean –1,000.00	-
Metrobank Card Corporation (MCC)	Affiliate		Clean/unsecured lines for IBCL only; secured lines are collateralized by non-risk assets i.e. GS	Clean –1,000.00 & Secured -500.0	-
Metropolitan Bank & Trust Company (MBTC)	DOSRI	Annual Renewal of Related Intercompany Counterparty Lines of Trust Division	Counterparty line for fixed income securities (i.e., Corporate Bonds, Government Securities)	Pre-Settlement – 5.00 & Settlement – 50.00	-
First Metro Investment Corporation (FMIC)	Affiliate		Counterparty line for fixed income securities (i.e., Corporate Bonds, Government Securities)	Pre-Settlement – 20.00 & Settlement – 200.00	-
First Metro Securities & Brokerage Corporation (FMSBC)	Affiliate		Counterparty line for equity transactions of various trust accounts	Pre-Settlement – 500.00 & Settlement – 500.00	-
LOANS AND OTHER CREDIT ACCOMMODATIONS					
Director of parent-MBTC	Corresponding Persons of Affiliated Companies	Home Loan	Five (5)-year loan with interest rate of 7.25% p.a. fixed for two (2) years subject to 2-year re-pricing cycle	18.00	17.25 (aggregate balance inclusive of other outstanding loans: 19.19, all in current status)
First Metro Securities & Brokerage Corporation (FMSBC)	Affiliate	Credit/Domestic Bill Purchase Lines	Availability via 30 to 360-day PN; not to exceed line expiry; renewable for an agreed period; interest rate is at the prevailing regular lending rate at the time of loan availment and re-pricing; interest is payable monthly in arrears and principal payable upon maturity	600.00	—
Director of parent-MBTC	Corresponding Persons of Affiliated Companies	Renewal and increase of Business Credit Line	One (1) year credit line subject to annual renewal with interest rate of 7.00% p.a.	30.00	21.84 (aggregate balance inclusive of other outstanding loans: 37.72, all in current status)

MATERIAL RELATED PARTY TRANSACTIONS

				In PhP millions	
Related Parties	Relationship	Nature of Transaction	Terms and Conditions	Original Amount	Dec. 31, 2019 Balance
OTHERS					
Toyota Manila Bay Corporation (TMBC)	Affiliate	Renewal of Stand-by booking line facility	Booking arrangement for auto loan accounts via Online Dealer System Standby Line Facility terminal	30.00	N/A
Parent-MBTC	Parent-Bank	Provision of Services - Amendments to the existing Collections Services Agreement	Increase in service fees and higher collection efficiency targets	Total recurring service fees to be received in a year's time could exceed the Bank's materiality threshold	N/A
		Provision of Services - Amended service fee rate under the existing IT Services Agreement on the use of various Bank's systems	Increase in service fee rates for project management and system implementation; development, maintenance and enhancement; back-office facility; etc.		
		Provision of Services – New field credit verification services through the Bank's accredited agencies	New in-sourcing arrangement on residence, employment and business verification for the parent-Bank's consumer loan applications with acceptable service fee per account for supervision and administration		
		Receipt of Services - Amendments to the existing Deposit Pick-up and Cash Delivery Services Agreement	Increase in service fee rate per trip and expansion of currency coverage	Total recurring service fees to be paid in a year's time could exceed the Bank's materiality threshold	N/A
First Metro Investment Corporation (FMIC)	Affiliate	Receipt of Services – FMIC as the Bank's underwriter for its Stock Rights Offer (SRO) and arranger for its Medium Term Note issuance	Subject to the agreed rates of underwriting and arranger's fees	73.83	N/A
Sumisho Motor Finance Corporation (SMFC)	Affiliate	Renewal of existing Multi-Purpose Loan (MPL) Accreditation for SMFC employees' MPL accounts	Automatic debit-credit arrangement for the MPL accounts of their employees; subject to the same handling fee payable to PSBank and penalty rate per month in case of late remittance; accredited company does not act as co-maker, guarantor or surety thereof One (1)-year lease term for an office space with six (6) parking slots	7.00	N/A
ORIX Metro Leasing & Finance Corporation (OMLFC)	Affiliate	Renewal of existing Multi-Purpose Loan Accreditation for OMLFC employees' MPL accounts		11.00	N/A
First Metro Asset Management, Inc. (FAMI)	Affiliate	Lease Arrangement - Renewal of existing lease agreement with PSBank as lessor		8.85	N/A
Metropolitan Bank & Trust Company (MBTC)	Parent-Bank	Lease Arrangement - Renewal of existing lease agreement with PSBank as lessor	Five (5)-year lease term for a branch office space with two (2) parking slots with monthly rental rate subject to 5% annual escalation rate	7.70	N/A
PSBank Officer	Bank Officer	Sale of ROPA-Real Estate Property	ROPA sale in accordance with the Bank's standard pricing and bidding process	12.75	N/A
Federal Land, Inc. (FLI)	Affiliate	Accredited real estate developer-FLI's buy-back of past due Home Loan accounts	Settlement of fourteen (14) past due home loan accounts	55.93	N/A

Our RPT policy likewise requires our directors and officers with personal interest in our transaction (e.g., they themselves or any of their close family members acting as our counterparty) to inhibit/abstain from the discussion, approval and management of such transaction except in order to provide material information to the RPTC/Board about the transaction. Provisions against conflict of interest situations are likewise stipulated in our Board-approved “Code of Conduct” such as the prohibition of self-dealing transactions.

Pursuant to Memorandum Circular No. 10 s2019 of the Securities and Exchange Commission (SEC) re: “Rules on Material Related Party Transactions for Publicly-Listed Companies,” the Bank also adopted since August 2019 a Board-approved Material Related Party Transactions (MRPT) policy that exclusively applies to related party transaction(s) amounting to at least ten percent (10%) of our Total Assets based on its latest Audited Financial Statement (AFS), either individually or in aggregate over a 12-month period with the same related party. Save for a few differences in terms of scope, approval, reportorial and disclosure requirements, this separate policy espouses the same key principles in handling related party transactions and is likewise posted in our corporate website and intranet site.

We also ensure that our stockholders are treated equally and without discrimination by preserving stockholders’ rights and protecting our minority stockholders’ interests, including the latter’s right to nominate candidates to our Board of Directors.

Integrity and Accountability

We uphold at all times the value of honesty as the best policy. We believe that our reputation precedes us in the business of trust and confidence. We continue to enhance a working culture of integrity, guided by a Code of Conduct that defines the standards that we must follow in our business dealings and relationships.

Code of Conduct

Our Code of Conduct is our guide in defining the norms, rules, and responsibilities of each and every PSBanker. It includes provisions on:

- Disciplinary process;
- General policies to establish a professional working environment and secure a favorable reputation for our Bank;
- Corrective measures for unacceptable behavior or failure to comply with our rules, such as on Financial Consumer Protection and on Anti-Money Laundering/Terrorism Financing, policies and procedures;
- Schedule of penalties for attendance and punctuality, required corporate attire, conduct and behavior, dishonesty, health, safety and security, reporting of violations, and information security; and
- Provisions on management of personal finances, conflict of interest, anti-sexual harassment, non-disclosure of information and insider information.

Insider Trading

Under our Policy Against Insider Trading, reporting insiders are required to disclose their and their associates’ initial beneficial ownership in PSBank shares and any changes thereof within two (2) trading days after their election/appointment in office and from the date of said changes, respectively. They are likewise prohibited from selling or buying PSBank shares during “blackout periods,” i.e., upon obtaining material on non-public information up to two (2) trading days after such information is disclosed. The Bank did not have any trading transactions with reporting insiders and/or their associates in 2019. Directors’ level of share ownership and movements from beginning to end of the year 2019 are summarized as follows:

#	Name of Director	Position	Rollforward of Common Shares					
			Beginning		Movements		End	
			12/31/2018	%	Additions	Deductions	12/31/2019	%
1	Jose T. Pardo	Chairman and Independent Director	1,852	0.000771	-	-	1,852	0.000483
2	Arthur V. Ty	Vice-Chairman	117	0.000049	-	-	117	0.000031
3	Vicente R. Cuna Jr.	Vice-Chairman	100	0.000042	-	-	100	0.000026
4	Samson C. Lim	Independent Director	100	0.000042	-	-	100	0.000026
5	Benedicto Jose R. Arcinas	Independent Director	100	0.000042	-	-	100	0.000026
6	Eduardo A. Sahagun	Independent Director	100	0.000042	-	-	100	0.000026
7	Jose Vicente L. Alde	President and Director	100	0.000042	-	-	100	0.000026
8	Ma. Soledad D.S. De Leon	Director	4,000,000	1.664915	-	-	4,000,000	1.044088
9	Rosanna F. De Vera	Director	100	0.000042	-	-	100	0.000026
Total			4,002,569	1.665987	-	-	4,002,569	1.044758

Whistleblowing

PSBank's whistleblowing policy requires our employees to report any impropriety or malpractice committed by co-employee/s or third-party or parties to their Group Heads or to the Customer Experience and Human Resources Group Head, the Fraud Management Group Head/ Division Heads, or the Chief Audit Executive/ Internal Audit Group Head for evaluation if it would warrant an investigation. Under the Code of Conduct, concealment or non-reporting is considered as an impropriety or malpractice in itself. The whistleblower is protected from any form of harassment as a result of any disclosure which was made in good faith believing the disclosure to be true and was not made maliciously or for personal gain. The policy considers any attempt to determine the whistleblower's identities as a breach of confidentiality which is subject to disciplinary sanctions.

Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT)

PSBank subscribes to and adopts the State's policy to protect the: (1) integrity and confidentiality of accounts and to ensure that it shall not be used as a money laundering/terrorism financing site and/or conduit for the proceeds of unlawful activities; and (2) life, liberty and property from acts of terrorism by condemning such acts and those who support and finance it as a crime against the Filipino people, against humanity and against the law of nations.

We ensure that we execute transactions with our customers in accordance with the AML/CFT policy guidelines, procedures, tools, and controls set forth in our regularly updated Money Laundering & Terrorism Financing Prevention Program (MLTFPP). Our MLTFPP, as posted in our intranet site for the guidance of all our implementing personnel, primarily revolves around the basic AML/CFT controls required under existing AML/CFT laws, rules and regulations, namely:

1. Know Your Customer (KYC)/Customer Due Diligence (CDD) and Know Your Employee (KYE);
2. Ongoing Monitoring of Customers and their Transactions;
3. Covered and Suspicious Transactions Reporting;
4. Records Keeping and Retention; and
5. Employee Training and Continuing Education.

Our MLTFPP was updated in April 2019 to incorporate the amendments effected to the AML rules and regulations per BSP Circular No. 1022, the Anti-Money Laundering Council's (AMLC) Revised AML Implementing Rules & Regulations and related AMLC issuances; to adopt the recommendations of the BSP in its last general examination; and to reflect certain functionalities of our new electronic AML monitoring and reporting system. Compliance with the requirements of this MLTFPP is continuously monitored by our Board-designated AML Compliance Officer (AMLCO) under the Compliance Office as lead implementer.

