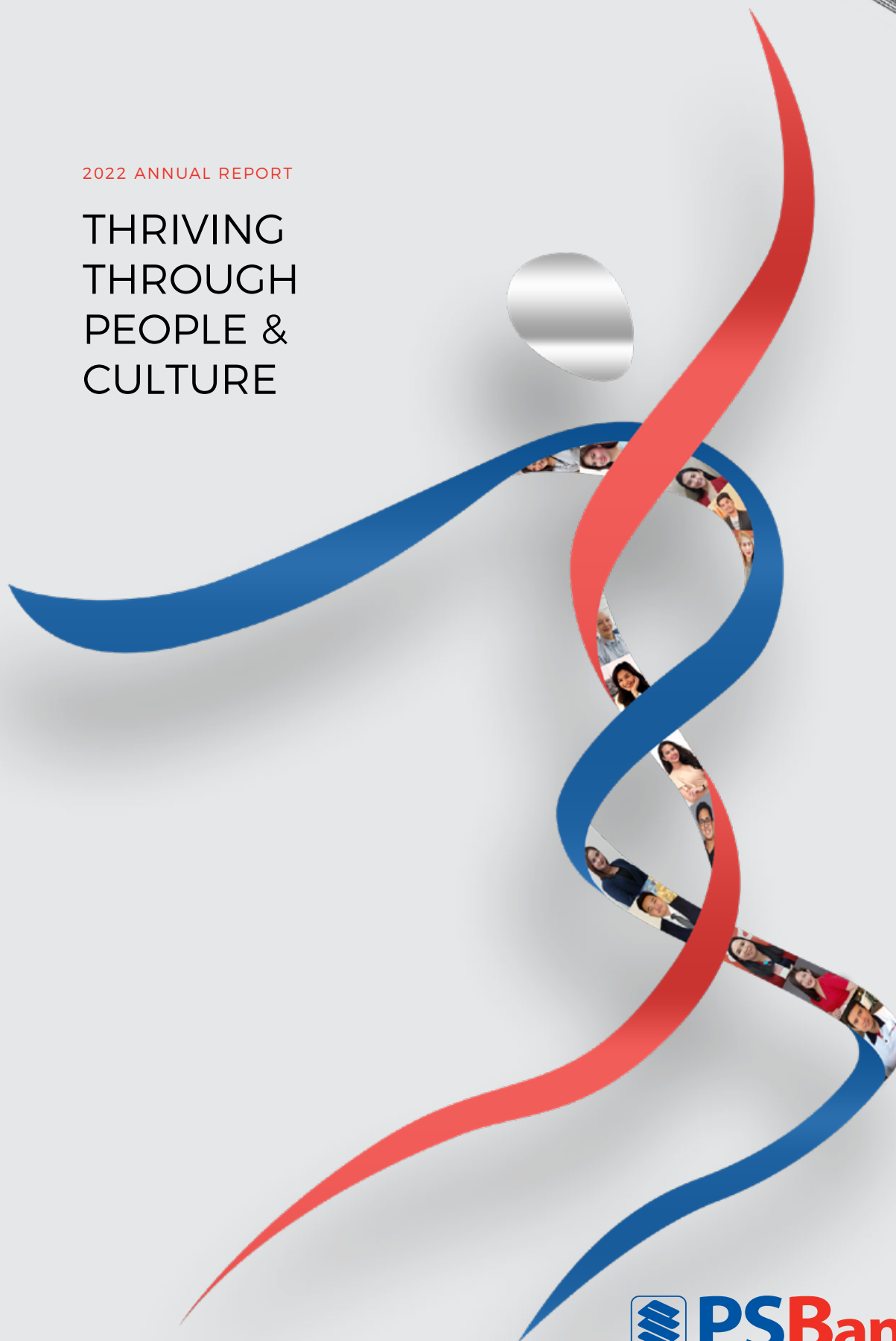


2022 ANNUAL REPORT

THRIVING THROUGH PEOPLE & CULTURE



PSBank

PHILIPPINE SAVINGS BANK
Metrobank Group

ABOUT THE
REPORT



There are many things that make an organization great. Strength. Agility. Flexibility. Service Excellence.

In all these, the common thread is People – the lifeblood of our business.

For PSBank, 2022 was the year we have demonstrated our ability to thrive, even amidst the many external headwinds we have faced. While technology enables us to deliver on our promise of providing exceptional customer experience, at the end of the day, our people remain as the secret weapon to our ability to thrive during the pandemic and beyond. And staying true to our core values anchors us to a sense of purpose and direction so we can meet the needs and exceed the expectations of our customers, shareholders, and other stakeholders. These values power our strong PSBank culture of speed, agility, *malasakit* (concern for others), proactiveness, and customer-centricity – inspiring confidence in our work and keeping us motivated and inspired to do our best.