Transparency and Open Communication

We abide by the various disclosure requirements of the BSP, the SEC, and the Philippine Stock Exchange (PSE) — PSBank being 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 our press releases. In compliance with SEC Memorandum Circular No. 11 s2014, we regularly update our website 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 on the management of our Bank, stockholders rights, or any other Bank-related matters, while remaining mindful of disclosure limitations under existing laws on the secrecy of bank deposits and data privacy.

Our Corporate Governance Manual (CGM) serves as a valuable guide and reference in our implementation of corporate governance rules and regulations, and standards of both the BSP and the SEC.

Financial Consumer Protection

With customers at the forefront of our priorities and in compliance with BSP Circular No. 857 (BSP Regulations on Financial Consumer Protection), our corporate governance system/culture includes a Financial Consumer Protection (FCP) Framework to ensure that consumer protection standards and practices are duly observed and embedded in our business operations.

This framework is comprised of FCP Policies and Procedures, FCP Code of Conduct, Consumer Assistance Management System, FCP Training Program, FCP Risk Management System, FCP Compliance Program, FCP Audit Program, and Financial Consumer Education and Awareness Program. The framework revolves around the core principles of consumer protection, namely:

1. Disclosure and transparency;
2. Protection of client information;
3. Fair treatment;
4. Effective recourse; and
5. Financial education and awareness.

This FCP Framework is undergoing review and revision to incorporate the amendments effected to the FCP rules and regulations per BSP Circular No. 1048 in order to achieve full compliance therewith not later than September 2020.

The Board of Directors, jointly with the Senior Management, is ultimately responsible in establishing an effective oversight over our consumer protection programs as well as in ensuring that consumer protection practices are embedded in our business operations.

As part of our corporate-wide risk management system spearheaded by its Risk Management Office (RMO), an FCP Risk Management System (FCPRMS) is instituted to identify, measure,

monitor, and control consumer protection risks (both risks to the financial consumers and the Bank) inherent in our operations.

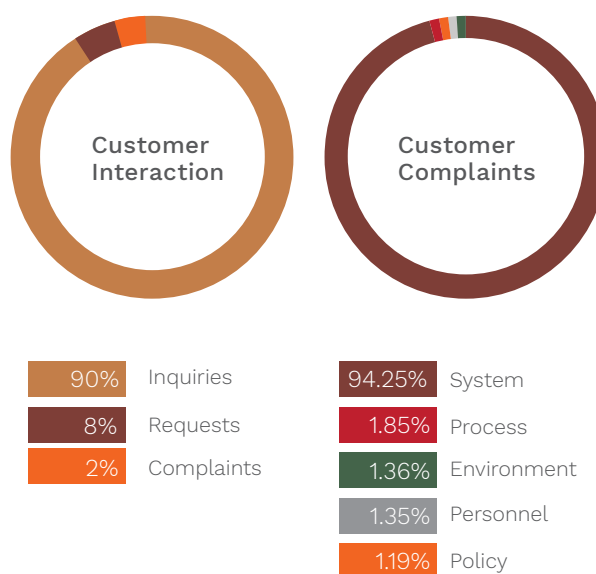
PSBank aims to differentiate itself from other banks by providing excellent customer experience. Being attentive and proactive to all customer feedback is one of the more powerful means of doing so. While positive feedback is welcome, we are more vigilant about negative feedback or complaints as they cover areas for improvement. Complaints received from clients are lodged in an automated tracking system in order to manage our defined turnaround time in resolving them and to serve as a database of all customer complaints including the record of actions taken thereon for analytics purposes. This process is implemented in four steps, namely: (1) Acknowledgement, (2) Decision/Disposition by Designated Senior Officers, (3) Investigation and Communicating Feedback to the Customer, and (4) Closing of Complaint.

While all personnel are given access to the system for the reporting of customer complaints and feedback, the investigation and resolution shall be handled by the following:

- **Service Recovery Team (SRT):** consists of the Consumer Assistance Management Department. The Team is responsible for investigation, resolution, and documentation of all customer complaints and feedback received across all channels. The SRT also works with other Departments, Divisions, or Groups in the implementation of interim and long-term resolution (e.g. process improvement efforts, policy revision, system enhancement, personnel training, etc.).
- **Designated Senior Officers:** consists of Senior Officers or Group Heads who are tasked to provide decision/disposition to the customer complaint.
- **Emergency Recovery Team (ERT):** All complaints/feedback that are qualified under fraud or those that may be classified as high risk are immediately escalated to the ERT which consists of the Executive Vice President (EVP), the Customer Experience Head, and the Process Owner Representative. Issues requiring PR solutions or those with media impact are also submitted to the PR and Corporate Communications Head.
- **Process Owner Representative:** respondents to the complaint. They can also be subject matter experts who may provide valuable inputs in the immediate resolution of the complaint.
- **Customer Experience (CX) Council:** a top-level advisory and action group of Senior Officers. The Council is composed of holistic organizational leaders who review the biggest issues and recommend actions that will lead to continuous structural improvements.

At the end of each day, all customer issues received are reported to a pool of Senior Officers including the President and the EVP. The consolidated report is likewise submitted to the RMO on a monthly basis as part of the Key Risk Indicator (KRI) reports. Each valid complaint arising from a service/process lapse shall have a corresponding one demerit point against the responsible personnel's performance rating.

CUSTOMER INTERACTION: Aside from the branches, we offer other channels for customer interaction. The Customer Experience Operations Division handles loan and deposit inquiries, requests, and complaints coursed through the Direct Banking, Call Banking, email, LiveChat, SMS, website, PSBank Online, PSBank Mobile and social media. All these channels are managed 24/7, except for Direct Banking which caters to walk-in clients.



BOARD OVERSIGHT

The Board of Directors sets the corporate governance tone in our organization by ensuring adherence to principles and standards. It is accountable to our stakeholders in running our Bank in a prudent and sound manner to ensure long-term sustainability and success. It is primarily responsible for developing, reviewing and approving our strategic objectives annually and thereafter monitoring and overseeing the effective implementation with due consideration of our risk strategies, corporate governance and corporate values. It monitors Management's performance against set targets and makes sure that appropriate controls and systems of checks and balances are in place and operating effectively.

At the end of 2019, there are nine directors in our Board, four of whom are independent directors, four are non-executive directors, and one is an executive director, who is also the President of the Bank. They are all qualified business professionals with the required expertise and experience in directing our strategic path. These directors were selected based on their qualifications (i.e., integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience) without discrimination on gender, age, and ethnic, political, religious, or cultural backgrounds, hence, achieving diversity in the Board.

In accordance with our By-Laws, directors are elected by the vote of the holders of common stock of the Bank in accordance with Section 23 of the Revised Corporation Code of the Philippines and other pertinent applicable laws. Any stockholder may submit nominations for directorial positions to the Corporate Governance Committee. The Committee then screens the qualifications of the nominees in accordance with screening policies and procedures, and parameters, including alignment with our strategic directions by attaining an optimal mix of skills and talents and balanced Board membership. In identifying or screening potential candidates, the Committee may consult whatever resources it deems appropriate, including but not limited to, referrals from existing directors and officers, recommendations from a third-party search firm or suggestions from stockholders or by checking on the external databases of the Institute of Corporate Directors (ICD) or other professional search firms. Only nominees whose names appear in the final list of candidates are considered for election as directors at the annual meeting of the stockholders.

We have consistently maintained independent directors who provide independent judgment, outside experience, and objectivity. Of our nine-seat Board, we have four independent directors, including our Board Chairman. This is more than the required minimum number of independent directors. We do not have any non-executive director holding a total of more than five board seats in publicly listed companies. Non-executive directors, including independent directors, meet regularly on an annual basis, other than in meetings of the Audit, Risk Oversight, Corporate Governance and other Board-level committees in the absence of any executive director and Senior Management, with the external auditor and the heads of internal audit, compliance and risk management functions to scrutinize Management's performance particularly in meeting our goals and objectives and to determine the integrity of our internal controls and effectiveness of risk management systems. Further, the Board of Directors also meets annually with the Audit Committee without the presence of the President/Chief Executive Officer (CEO) and any other Management team members to discuss and resolve any significant issues.

Our Board Chairman provides active leadership by ensuring that our Board and its various committees function effectively, including maintaining a relationship of trust among Board

members. Our Chairman also ensures that our Board follows a sound decision-making process.

Individual directors are tasked to observe the fit and proper rule. They are expected to conduct fair business dealings, avoid conflict of interest, and observe confidentiality. They must act honestly, judiciously and in good faith, and uphold the best interest of our Bank and its stakeholders. They must also devote time and attention to their duties and responsibilities and contribute to our Board's decision-making process. They must exercise independent judgment and have a working knowledge of laws, rules and regulations applicable to our Bank.

All new members of the Board of Directors are furnished with a copy of their duties and responsibilities and are provided with a comprehensive training on corporate governance, as part of the BSP's requirements in confirming elected bank directors. Together with our principal officers, our directors attended in 2019 an annual refresher program on Corporate Governance pursuant to SEC Memorandum Circular No. 20 s2013, including Anti-Money Laundering (AML) and Data Privacy, as conducted by the Institute of Corporate Directors (ICD), a SEC-accredited training provider.

Our Board has access to our Corporate Secretary who manages the flow of information to the Board prior to the meetings. The Office of the Corporate Secretary plays a significant role in supporting the Board in discharging its responsibilities. It administers, attends, and prepares the agenda and minutes of Board meetings, and ensures that notices required under the By-Laws are given to all directors and stockholders. Beginning 2020, regular Board meetings have already been scheduled in advance as set every third Thursday of the month.

Our Board also reviews and approves all policy manuals to ensure that regulatory changes and best practices are included. They have access to a permanent compilation of documents related to past Board activities. They can readily seek clarification from Senior Management should they have concerns about our Bank or any item submitted for their consideration.

Board Committees

A number of Board-level committees were created to aid our Board in its various tasks to ensure efficiency and provide greater focus. Four of these committees are in charge of governance oversight functions, as follows:

The **Corporate Governance Committee (CGC)** is tasked to assist our Board in fulfilling its duties and responsibilities and monitoring our adherence to the corporate governance principles and guidelines set forth in our Corporate Governance Manual including the functions formerly assigned to the Nomination Committee and Compensation and Remuneration Committee which were both dissolved and integrated into this committee since 2017. It also oversees the development and effective implementation of our compliance system. The Committee is composed of three Directors, all of whom are independent

directors, including the committee chairperson. The Committee meets monthly and is supported by our Compliance Office (CO).

CORPORATE GOVERNANCE COMMITTEE

Members	Position	Attendance	%
JOSE T. PARDO <i>Independent Director</i>	Chairperson	12/12	100
EDUARDO A. SAHAGUN <i>Independent Director</i>	Member	9/12	75
SAMSON C. LIM <i>Independent Director</i>	Member	11/12	92
GILBERT L. NUNAG <i>Chief Compliance Officer</i>	Secretary	12/12	100

The **Risk Oversight Committee (ROC)** is responsible for the development and oversight of our risk management program. The Committee is currently composed of three members of the Board of Directors and one non-voting member appointed as adviser. Two or majority of its voting members are independent directors, including its Chairperson, who is not the Chairman of the Board of Directors or of any other Board-level committee. The ROC members possess a range of expertise and adequate knowledge of our risk exposures, which is needed to develop appropriate strategies for preventing or minimizing losses. The Committee meets monthly and is supported by our Risk Management Office (RMO).

RISK OVERSIGHT COMMITTEE

Members	Position	Attendance	%
BENEDICTO JOSE R. ARCINAS <i>Independent Director</i>	Chairperson	10/12	83
EDMUND A. GO <i>Independent Professional</i>	Adviser	11/12	92
JOSE VICENTE L. ALDE <i>President</i>	Member	12/12	100
EDUARDO A. SAHAGUN <i>Independent Director</i>	Member	11/12	92

The **AML Oversight Committee** is tasked to assist our Board in fulfilling its oversight responsibility over our AML compliance management. It ensures that we comply with the provisions of the Anti-Money Laundering Act (AMLA), as amended, its Revised Implementing Rules and Regulations (RIRRs), and BSP AML regulations to the end that the Bank shall not be used as a vehicle to legitimize the proceeds of unlawful activity or to facilitate or finance terrorism. The committee is composed of three Directors – two non-executive directors, including the Chairperson and an independent director. The committee meets monthly and is supported by our Compliance Office (CO).

AML OVERSIGHT COMMITTEE

Members	Position	Attendance	%
VICENTE R. CUNA JR. <i>Non-executive Director</i>	Chairperson	10/12	83
BENEDICTO JOSE R. ARCINAS <i>Independent Director</i>	Member	11/12	92
ROSANNA F. DE VERA <i>Non-executive Director</i>	Member	11/12	92
GILBERT L. NUNAG <i>Chief Compliance Officer</i>	Secretary	12/12	100

The **Audit Committee** is designated to provide independent oversight for our financial reporting process, corporate governance, system of internal control and risk management, internal and external audit as well as fraud management functions, and monitoring of compliance with Bank policies, applicable laws, rules, regulations, and Code of Conduct. It is entirely comprised of three non-executive directors, all of whom are independent, including the committee Chairperson, who is not the Chairman of the Board of Directors or of any other Board-level committee. The committee members have accounting, auditing, or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the Bank. The committee meets monthly and as needed, and is supported by our Internal Audit Group (IAG) and the Fraud Management Group (FMG).

AUDIT COMMITTEE

Members	Position	Attendance	%
EDUARDO A. SAHAGUN <i>Independent Director</i>	Chairperson	12/16	75
SAMSON C. LIM <i>Independent Director</i>	Member	12/16	75
VICENTE R. CUNA JR. * <i>Non-executive Director</i>	Member	6/6	100
JOSE T. PARDO ** <i>Independent Director</i>	Member	10/10	100
ATTY. EMMA B. CO <i>Chief Audit Executive</i>	Secretary	16/16	100

* Membership ended in April 2019

** Appointed as member in April 2019

Other Board-level committees are as follows:

The **Executive Committee** is tasked to regularly review and approve credit proposals within its limits. It recommends additional conditions and requirements on loan applications for Board approval. The committee is composed of four Directors, including the President, and our Credit & Collections Sector Head.

EXECUTIVE COMMITTEE

Members	Position	Attendance	%
ARTHUR V. TY <i>Non-executive Director</i>	Chairperson	11/12	92
VICENTE R. CUNA JR.* <i>Non-executive Director</i>	Member	6/8	75
JOSE VICENTE L. ALDE <i>President</i>	Member	12/12	100
ROSANNA F. DE VERA <i>Non-executive Director</i>	Member	12/12	100
MARY MYLEEN M. MASANQUE <i>PSBank Representative</i>	Member	11/12	92
JOSE M. MANUEL JR.	Secretary and	12/12	100
EMMELYN B. DE PEDRO**	Alternate		
ARLYN S. MONTEBON***	Secretary		

*Appointed as Member in April 2019

**Designation as Alternate Secretary ended June 2019

***Appointed as Alternate Secretary in June 2019

The **Related Party Transactions Committee (RPTC)** is tasked to assist the Board in ensuring that transactions with related parties are reviewed, appropriate restrictions are followed, and corporate resources are judiciously used. The committee is entirely composed of three non-executive Directors, two or majority of whom are independent directors, including the committee Chairperson. The committee meets monthly and is supported by our Compliance Office (CO).

RELATED PARTY TRANSACTIONS COMMITTEE

Members	Position	Attendance	%
SAMSON C. LIM <i>Independent Director</i>	Chairperson	11/12	92
JOSE T. PARDO <i>Independent Director</i>	Member	12/12	100
MA. SOLEDAD D.S. DE LEON <i>Non-executive Director</i>	Member	10/12	83
ATTY. EMMA B. CO <i>Chief Audit Executive</i>	Resource	12/12	100
GILBERT L. NUNAG <i>Chief Compliance Officer</i>	Resource and Secretary	12/12	100

The **Trust Committee** is a special committee tasked to be primarily responsible for overseeing the fiduciary activities of the Bank. It is composed of five members: the President, the Trust Officer, a non-executive director, an independent director, and an independent professional who is the committee Chairperson. It meets quarterly, and is supported by our Trust Division.

TRUST COMMITTEE

Members	Position	Attendance	%
EDMUND A. GO <i>Independent Professional</i>	Chairperson	4/4	100
JOSE VICENTE L. ALDE <i>President</i>	Member	4/4	100
MA. SOLEDAD D.S. DE LEON <i>Non-executive Director</i>	Member	2/4	50
BENEDICTO JOSE R. ARCINAS <i>Independent Director</i>	Member	3/4	75
REUEL R. JAVIER <i>Trust Officer</i>	Member	4/4	100

Board Meetings. In 2019, our Board had 12 regular meetings, in addition to the annual stockholders' meeting (ASM) and organizational meeting. Our directors logged a 93% attendance rate. Attendance records to Board meetings in 2019 are summarized below:

Directors	Attendance	%	ASM
JOSE T. PARDO <i>Chairman and Independent Director</i>	12/12	100	Yes
ARTHUR V. TY <i>Vice Chairman and Non-executive Director</i>	11/12	92	Yes
VICENTE R. CUNA JR. <i>Vice Chairman and Non-executive Director</i>	12/12	100	Yes
SAMSON C. LIM <i>Independent Director</i>	11/12	92	Yes
BENEDICTO JOSE R. ARCINAS <i>Independent Director</i>	11/12	92	Yes
EDUARDO A. SAHAGUN <i>Independent Director</i>	9/12	75	Yes
JOSE VICENTE L. ALDE <i>President and Executive Director</i>	12/12	100	Yes
MA. SOLEDAD D.S. DE LEON <i>Non-executive Director</i>	10/12	83	Yes
ROSANNA F. DE VERA <i>Non-executive Director</i>	12/12	100	Yes

SENIOR MANAGEMENT OVERSIGHT

Senior Management. Our Senior Management Team, headed by our President as the Chief Executive Officer (CEO), consists of a core group of senior officers who manage our day-to-day operations and business affairs. They exercise good governance by ensuring that line managers under their respective areas of responsibility execute their activities in a manner consistent with Board-approved policies and strategic directions. These should be aligned with applicable laws, rules and regulations, as well as standards of good practice.

Management Committees. To achieve efficiency and provide greater focus for our Senior Management in overseeing key areas of banking operations, we have various Management-level committees tasked as follows:

- The **Assets and Liabilities Committee (ALCO)** manages our assets and liabilities consistent with our liquidity, capital adequacy, growth, risk tolerance and appetite, and profitability goals.
- The **Credit Committee (CRECOM)** regularly reviews and approves credit proposals within the authority and limits set by our Board.
- The **Anti-Money Laundering Compliance Committee (AMLCC)** is designated by the Board to receive, evaluate, and decide whether or not a Suspicious Transaction Report (STR) and/or Report on Crimes and Losses (RCL) shall be filed with the Anti-Money Laundering Council Secretariat (AMLCS) and/or with the BSP for cases or incidents reported or elevated by various business or operating units of the Bank. It also provides support to our Compliance Office in terms of AML policy review/development, and in addressing AML deficiencies/adverse findings.
- The **Outsourcing Oversight Committee (OOC)** oversees the accreditation of service providers, performance monitoring, post-implementation reviews and contract renewals in accordance with our Board-approved risk-based Outsourcing Policy Guidelines pursuant to existing BSP rules and regulations on outsourcing.
- The **IT Steering Committee (ITSC)** cohesively monitors IT performance and institute appropriate actions to ensure achievement of desired results. It is accountable for designing and implementing our Board-approved Information Technology Risk Management System (ITRMS).
- The **Emergency Committee (EMCOM)** manages and monitors the effective implementation of our Business Continuity Plan (BCP). It aims to provide our Bank with the capability to continue its critical functions and processes by identifying, assessing and managing emergency scenarios and other business interruptions.
- The **Policy Committee (POLCOM)** resolves policy-related issues that require escalation or cross-functional discussion for resolution.
- The **Personnel Committee (PERCOM)** assists our Senior Management in evaluating the performance and career advancement of our employees, deciding on employee offenses/administrative cases, and in maintaining personnel policies and procedures, including our Code of Conduct.
- The **Retirement Committee (RETCOM)** exclusively administers our Gratuity and Retirement Benefit Plan.
- The **Related Party Transactions Management Committee (RPTMC)** assists the Board-level RPTC and the Board of Directors in ensuring that transactions with related parties, with respect to those considered as “non-material” (i.e., within the set transaction materiality thresholds) are conducted at arm’s length/fair terms and conditions.
- The **Investment Committee (IC)** establishes investment guidelines and oversees the investment activities of the Bank. It monitors and reports the overall investment results and reviews compliance with investment objectives and guidelines.

OUR GOVERNANCE VANGUARDS

Our compliance, risk management, and internal audit functions are the forerunners in our relentless drive to promote and uphold the noblest tenets and highest standards of good corporate governance across all our business operations.

Compliance

Ensuring our compliance with applicable laws, rules and regulations, as a minimum requirement, is our collective duty and team effort. It begins with our Board and Senior Management at the top, and down the line to our various business and operating units in accordance with our Board-approved compliance system. The design and implementation of this program is administered and annually updated by our Compliance Office, led by our Chief Compliance Officer (CCO) who directly reports to our Corporate Governance Committee and to our Board. Our Compliance Program adopts a three-pronged, risk-based approach to effectively manage our compliance risks by ensuring compliance with pertinent banking laws, rules and regulations, codes of conduct, policies and standards of good practice. Its priority, focus and compliance testing frequency depends on the pre-assessed level of risk the business/operating units are inherently exposed relative to the number and magnitude or severity of pertinent requirements applicable to them.

This three-pronged strategy is structured to be operated by three key players, namely:

1. The line units as the first line of defense being the risk owners and managers;
2. The Compliance Office (CO) as the second line of defense and the compliance risk overseers; and
3. The Internal Audit Group (IAG) as the third line of defense as the independent assurance provider.

Aside from monitoring and controlling compliance risk, our Chief Compliance Officer (CCO) also tracks our Bank's adherence to our Corporate Governance Manual, which is aligned with the SEC's Revised Code of Corporate Governance for Publicly-Listed Companies, and embodies all CG-related rules and regulations of the BSP. Cases of non-compliance are required to be reported to our Board Chairman who ensures due process and determines appropriate sanctions. The Bank fully and continually complies with the material requirements of the SEC's Revised Code of Corporate Governance for Publicly-Listed Companies as embodied in its Board-approved Corporate Governance Manual.