In this 2022 Annual Report, we share the highlights of our past year’s financial and operational performance, as well as our ongoing initiatives to take advantage of opportunities and meet the challenges to our business.

The report not only discloses our corporate performance, but also our economic, environmental, and social contributions through our banking operations, products and services. We also discuss how we are contributing to the attainment of the United Nations Sustainable Development Goals.

Quantitative and qualitative information on relevant performance indicators cover the period January 1 to December 31, 2022 and comparative figures are disclosed with a minimum of two years, where applicable.

We prepared the report in line with the sustainability reporting frameworks and disclosure requirements of the Bangko Sentral ng Pilipinas (BSP), the Securities and Exchange Commission (SEC), and the Philippine Stock Exchange (PSE).

This is our fourth time to combine our financial, operational, and sustainability performance under one report since we started reporting our environmental, social, and governance (ESG) impacts in 2019.

For feedback on our report, you may call (632) 8845-8888 or email psbasm@psbank.com.ph.

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Our Business

Philippine Savings Bank (PSBank) is the thrift banking arm of the Metrobank Group, one of the largest financial conglomerates in the Philippines. Our core business is primarily consumer banking.



Our Customers



We serve retail customers and small and medium enterprises (SMEs), offering products and services that meet their financial needs.

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.
 - For our COMMUNITIES: To enable products, services and operations that contribute to social and environmental sustainability.

Record-High Net Income in 2022



Php 3.68 Billion
139% Increase Year-on-Year

Our Delivery & Engagement Channels

- 250 branches
- 557 ATMs
- PSBank Mobile
- PSBank Online
- PSBank Business Online Buddy (Corporate Internet Banking)
- PSBank LiveChat
- ISSA Chatbot
- PSBank Official Social Media Accounts
- Customer Experience Hotlines



Our People

2,766
Employee population as of end-2022

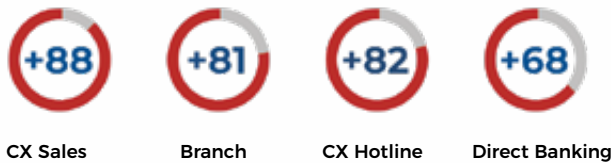


Our Shareholders

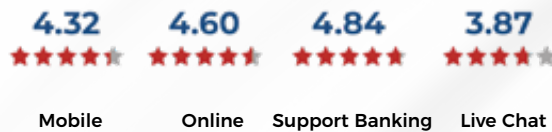
Major: Metropolitan Bank & Trust Company
88.38%
Number of common shareholders of record as of 10 March 2023 is 1,441.

How Our Customers See Us

NET PROMOTER SCORES



CSAT RATING



** Net Promoter Score (NPS) measures the willingness of clients to recommend PSBank based on their relative experience with our various touchpoints – a method of calibrating loyalty and advocacy; and classifying respondents as promoters, passives, and detractors. Customer Satisfaction (CSAT) survey is our metric to measure the customers' satisfaction with our service where a 5-star rating scale is used.

THRIVING OVER TWENTY



When I assumed the chairmanship role in the PSBank Board of Directors in 2003, anxiety pervaded the air — from the outbreak of the U.S.-Iraq war and the SARS epidemic, to the failed Oakwood mutiny just across the street from PSBank Centre.

Fast forward to 2022, a year before I end my 20-year term as Chairman, another war broke out, this time between Russia and Ukraine, while the world still reels from the socioeconomic impact of another virus: COVID-19.

One always wishes to leave behind an enduring legacy to the organization they have long served. But this can be quite tricky in the context of the world we are in where we are facing so many challenges at every turn: a pandemic, a strong recovery after a sharp and deep global recession, geopolitical tensions, mounting inflation, and tightening monetary policies.

At the age of 84, I could truly say I have personally witnessed and experienced the title of the Oscar-winning movie, “Everything Everywhere All At Once.”

Being at the helm of the board of PSBank for two decades, however, has given me the honor and privilege to play a major role in the success story of the country’s leading consumer and retail bank of choice. It also afforded me a ringside view of technological changes, particularly accelerated by the pandemic, and the rapid evolution of the Filipino consumer, from carrying a passbook to a physical branch, to performing all banking transactions in just a few clicks on their mobile phone.

Learning from PSBank

Looking back, one could not help but wonder how a bank like PSBank managed to stay afloat, even thrived, during these extraordinarily turbulent two decades. The explanation is simple: ‘copability’.

Combined with financial discipline, constant investment in innovation and information technology, and constant retooling and relearning among our people, ‘copability’ is what made PSBank tick. This is clearly manifested, not just in our record-high net income of PhP3.68 billion in 2022, but in the high employee and customer engagement scores we continued to enjoy.