Our Compliance Office continually strives to maintain our strong compliance culture in the midst of an ever-dynamic banking regulatory landscape. It proactively identifies and monitors, assesses, and addresses emerging compliance issues, vigorously promotes continuing education through formal/informal trainings, compliance awareness testing, compliance checking, and advisory service through a clear and open communication line; and fosters good corporate governance culture by benchmarking against industry best practices and standards.

Internal Audit

Internal Audit Group (IAG) is established by the Board of Directors. Its responsibilities are defined by the Audit Committee (AuditCom) as part of their oversight function. The mission of internal auditing within an organization is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

The role of the IAG is to assist the Bank in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and control processes. IAG is headed by the Chief Audit Executive (CAE) who reports functionally to the Board through the Audit Committee and administratively to the President. The CAE confirms annually to the Board the organizational independence of the internal audit activity.

IAG governs itself by adherence to The Institute of Internal Auditors' (IIA) mandatory guidance which includes the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes

principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

IAG, with strict accountability for confidentiality and safeguarding records and information, is authorized to:

1. Have full, free, and unrestricted access to all Bank functions, records, properties, and personnel pertinent to carrying out any engagement;
2. Have direct and unrestricted access to senior management and the Audit Committee;
3. Allocate resources, set frequencies, select subjects, determine scopes of work, apply the procedures and techniques required to accomplish audit objectives, and issue reports; and,
4. Obtain necessary assistance from personnel in other units of the Bank where they perform audits, as well as other specialized services from within or outside the Bank.

IAG remains free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude.

OUR REMUNERATION POLICY

Our directors and officers are provided with an industry competitive compensation package to attract, motivate, and retain highly qualified people. The salary scales of our officers, including that of our President or Chief Executive Officer (our sole Executive Director), are generally based on the nature of their jobs, positions and ranks. These are reviewed annually vis-à-vis annual performance scorecards so structured to achieve business objectives and adjusted as needed, based on performance.

Our compensation package for its non-officers/rank-and-file employees is in accordance with labor law requirements and is linked to both performance and our contractual obligation under a collective bargaining agreement which include loyalty bonuses for long-term employees.

We also grant fixed bonuses, including a 13th-month pay in accordance with law and performance bonus (non-guaranteed) based on our overall performance, individual performance and market conditions.

Our Board sees to it that this remuneration strategy is regularly reviewed to ensure that the policy is commensurate with corporate and individual performance, aligned with our long-term interests, compliant with labor laws and regulations, and benchmarked against our industry peers and other market considerations, while also maintaining internal equity.

Except for the President/Chief Executive Officer (our sole Executive Director), 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 our Bank's overall strategy.

The total per diem and transportation allowance paid to directors for their attendance in Board meetings for the period January to December 2019 was PhP15.665 million. Our remuneration policy for directors indicates that the Chairman, Vice Chairpersons, and each of the Directors receive reasonable per diems for attendance at any Board meeting. There is nothing in our By-Laws that prevents any director from serving any other capacity and receiving compensation.

We have been consistent in preaching the philosophy of meritocracy, such that our compensation and rewards programs are geared towards providing incentives to employees who have contributed to the success of the Bank.

- **Merit Increase.** Annual increases are given to employees based on their relative performance within the organization. The Bank has adopted an increase matrix that rewards high performers without neglecting those rated as 'standard' performers, or those who were able to perform as expected. Rewarding the most productive encourages others to likewise perform better. This procedure on merit increase comes immediately after the performance appraisal exercise, in order for the employees to relish the fruits of their hard work and contributions to the growth of the Bank.
- **Other Performance Incentives.** Based on the overall company performance, i.e., attainment by the Bank of a stipulated income, we grant a return on equity (ROE) bonus to rank and file employees.
- **HE1GHTS: Reaching the Peak of Topnotch Performance.** This productivity-based award is given quarterly and annually to an individual or group for achieving exceptional performance. We also regularly review all our policies and programs to ensure that our organization is at par with what the industry is offering.
- **Job Evaluation.** We regularly conduct job evaluation on new positions resulting from our re-organization. This happens after a bank-wide job evaluation conducted every three years, which is aimed at measuring and benchmarking all Bank positions vis-à-vis the banking industry.
- **Salary Structure Program.** We conduct salary restructuring to ensure that the salaries of our employees are equitable to what the industry is offering. The Bank acknowledges that it needs to attract and retain top talent, thus a review of the existing scale is done periodically to ensure competitiveness.

OUR SELECTION PROCESS FOR SENIOR MANAGEMENT

The Bank has pre-defined job descriptions for its senior management positions (i.e., those to be held by officers ranking

at least an Assistant Vice President) whereby the qualifications of any internal and/or external candidates to any such available roles are to be assessed on. Each candidate undergoes a series of interviews by the Line Head, Customer Experience and Human Resources Group and the President. Any hiring or appointment to the role shall be endorsed by the Management-level Personnel Committee for approval of the President and the Board of Directors.

OUR RETIREMENT AND SUCCESSION POLICY

As a matter of policy, the compulsory retirement age for our regular employees (officers and staff) is at 55 years old. This has been established in our Retirement and Gratuity Plan, duly approved by the Bureau of Internal Revenue. To aid in workforce planning, we review the roster of employees who shall be reaching the compulsory retirement age before the end of the applicable year. Appropriate notification is arranged, and deferential treatment is accorded to retired employees, ensuring that they receive the compensations for their loyal service within 30 days after their effective date of retirement.

The Bank has instituted a succession planning program to ensure continuity and viability of the business. Positions that are critical to the business have identified "Ready Now" and "Ready Later" replacements, which is reviewed annually. Potential successors are subjected to Individual Development Plans, which is a combination of classroom training, cross postings, immersions, and development assignments. Furthermore, strategic workforce planning is also in effect annually to ensure that critical positions are filled up and that Talent Acquisition is ready to provide external talents if deemed necessary.

Except for certain persons such as Filipino citizens with recognized stature, influence and reputation in the banking and business community and whose business practices stand as testimonies to good corporate governance, we are also considering the adoption of an age limit of 75 years old as a general rule for directors, as patterned after that of our parent bank. Upon the recommendation of the Corporate Governance Committee, this age limit for directors may be waived by the Board if such a waiver is deemed to be for the best interest of the Bank. As for our independent directors, they may only serve as such for a maximum cumulative term of nine years reckoned starting 2012, after which the independent director shall be perpetually barred from reelection as such, but may continue to qualify for nomination and election as a non-independent or regular director. If the Bank wants to retain an independent director who has already served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the Annual Shareholders' Meeting. Succession or filling up any vacancies in the Board of Directors shall be made by the vote of at least a majority of the remaining directors, if still constituting a quorum. Vacancies occurring by reason of removal by the stockholders, by expiration of term, or by an increase in the number of directors, however, shall be filled by the stockholders in a regular or special meeting called for this purpose.

OUR DIVIDEND POLICY

Dividends to be paid in cash are subject to the approval by a majority of the Board of Directors. Dividends to be paid in the form of stocks require the approval of a majority of the Board and the approval of shareholders representing no less than two-thirds of our outstanding capital stock.

Consistent with SEC rules, cash dividends declared by the Bank must have a record date of not less than 10 but not more than 30 business days from the date the cash dividends are declared/approved by the Board. With respect to stock dividends, the record date should not be less than 10 but not more than 30 business days from the date of the stockholders' approval; provided however, that the set record date should not be less than 10 business days after the PSE has received the notice of declaration of stock dividend. BSP regulations have since allowed banks to fix the record date and payment date on the date of dividend declaration, and pay such dividends without prior BSP approval, with the exception of banks with major supervisory concerns. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Unless approved via majority vote of the Board of Directors at a different rate depending on our earnings/results of operations, cash flow, financial condition and other factors or otherwise restricted/prohibited from declaring/paying dividends, the Bank regularly declares out of its unrestricted retained earnings and pays cash dividends at a payout ratio of PhP3.00 per share per annum or PhP0.75 per share per quarter, provided that the regulatory requirements of both the SEC and the BSP are complied with. Circumstances which could restrict the payment of cash dividends include, but are not limited to, when the Bank undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants.

Provided likewise that the Bank is not restricted/prohibited from declaring/paying dividends and that all such regulatory requirements are complied with, the Bank may also declare out of its unrestricted retained earnings and pay out special cash dividends (on top of its regular quarterly cash dividends) at such rate as may also be approved via majority vote of the Board of Directors.

The aggregate amount of quarterly cash dividends declared by the Bank in 2019 stood at PhP1.150 billion. Details are shown under Note 21 of the Audited Financial Statements section.

OUR GOVERNANCE EVALUATION

Annually within the first quarter of each year, our Board, individual Directors, their respective oversight committees, and all other Board-level committees, as well as the President and all Management-level committees conduct annual self-rating exercises on their performance during the immediately preceding calendar year through the use of scorecards. This aims to gauge

their effectiveness and determine areas of improvement vis-à-vis set performance standards that are consistent with our strategic objectives and business plans designed to continuously create value to all our stakeholders. Items subject to rating are the pertinent standards, as well as their duties and responsibilities, under a 3-point rating scale, to wit: "3"-Meets Standards (MS), "2"-Needs Improvement (NI), and "1"-Not Observed (NO), with an enjoiner to provide suggestions on how to address the deficiencies/improve performance on items rated either "1" or "2". The scorecard results are reviewed by our Corporate Governance Committee, reported to our Board of Directors and, thereafter, regularly tracked in terms of the status of addressing the areas needing improvement. This annual performance rating exercises also include that of the Chairman of the Board, the Chief Risk Officer, the Chief Audit Executive, the Chief Compliance Officer, directors/officers with multiple/interlocking positions and of the entire Bank.

Corporate Social Responsibility

PSBank believes that corporate social responsibility awareness starts with small initiatives that produce a culture of concern when combined. Below are the continuing initiatives in 2019:

● Education

- o The Bank continued its partnership with Trails to Empower Kids (TREK) where volunteer PSBankers go with other volunteer trekkers to remote mountain areas and bring school supplies and materials to indigenous and largely marginalized communities. Volunteers were able to help 550 students in five minority schools and coastal communities in Pinagbayanan, Aglimasan, Ignonok, Kalansan, and Kalangigan in the town of Paluan, Occidental Mindoro and 250 students at Malacbalac Elementary School in the town of San Vicente, Masbate.
- o Forty-seven PSBankers joined the 2019 Brigada Eskwela initiatives at Amado Hernandez Elementary School and at Rafael Palma Elementary School.

● Environment

- o PSBank sustained its partnership with Manila Doctors Hospital (MDH) on several initiatives on environmental preservation, education, and health. One is the restoration of Manila's "last lung," the Arroceros Forest Park, which started in 2016. It also adopted a zone in the park called the Shrine of the Creative Mind. PSBankers also joined the Earth Day festivities held at the park.
- o The Bank formed PSBank Eco-Warriors, a group of environmental conservation and sustainability champions at PSBank, which became one of the most active employee clubs. The group participated in the Manila Bay cleanup during the 34th International Coastal Cleanup Day.

- o Cebu-based PSBankers led an activity in Pangan-an Island, Lapu-Lapu City, Cebu, in collaboration with Light of Hope Philippines, a non-profit, non-government organization which aims to promote renewable energy and provide solar lamps to off-grid islands in the country. In 2019, PSBank donated 100 solar lamps made from recycled bottles to 100 families on the island. PSBankers in Cebu also donated school supplies for 100 elementary pupils.

● Health

- o PSBank co-sponsored MDH's in-house surgical programs which provided free critical surgical intervention to 275 indigent patients from Western Visayas.
- o PSBank marked its 10th year of sustained participation in the Philippine Children's Medical Center's (PCMC) quarterly bloodletting activities. For being a consistent partner, the Bank was given a Gawad Dekada during PCMC's 20th Pagkilala at Pasasalamat ceremony. In 2019, PSBankers donated a total of 121 blood bags.
- o PSBankers collaborated with the Department of Health's Philippine Center for Specialized Health Care's "Camiguin to the Young and Healthy You" project, a two-day medical and surgical mission in Barangays Anito and Naasag, Mambajao, Camiguin which benefited 486 residents.

Health, Safety and Welfare of Employees

PSBank advocates a work environment free of hazards, which is conducive to the well-being and professional development of employees. It continuously seeks ways to reach out to employees. Our leadership, represented by its Senior Officers, visits the branches to personally meet with employees and conduct engagement sessions, check on employees' welfare and needs, and their adherence to customer experience standards. Facilities are also checked to see if they are in accordance with our occupational health and safety standards.

In addition, the Bank strictly adheres to and even goes beyond meeting general labor standards, such as:

- **Occupational Safety and Health Program (OSHP) and the Occupational Safety and Health Committee (OSHC).** The OSHP provides for the organization a local committee on Safety and Health found in the branches. This program ensures that adequate guidelines, programs, and measures are adopted to ensure employees' safety, health, and well-being.
- **First Aid Certification Program.** Our HR team regularly coordinates with the Philippine Red Cross (PRC) in conducting certification seminars for head office and branch employees, ensuring all branches have at least one certified First Aider.

- **Fire and Earthquake Drills.** The Bank conducted fire and earthquake drills that aim to strengthen the awareness of PSBank employees on what to do during emergencies, and test individual and organizational response during the occurrence of an emergency. In May 2019, a total of 1,166 employees in the Head Office participated in the fire drill and evacuated the building within 14 minutes, which is within the standard evacuation time of 15 minutes. In April and May 2019, a total of 1,664 employees across the branches performed the initial earthquake response of "duck-cover-hold" and evacuated their branch within the 5-minute standard, except for three Branches which completed their evacuation in 6 minutes.

PSBank supports a healthy and safe work environment through programs designed to safeguard the well-being of all employees. The Bank conducts regular branch visits and facilities check-ups to see if all are in accordance with occupational safety and health standards.

Health and Wellness Programs. PSBank ensures that employees have a healthy work-life balance by offering programs that would develop engagement, camaraderie, and healthy working environment.

The Bank launched Mind over Matter as its primary program on mental health. Activities include sessions on mindfulness, positive psychology, and mental well-being. Through this initiative, the Bank also helps employees understand that their first line of defense is awareness.

Sports activities are also among our most anticipated events. The Laro ng Lahi: Gilas at Galing Sportsfest 2019 gathered employees from various head office teams and branches, and had separate runs for those in Central and South Luzon. Paintball, basketball, volleyball, bowling, and badminton tournaments were also conducted.

PSBank also provides subsidies for Runs for a Cause such as the Tytana Founders Run and World Vision Run. In 2019, employees also participated and represented the Bank in the Philippine Red Cross's Million Volunteer Run – the largest humanitarian run in the Philippines.

Health advisories and e-bulletins on frozen shoulder and stiff neck, malaria, and leptospirosis, as well as infomercials on obesity, caring for the lungs, nutrition, and neutral positioning of fingers, were disseminated to all PSBankers for information and proper guidance. The annual physical exam remains as a way for the Bank to provide basic health care for all. The PSBank Clinic is open daily for all employees. Intellicare doctors are available from Tuesday to Friday, while nurses are on duty every day. PSBank branches are also equipped with first-aid kits.

PSBankers were also given a chance to exhibit their professionalism and sportsmanship through interbank competitions, namely:

- 2019 Bankers Athletic Association (BAA) Bowling Competition;
- 2019 Bankers Athletic Association (BAA) Badminton Competition;
- 2019 Philippine Finance Association (PFA) Ten Pin Handicap Bowling Tournament where PSBank's bowling team bagged the championship trophy for the second time; and
- 2019 Philippine Bankers' League (PBL) Basketball Tournament.

Spiritual Needs. PSBankers celebrate the Holy Eucharist every First Friday and during Holy Days of Obligation such as Ash Wednesday and Immaculate Conception. PSBank groups and divisions take turns in sponsoring each mass, while the PSBank Glee Club serves as the mass choir. In 2019, the Bank also launched a Christian Fellowship program open to all religious denominations.

Family Welfare Program. PSBank is a family-oriented institution and allows the participation of family members in such occasions as Halloween or Christmas season where employees and their children get to enjoy quality bonding time.

Learning and Development Programs. In 2019, the Bank launched PSBank Business Campus, its official training arm and its most progressive approach to learning yet, adopting an Open University concept – a first in the industry. The Business Campus operates under these pillars: flexible learning, faculty excellence, and Choose-Your-Career dynamics.

With Sales Productivity being a business focus in 2019, various sales programs were designed and implemented including:

- **Branch Sales Clinic** – for 641 Branch Tellers and New Accounts Clerk nationwide;
- **Sales Bootcamp** – for 51 average and below average performing Branch Heads;
- **i-LEAD** – for 25 Branch Heads on Developmental Assignment (DA), including those who recently completed their DA; and
- **Solution Selling** – for 26 Head Office-based and product-specific Account Officers.

Staff Professional Enhancement and Educational Program (SPEED) Accelerated Learning (AX-L)

- Twenty-four candidates completed 598 hours of learning 35 different subjects under 47 faculty members to complete the Operations Track – the first batch to do so.

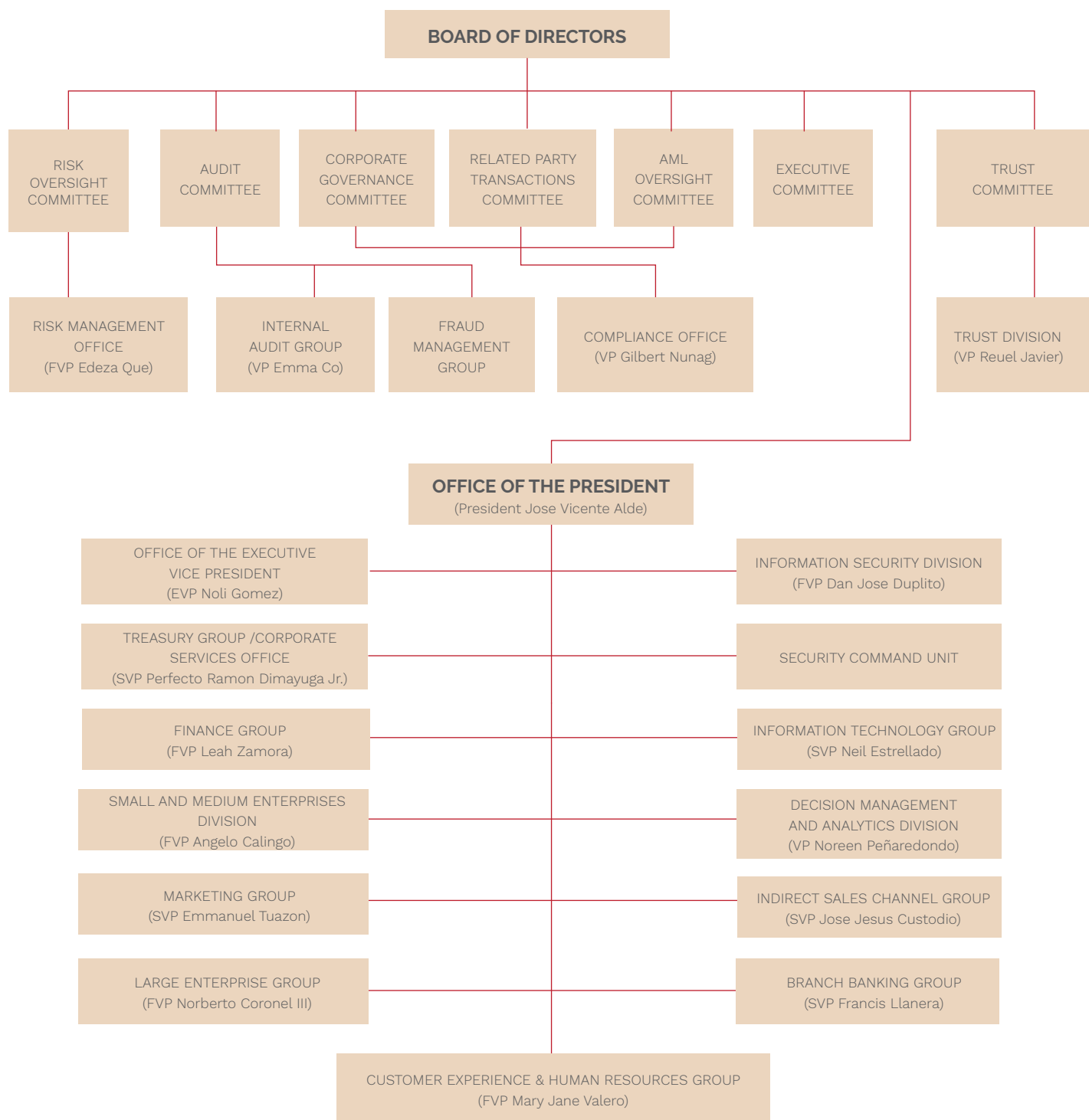
Information Technology (IT) Training

To respond to our need for a more future-ready IT workforce, our IT personnel underwent Industrial Revolution 4.0-related learning sessions, four of which are firsts for PSBankers:

- **Customized DevOps Agile Essentials** – for 49 IT and business unit leads;
- **DevOps Fundamentals** – for 25 IT Project Managers and other leads;
- **Agile Scrum Foundation** – for 25 IT Project Managers and other leads; and
- **Agile Scrum Master Certification** – for two Key Heads.

Other IT trainings included these programs: Modern React.js Development Training, Basic and Advance iOS Mobile Application Development Training, Automating Administration with Windows PowerShell (10961), Certified Data Center Professional, Comptia Linux+: System Administration, Wireshark Certified Network Analyst, Mobile Programming Using Android, among others – which covered 59 IT personnel.

For 2019, PSBank Business Campus covered a total of 181 training programs – 73 of which are external and 108 are internal – under the following program family: professional development, technical/systems, functional, sales and marketing, organizational/institutional, leadership and management, regulatory compliance, internal controls and risk management, human capital management, credit/loan processes, customer experience, products and processes.



MANAGEMENT COMMITTEES

Credit Committee • Assets and Liabilities Committee • AML Compliance Committee • Outsourcing Committee • IT Steering Committee
 • Emergency Committee • Policy Committee • Personnel Committee • Retirement Committee
 • Related Party Transactions Management Committee • Investment Committee

MINDING OUR IMPACT

We believe in building a bank driven by a sense of purpose: doing business in a more sustainable way.

To create shareholder value over the long term, we need to integrate in our reporting process our economic, environmental and social impact.

In accordance with the Securities and Exchange Commission's (SEC) guidelines on sustainability reporting, we have started to measure our baseline sustainability reporting process, with the goal of tracking our progress on a year-on-year basis.

MATERIALITY

The process includes identifying matters that may impact the execution of our strategy which is a bank-wide effort that takes into account input from all business and support groups, and incorporating feedback from our stakeholders. The materiality assessment we performed is based on existing Environmental, Social, and Governance (ESG) reporting standards or frameworks.

STAKEHOLDER ENGAGEMENT

We define "stakeholders" as those individuals and organizations that are affected or affect PSBank's business. Disclosed under the Corporate Governance and Employee and Customer Engagement sections of this Annual Report are the ways we engage our various stakeholders.

CORPORATE GOVERNANCE

We conduct our business in an ethical, sound, and responsible manner. The details of our corporate governance culture and framework are disclosed under the Corporate Governance section of this Annual Report.

SUSTAINABILITY PERFORMANCE

We manage our key economic, environmental, and social impacts. Based on the materiality assessment we performed, we have identified these performance indicators:



Economic

We contribute to nation building by helping entrepreneurs grow their businesses. In 2019, our total credit lending to small and medium enterprises reached PhP7.03 billion vis-a-vis our total credit lending to community development amounting to PhP396.19 million.



Environmental

Our business ensures minimal adverse impact on the environment. In terms of total greenhouse gas emissions (GHG), a total of 416 tCO2e Scope 1 emissions (from activities directly under our control, pertaining to our Head Office and owned branch locations) and a total of 4,945 tCO2e Scope 2 emissions (from the generation of purchased electricity consumed by our leased branches) were recorded from our activities in 2019.



Social

We place high importance on the well-being, diversity, and development of our employees as we aim to provide a work environment that will help them achieve their potential. Detailed discussions on the Health, Safety, Welfare and Development of Employees are disclosed under the Corporate Governance section of this Annual Report.



We also improve other people's lives, not just from the products and services we offer, but by also educating them in terms of financial literacy. Since 2016, we have been running our award-winning financial literacy campaigns, "Be Aware!" and "Good to Know," that aim to instill the importance of savings and guide the public to make informed financial decisions.

We also regard with utmost importance the safeguarding of the privacy of our data subjects' personal information. Towards this end, we have put in place adequate information security and data protection policy guidelines, procedures, and control measures pursuant to information and cyber security rules and standards as well as data privacy rules.

CONTRIBUTION TO THE UN SDGs

Believing that we have a role to play in promoting sustainable development, PSBank is committed to driving progress towards achieving the United Nations Sustainable Development Goals (SDGs). Through our products and services and the integration of digital technology, we aim to create added value to our clients, the general public, and the rest of society.

For the detailed report, please refer to the 2019 PSBank Sustainability Report posted in our website: www.psbank.com.ph/about-psbank/financial-reports/

BOARD OF DIRECTORS



1. **Jose T. Pardo**
Chairman/Independent Director

2. **Arthur V. Ty**
Vice Chairman

3. **Vicente R. Cuna Jr.**
Vice Chairman

4. **Jose Vicente L. Alde**
President / Director

5. **Samson C. Lim**
Independent Director



6. **Benedicto Jose R. Arcinas**
Independent Director

7. **Ma. Soledad D.S. De Leon**
Director

8. **Eduardo A. Sahagun**
Independent Director

9. **Rosanna F. De Vera**
Director

10. **Pocholo V. Dela Peña**
Corporate Secretary

BOARD PROFILES

1 Jose T. Pardo

Chairman/Independent Director

Filipino, 80 • Chairman at PSBank* since January 2003 • Independent Director since May 2007 • Chairman/Independent Director, Philippine Seven Corporation*; Philippine Stock Exchange*; Securities Clearing Corporation of the Philippines; and Bank of Commerce • Chairman, ECOP Council of Business Leaders; PCCI Council of Business Leaders; and Philippine Business Center, Inc. • Independent Director, JG Summit Holdings, Inc.* National Grid Corporation of the Philippines; ZNN Radio Veritas; Synergy Grid and Development Phils., Inc.* (Non-operating); Monte Oro Grid Resources Corporation; Araneta Hotels, Inc.; League One Finance and Leasing Corporation; and Del Monte Philippines, Inc. • Education: Honorary Doctorate, Academy of Multi-Skills, United Kingdom. Doctor of Science in Finance, Honoris Causa, De La Salle University, Manila Philippines. Doctor of Humanities, Honoris Causa, Gregorio Araneta University Foundation. Master's Degree in Business Administration. First graduate of the Harvard-DLSU Advisory Program. BS Commerce-Accountancy, De La Salle University.

2 Arthur V. Ty

Vice Chairman

Filipino, 53 • Vice Chairman since 2001 • Chairman, Metropolitan Bank and Trust Company*; Metropolitan Bank (China) Ltd.; GT Metro Foundation Inc.; GT Capital Holdings Inc.*; and Metrobank Foundation, Inc. • Vice Chairman / Director, First Metro Investment Corporation. • Vice Chairman, AXA Philippines • Director, Federal Land, Inc. • Education: BS Economics, University of California - Los Angeles. MBA, Columbia University.

3 Vicente R. Cuna Jr.

Vice Chairman

Filipino, 58 • Vice Chairman since April 2018 • Director since 2013 • Director, Metropolitan Bank and Trust Company* • Senior Executive Vice President, Enterprise Services Sector, Metropolitan Bank and Trust Company* • Chairman, ORIX Metro Leasing & Finance Corporation; ORIX Auto Leasing Philippines Corporation; ORIX Rental Corporation; OMLF International Trading Development Corporation; and OMLF Insurance Agency, Inc. • Education: A.B Economics, De La Salle University.

4 Jose Vicente L. Alde

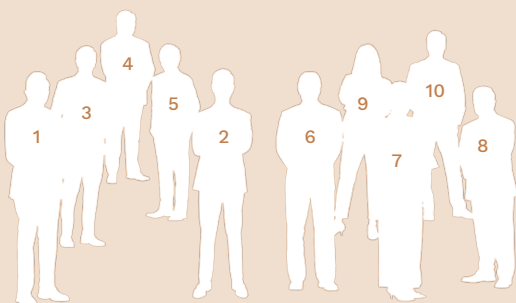
President/Director

Filipino, 53 • President since April 2018 • Director since 2016 • Chairman, Sumisho Motor Finance Corporation • ELECOM Member, Chamber of Thrift Banks • Education: Bachelor of Computer Science, Cum Laude, University of the Philippines, Diliman. Master in Business Management, Asian Institute of Management.

5 Samson C. Lim

Independent Director

Filipino, 71 • Independent Director since April 2008 • Chairman, Blims Lifestyle Group (BLG); Collins International Trading Corporation and Francorp Philippines • Chairman Emeritus/International Relation, Philippine Franchise Association • Chairman Emeritus, Philippine Retailers Association • President, Canadian Tourism & Hospitality Institute • Director for Tourism, Retail and Franchise, Philippine Chamber of Commerce and Industry • Education: BS Liberal Arts, Cum Laude, Ateneo de Manila University. Masters in Business Economics (MBE), 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.



6 **Benedicto Jose R. Arcinas**
Independent Director
 Filipino, 63 • Independent Director since April 2012 • Director and General Manager, Arcinas Freres, Inc. • Independent Director, Metrobank Card Corporation • Education: BS Business Economics, University of the Philippines, Diliman. Master of Science in Management, Arthur D. Little Management Education Institute, Cambridge, Massachusetts (now Hult International Business School). Certificate Courses in Small Enterprise Management, Operations Research, Economics, Basic+, COBOL Programming, Harvard University, Cambridge, Massachusetts.

7 **Ma. Soledad D.S. De Leon**
Director
 Filipino, 61 • Director since April 2016 • Chairman of the Board/ Treasurer, Casa Medica, Inc.; and Sodel Milling Corp. • Director, Yaman Lahi Foundation, Inc. (Emilio Aguinaldo College); University Physician Services Inc.; Property Holdings, Inc.; Hospital Management Services, Inc. (Medical Center Manila); The Pearl Manila, Pearl of the Orient & Seas Hotel & Recreational Resort, Inc.; St. Patrick College; and Candelaria Rural Bank • President/Treasurer, Sodel Realty Inc. • Vice President/Treasurer, Fil- Homes Realty Development Corp. • Vice President, Lipa Golden Land Development, Inc. • Education: BS in Business Administration Major in Business Management, St. Paul College of Manila. International Management Studies, University of California - Los Angeles, USA.

8 **Eduardo A. Sahagun**
Independent Director
 Filipino, 63 • Independent Director since April 2017 • Chairman, EdCommerce Corporation • Director, Union Galvasteel Corporation; Phinma Property Holdings Corporation; Phinma Renewable Energy Corporation; and T-O Insurance Brokers, Inc. • Board of Trustees, Phinma Foundation Inc. • President & CEO, Phinma Solar Energy Corporation; Union Galvasteel Corporation; and Philcement Corporation • Education: BS Commerce Major in Accounting, Holy Angel University. Masters in Business Administration, Ateneo Graduate School of Business. Masters in Management Science, Arthur D. Little Management Education Institute (now Hult International Business School) Boston, USA. Senior Management Program, Senior Leadership Program, Managing Change Program, IMD, Switzerland.

9 **Rosanna F. De Vera**
Director
 Filipino, 51 • Director since April 2018 • First Vice President and Credit Group Division Head, Metropolitan Bank and Trust Company* • Education: BSC Accounting, University of Sto. Tomas. MBA, Ateneo Graduate School of Business.

10 **Pocholo V. Dela Peña**
Corporate Secretary
 Filipino, 53 • Corporate Secretary since July 2011 • Director, Sumisho Motor Finance Corporation • Senior Vice President and Business Banking Center Head, Metropolitan Bank and Trust Company* • Education: BS Commerce Major in Accounting, University of Santo Tomas.

** Publicly listed companies*

SENIOR OFFICERS



1 Noli S. Gomez
Executive Vice President

Filipino, 54 • Joined October 2001 • Operations Group Head • Member, Assets and Liabilities, Policy, Personnel, IT Steering, Anti-Money Laundering Compliance, Outsourcing Oversight, Emergency, and Retirement Committees • Director, Sumisho Motor Finance Corporation • Former Chief Risk Officer and Head of the Systems and Methods, DBS Bank Philippines • System Management Officer, Bank of the Philippine Islands • Education: BS Civil Engineering, Mapua Institute of Technology • Licensed Civil Engineer with Distinction

2 Jose Jesus B. Custodio
Senior Vice President

Filipino, 59 • Joined December 2001 • Indirect Sales Channel Group Head • Former Head of Auto Loans-Retail Sales, Citytrust Banking Corp. • Former Head of Fleet and Floor Stock Department, BPI Family Savings Bank • Education: BS Business Management, Ateneo de Manila University.

3 Perfecto Ramon Z. Dimayuga Jr.
Senior Vice President

Filipino, 58 • Joined January 2006 • Treasurer • Former CFO and Head of Finance Group • Member, Assets and Liabilities, IT Steering, and Personnel Committees • Head of Investment Committee • Corporate Secretary, Sumisho Motor Finance Corporation • Held various Treasury positions in the Development Bank of Singapore Phils., Inc.; Bank of the Philippine Islands; Mindanao Development Bank; Citytrust Banking Corp.; and Rizal Commercial Banking Corp. • Education: AB Economics, Ateneo de Manila University. MBA, University of the Philippines.

4 Neil C. Estrellado
Senior Vice President

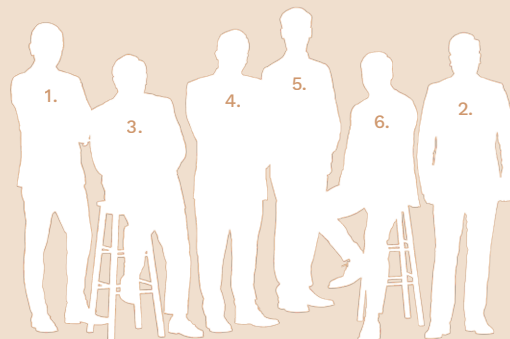
Filipino, 48 • Joined March 2002 • Information Technology Group Head • Member, Outsourcing Oversight, IT Steering, Personnel, and Emergency Committees • Former Project Leader, Overseas Chinese Banking Corp. Ltd. • Former Lead IT Analyst, Development Bank of Singapore • Former Project Manager, DBS Philippines • Former Systems Analyst, Bank of the Philippine Islands • Education: BS Mathematics, Ateneo de Manila University.

5 Francis C. Llanera
Senior Vice President

Filipino, 48 • Joined December 2007 • Branch Banking Group Head • Member, Assets and Liabilities, Emergency, and Anti-Money Laundering Compliance Committees • Former Credit Card Collections Head, Union Bank of the Philippines • Formerly with American International Group's Credit Risk Management • Education: BS Commerce, University of Santo Tomas. MBA, Ateneo Graduate School of Business.

6 Emmanuel A. Tuazon
Senior Vice President

Filipino, 56 • Joined July 2014 • Marketing Group Head • Member, Assets and Liabilities, Emergency, and Personnel Committees • Former Senior Vice President and Chief Marketing Officer, Philippine National Bank • Former Vice President for Marketing, ABN AMRO Bank • Former Vice President for Marketing and Sales, Jardine Pacific Finance • Director, Philippine Association of National Advertisers Foundation Inc. • Education: BS Mathematics, University of the Philippines.



SENIOR OFFICERS



7 Angelo L. Calingo
First Vice President

Filipino, 39 • Joined October 2016
• Small and Medium Enterprise Division Head • Former Vice President of Commercial Banking, Citibank NA • Former Assistant Vice President, BDO Leasing and Finance, Inc. • Former Senior Manager, Bank of the Philippine Islands
• Education: BSC Major in Management, De La Salle University. MBA, Asian Institute of Management. MS Business Analytics, Regent University.

8 Norberto M. Coronel III
First Vice President

Filipino, 59 • Joined December 2007
• Large Enterprise Group Head
• Member, Assets & Liabilities, Investment, and Credit Committees • Former First Vice President and Head of Equity Underwriting and Placements, Investment & Capital Corp. of the Philippines • Former Assistant Vice President of Investment Banking Division, United Coconut Planters Bank • Education: BS Business Management, Ateneo de Manila University. MBA, University of the Philippines.

9 Dan Jose D. Duplito
First Vice President

Filipino, 45 • Joined March 2005
• Information Security Division Head • 2013 ASEAN CISO of the Year Awardee • Former Consultant for Information Security, Web Development and Linux System Administration • Co-founder of BSP-recognized Information Security Officers Group (ISOG) • Co-Organizer of ROOTCON Hacking Conference (ROOTCON.ORG) • Education: BS Mechanical Engineering, University of the Philippines.

10 Mary Myleen M. Masanque
First Vice President

Filipino, 44 • Joined November 2011 • Credit and Collections Sector Head • Member, Executive, Credit, and Emergency Committees • Former Assistant Vice President and Head of Recovery Unit, BDO Unibank, Inc. • Former Manager, AIG Credit Cards • Education: AB Communication Arts, Miriam College.

11 Edeza A. Que
First Vice President

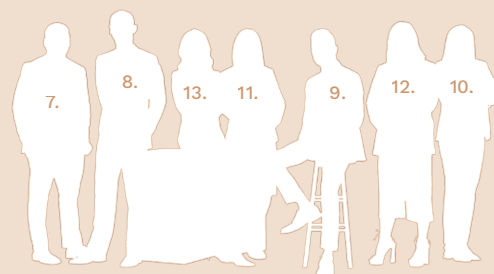
Filipino, 47 • Joined October 2005 • Chief Risk Officer, Risk Management Office • Member, Assets and Liabilities, Anti-Money Laundering Compliance, Investment, Outsourcing Oversight and Related Party Transactions Committees • Director, Bankers Institute of the Philippines, Inc. • Former Credit Risk Manager for Consumer Banking, Standard Chartered Bank • Former Risk Management Officer, American International Group Credit Card Co. • Education: BS Statistics with Honors and MS Statistics, University of the Philippines.

12 Mary Jane M. Valero
First Vice President

Filipino, 50 • Joined August 2002
• Customers Experience and Human Resources Group Head
• Member, Organizational Safety and Health, Outsourcing Oversight, and Retirement Committees. • Secretary, Personnel Committee. • Co-Founder, CX Filipinas, Inc. • Former Front Office Manager, Mandarin Oriental Hotel Manila. • Former Duty Manager, Westin Philippine Plaza. • Education: BS Psychology and BA Guidance and Counseling, St. Scholastica's College. MA in Industrial Psychology graduated Cum Laude, University of Santo Tomas. Ph D in Clinical Psychology graduated Magna Cum Laude, University of Santo Tomas.

13 Leah M. Zamora
First Vice President

Filipino, 46 • Joined April 2010 • Controller and Finance Group Head • Member, Assets and Liabilities, IT Steering, Retirement, Outsourcing Oversight, and Related Party Transactions Committees • Former Vice President for Financial Planning and Analysis, GE Money Bank Philippines • Education: BS Accountancy, De La Salle University • Certified Public Accountant.





14 Leo Antonio V. Abe
Vice President

Filipino, 37 • Joined November 2017 • Credit Risk Manager, Credit Risk Management Unit • Asia Pacific Region Retail Risk Manager, Hongkong Shanghai Banking Corporation (HSBC) Limited • Former Senior Risk Analyst, Standard Chartered Bank (Singapore) • Former Application Consultant to SCB, Optimum Solutions (Singapore) • Education: BS Mathematics and Masters of Science in Applied Mathematics, University of the Philippines.

15 Andre Manuel L. Abellanosa
Vice President

Filipino, 55 • Joined February 2003 • Asset and Liability Management Division Head • Former Manager of Securities Distribution Group, BPI Capital Corp. • Former Chief Forex Dealer, DBS Forex Corp. • Education: BS Management, Colegio de San Juan de Letran. Certified Treasury Professional, Ateneo-BAP Institute of Banking • Registered Fixed Income Salesman, Securities and Exchange Commission.

16 Noel C. Ang
Vice President

Filipino, 42 • Joined April 2013 • Financial Accounting Services Division Head • Former Financial Information Division Head, Philippine Veterans Bank • Former Tax Accounting Unit Head, Ford Group Philippines • Former Subsidiaries Financial Accounting Unit Head, United Coconut Planters Bank • Former Tax Auditor, Diaz Murillo Dalupan & Company, CPAs • Education: BS Accountancy, Centro Escolar University - Manila. Bachelor of Laws, Arellano University School of Law. • Certified Public Accountant and Lawyer

17 Raye Claudine Q. Baron
Vice President

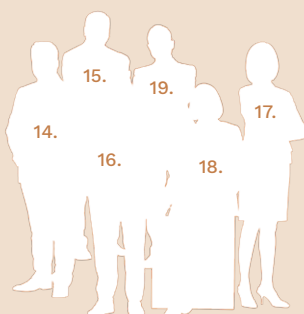
Filipino, 50 • Joined August 2009 • Head Office Operations Division Head • Member, Policy, Outsourcing Oversight, and Emergency Committees • Former Senior Assistant Vice President for Project Management and Operations Control Department, AIG Philam Savings Bank, Inc. • Education: BS Business Management, Ateneo de Manila University. MBA, University of the Philippines.

18 Emma B. Co
Vice President

Filipino, 57 • Joined December 2001 • Chief Audit Executive and Head, Internal Audit Group • Secretary, Audit Committee • Resource person, Related Party Transactions Committee • Chairperson of the Membership Committee, Bankers Institute of the Philippines, Inc. • Former Senior Manager for Audit, Mercator Group • Former IT Audit Officer, Union Bank of the Philippines • Education: BS Commerce Major in Accounting, University of Santo Tomas. Bachelor of Laws, Lyceum of the Philippines. MS in Information Management, Ateneo de Manila University • Certified Public Accountant, Lawyer, and Accredited Quality Assessment Validator.

19 Adler D. Ferrer
Vice President

Filipino, 46 • Joined December 2006 • Indirect Auto Loans Channel Division Head • Former Credit Services Head and Former Account Officer-Housing Loans and SME Loans, BPI Family Savings Bank, Inc. • Education: BS in Agriculture, graduated Cum Laude, Ateneo de Cagayan (Xavier University).



SENIOR OFFICERS



20 Dennis O. Glorioso
Vice President

Filipino, 42 • Joined June 2008 • Collections and Remedial Management Division Head • Former Asset Manager, Capmark Philippines Ltd. • Former Credit and Collections Supervisor, Avida Land Corporation • Education: BS in Applied Economics, BS in Commerce Major in Business Management, and MBA, De La Salle University.

21 Mirasol B. Guia
Vice President

Filipino, 49 • Joined October 2010 • Systems Development Division I Head • Former Assistant Vice President in Systems Development and Support and Former Manager in Systems Maintenance and Development, Digital Telecommunication Phils., Inc. • Education: BS Computer Science, Pamantasan Ng Lungsod ng Maynila. Master of Technology Management, University of the Philippines.

22 Antonell S. Interino
Vice President

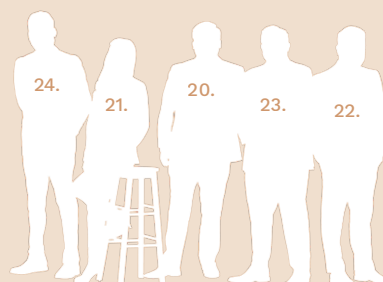
Filipino, 46 • Joined August 2010 • Head of Financial Planning Division under the Finance Group • Former Senior Financial Planning Analyst, GE Money Bank Philippines • Education: BS Accountancy, De La Salle University • Certified Public Accountant.

23 Reuel R. Javier
Vice President

Filipino, 48 • Joined October 2007 • Trust Division Head • Member, Trust and Assets and Liabilities Committees • Former Investments Head, PSBank Treasury • Held various Trust and Investment Management positions in the Bank of the Philippine Islands and BPI Capital Corporation • Education: AB Economics, De La Salle University • Certified Treasury Professional, Ateneo-Bankers Association of the Philippines. Registered Fixed Income Market Salesman, Services and Exchange Commission. TOAP Certified UITF Salesman and Trainor.

24 Gilbert L. Nunag
Vice President

Filipino, 45 • Joined February 2008 • Chief Compliance Officer • Member, Anti-Money Laundering Compliance, and Outsourcing Oversight Committees • Former Assistant Vice President and Compliance Officer, UCPB Savings Bank • Former Assistant Vice President and Compliance and Risk Management Division Head and Senior Manager and Controllership Head, UCPB Rural Bank • Former Audit Team In-Charge, SyCip Gorres Velayo & Co. • Education: BS Accountancy with Honors, Ateneo de Cagayan (Xavier University) • Certified Public Accountant.





25 John Emmanuel J. Palafox
Vice President

Filipino, 43 • Joined April 2007
• Digital Innovations Architect •
Former Head of the Technology
Services Group, SQL*Wizard, Inc.
• Education: BS Management
Information Systems, Ateneo de
Manila University.

26 Noreen D. Peñaredondo
Vice President

Filipino, 41 • Joined October 2015 •
Decision Management and Analytics
Division Head • Former Region Head
for Data Science, Tiara • Former
Business Head for Web and Mobile
Solutions, Stratpoint Technologies •
Education: BS Statistics, University
of Philippines.

27 Elmer B. Rombaoa
Vice President

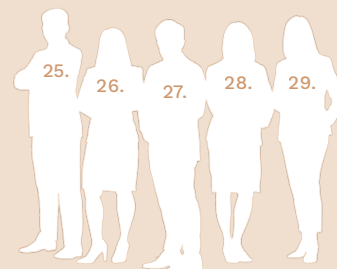
Filipino, 51 • Joined January 2015
• Channel Management and
Operations Division Head • Former
Head of Electronic Banking Services
Division, Philippines National Bank •
Former Head of Card Business
Solutions, Security Bank Corp. •
Education: BSBA Accountancy,
National College of Business
and Arts. Certified Public
Accountant.

28 Redentora Rose D. Samia
Vice President

Filipino, 57 • Joined October 2004
• Loans Operations Division Head •
Former Branch Head, BDO Unibank
Inc. • Former Operations/Marketing
Officer, United Coconut Planters
Bank • Education: BS Psychology,
University of Santo Tomas. BS
Business Administration
Accounting, Holy Angel University.

29 Maria Lilibeth S. Santos
Vice President

Filipino, 35 • Joined August
2005 • Systems Operation and
Infrastructure Division Head •
Education: BS in Computer Science
and Information Technology, Asia
Pacific College.



PRODUCTS & SERVICES

Savings Accounts

PSBank Kiddie & Teen Savings Account
PSBank ATM Savings
PSBank Passbook with ATM
PSBank Regular Passbook Savings
PSBank Overseas Filipino Savings

Checking Accounts

PSBank Regular Checking
PSBank Premium Checking

Peso Time Deposit Accounts

PSBank Prime Time Deposit
PSBank Peso Time Deposit

Foreign Currency Accounts

PSBank Dollar Savings
PSBank Dollar Time Deposit
PSBank Euro Savings*
PSBank Euro Time Deposit*

Consumer Loans

PSBank Auto Loan with Prime Rebate
PSBank Flexi Personal Loan with Prime Rebate
PSBank Home Loan with Prime Rebate
PSBank Home Credit Line
PSBank Home Construction Loan
PSBank Multipurpose Loan

Commercial Loans

PSBank SME Business Credit Line
PSBank Credit Line
PSBank SME Term Loan with Prime Rebate
PSBank Standby Credit Line Certification
PSBank Domestic Bills Purchase Line

Trust Products and Services

e-Trust
PSBank Money Market Fund
Investment Management Account
Escrow Account
Personal Management Trust
Employee Benefit / Retirement Fund
Management

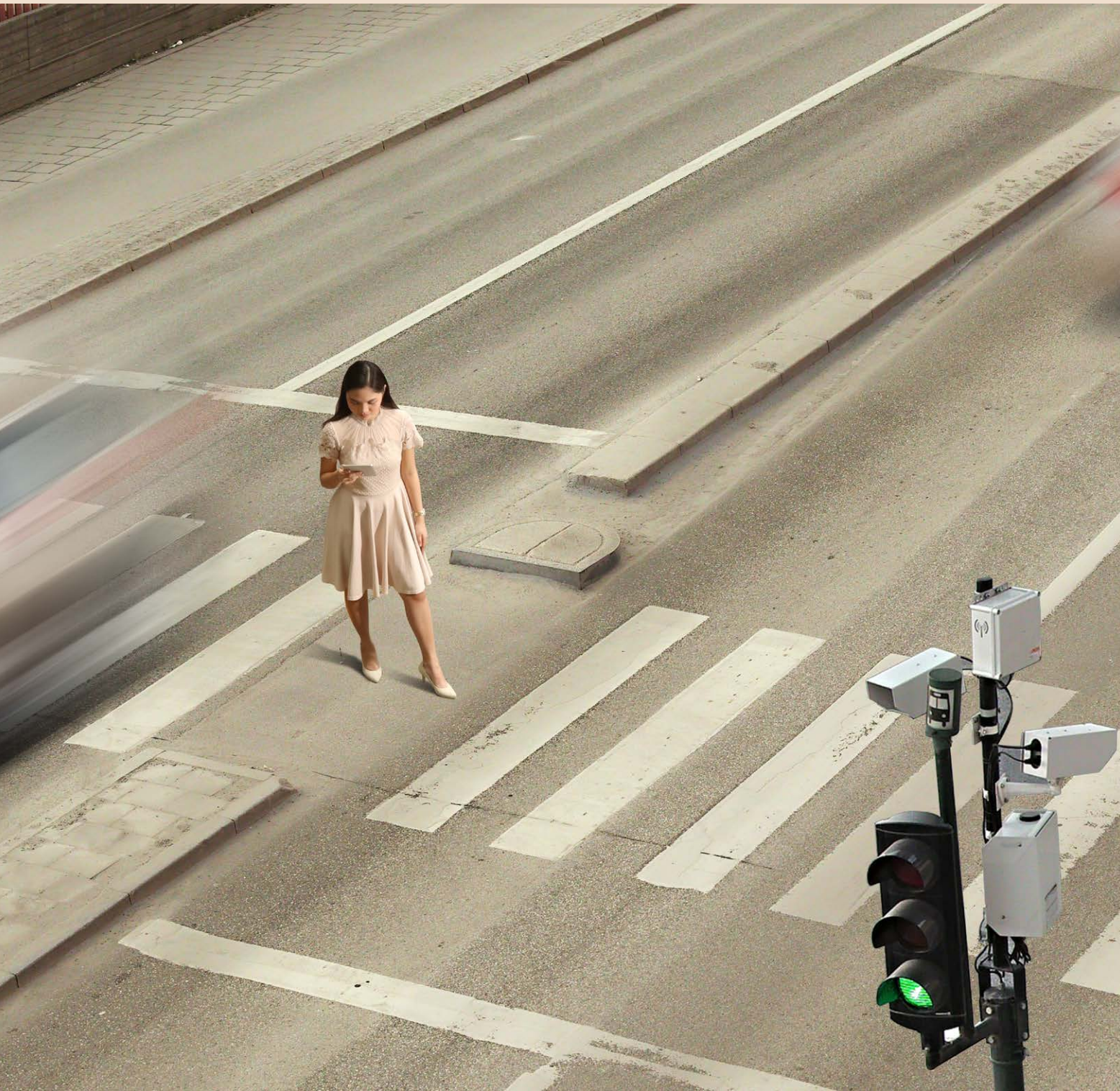
Other Products and Services

PSBank Debit Mastercard
PSBank Prepaid Mastercard
PSBank Credit Mastercard
PSBank Bills Payment Collection
PSBank Remittance Services
PSBank Business Online Buddy
(Corporate Internet Banking)
PSBank e-Credit
PSBank Online
PSBank Mobile
PSBank LiveChat
PSBank & AXA Bancassurance Cross-selling
Arrangement
PSBank Online Loan Application
PSBank PaSend Mobile Remittance
PSBank Mobile Check Deposit
PSBank ISSA Chatbot Service

**Available only at PSBank Paseo de Roxas Branch, Makati City*

For a description of the products and services listed here, please visit our website, www.psbank.com.ph





SHAREHOLDERS INFORMATION

CORPORATE INFORMATION

Philippine Savings Bank
PSBank Center
777 Paseo de Roxas corner Sedeño Street
Makati City 1226 Philippines
Tel: (+632) 8845-8888
Website: www.psbank.com.ph

Annual Shareholders' Meeting

Wednesday, 27 May 2020, 3:00 p.m.

Stock Listing

Philippine Savings Bank (PSBank) common shares are listed and traded at the Philippine Stock Exchange under the ticker symbol "PSB."

Shareholders

The number of common shareholders of record as of 28 February 2020 was 1,455.

Major Shareholder

METROPOLITAN BANK & TRUST COMPANY
% of Stockholdings: 88.38%
Nationality: Filipino

Market Information

Following are the high and low closing prices of the PSB shares as reported in the PSE for each quarter of the years ending in 2018 and 2019:

Years	Quarters	Highest	Lowest
2018	1 st	89.50	85.05
	2 nd	87.90	81.00
	3 rd	88.50	80.00
	4 th	86.90	61.80
2019	1 st	61.00	57.50
	2 nd	58.95	57.00
	3 rd	60.70	57.00
	4 th	63.50	57.00

Annual Report in SEC Form 17-A

The financial report included in this report follows the information contained in our SEC Form 17-A as required by and submitted to the Securities and Exchange Commission. Copies of this report may be obtained free of charge upon written request to the Office of the Finance Group Head.

SHAREHOLDER ASSISTANCE AND SERVICES

Investor Relations

Corporate Affairs Division
9th Floor PSBank Center
777 Paseo de Roxas corner Sedeño Street
Makati City 1226
Tel: (+632) 8845-8888
Email: msperez@psbank.com.ph

Media

PR and Corporate Communications Department
8th Floor PSBank Center
777 Paseo de Roxas corner Sedeño Street
Makati City 1226
Tel: (+632) 8845-8888
Fax: (+632) 8845-0025

For inquiries or concerns:

Customer Experience Group
6th Floor PSBank Center
777 Paseo de Roxas corner Sedeño Street
Makati City 1226
Tel: (+632) 8845-8888
Fax: (+632) 8845-0048
SMS: (+63) 998-8458888
Email: customerexperience@psbank.com.ph
Chat: www.psbank.com.ph

Stockholder Services

For inquiries regarding dividend payments, change of address or account status:
Metrobank Trust Banking Group - Settlements Department
16F Metrobank Center
35th Street corner 7th Avenue
Bonifacio Global City
Taguig City 1634, Philippines
Tel: (+632) 8857-5694 to 95



Scan the QR codes below to directly access on your mobile device:





Audited Financial Statements
(can also be accessed from our
website: <https://www.psbank.com.ph/about-psbank/financial-reports>)



PSBank Branch Directory
(can also be accessed from our
website: <https://www.psbank.com.ph/atm-branch-finder/>)



 PSBank Center, 777 Paseo de Roxas corner Sedeño Sts.
Makati City 1226 Philippines

 www.psbank.com.ph

 Customer Experience Hotline: (632) 8845-8888

 customerexperience@psbank.com.ph

 PSBank LiveChat via www.psbank.com.ph

 ISSA Chatbot: [Facebook.com/psbankofficial](https://www.facebook.com/psbankofficial)

#PSBankOfficial