PSBank’s ‘copability’ is what enabled us to persevere in our steadfast dedication to deliver on our promise of making things simple and reliable (maaasahan) for our customers. Our ability to adapt to the whirlwind changes around us, move with the tides, and dance to the beat of our own drum is what made PSBank a flexible, agile, and resilient organization.

At the height of the pandemic in 2020, when strict community lockdowns were enforced, PSBank quickly deployed and redeployed resources where needed, shifted to work-from-home arrangement and virtual meeting platforms, and stayed attuned to customers’ needs and preferences, whether onsite or online. Making these possible were our relentless pursuit to bring the benefits of technology and data analytics right at the fingertips of our customers, as well as our culture of openness to learn, collaborate, and share.

‘Copability’ is also what enabled us to innovate and pioneer many industry firsts for our customers to delight in the PSBanking experience — from our 24-Hour Auto Loan Credit Decision, ATM Lock, PayMe, and One Touch ID, to the Mobile Check Deposit and Online Account Onboarding facility. Being an entrepreneur at heart, I know the blood, sweat, and tears that go with every product innovation, especially in a highly regulated industry such as ours. By daring to break the mold, PSBank not only won the hearts and minds of customers, but also paved the path for other financial institutions to follow suit. In the end, every customer wins.

Leaving a legacy

Ultimately, the basis of our success is our people. They are the ones who serve our customers and communities, build the technology, make the strategic decisions, manage the risks, determine our investments, drive innovation, and sustain the enterprise.

Our view of the world’s complexity and the risks and opportunities ahead may change but having a great team of people — with guts, grit, talent, integrity and enormous capabilities to navigate personally challenging circumstances such as the pandemic while maintaining high standards of professional excellence — is what ensures our ability to thrive, now and in the future.

Twenty years ago, I was asked personally by Dr. George S.K. Ty, the late founding Chairman of the Metrobank Group, to join the Board of PSBank a few years after ending my stint in government as Secretary of the Department of Finance. I remember being filled with excitement, as being on the board of a consumer bank will enable me to assist our country’s small and medium enterprises and consumers, the biggest backbones of our economy. Thus, I owe Dr. Ty and the Metrobank Group my deep gratitude for giving me the opportunity to serve as Chairman of the PSBank Board.

I also wish to extend my appreciation to the former and incumbent members of the Board and Management over these past 20 years. They served as my co-captains in steadily steering the organization towards safe harbor, especially during turbulent times such as in recent years.

Finally, to the thousands of PSBankers, along with their families who kept safe during COVID, I tip my hat to you. I have gained greater appreciation for the tremendous ‘copability’ you have exhibited over these years. You have faced these times of adversity with grace and fortitude. And because of you, I am leaving PSBank with a legacy of strength and resilience. I hope you are as proud of yourselves as I am.

Thank you for the 20 years!

Jose T. Pardo
Chairman

THRIVING TOGETHER



In 2018, when I became president of PSBank, companies were abuzz with the acronym “VUCA” to describe the world we operate in – volatile, uncertain, complex and ambiguous. The business environment has transformed and we now live in a connected society where change can be fast-paced, constant and unpredictable. The past five years have been characterized by these.

2019 was marked by a global economic slowdown, primarily due to protracted trade disputes among large economies. In 2020, COVID-19 brought the world into an abrupt halt affecting everyone in an unprecedented scale. 2022 started with a geopolitical event overseas, resulting in supply chain disruptions and a steep rise in oil prices. Aggravating the situation, inflation concerns spooked the global markets with most central banks raising interest rates to address this.

More than staying the course

While every year during my five-year stint in PSBank has been “eventful,” to say the least, the Bank managed – not just to stay the course – but to make history.

In 2019, PSBank surpassed the PhP3-billion net income mark for the first time. In 2020 and 2021, at the height of the pandemic that forced us to shift to virtual meetings and work-from-home modes to safeguard our employees and customers’ health and safety, we continued to serve our customers. The Bank was able to provide the necessary digital services to allow safer and faster banking transactions – done in the comfort of their homes. In 2022, amid the challenges present, we managed to score another milestone: a record-high net income of PhP3.68 billion, 139% higher than the previous year.

Our secret weapon

Our performance was a result of our continuing efforts to make our organization strong and flexible to ensure that we are prepared to face the uncertainties of an ever-changing business environment.

Thanks to a recovering economy and easing of mobility restrictions, consumers have started to regain their confidence in borrowing for their personal needs or for the pursuit of their dreams to own a home or a car. This benefited PSBank and resulted in improved loan volumes.

With our continuous investment in technology, we managed to raise the level of our productivity through process efficiency and automation. Even at the height of the pandemic, we were able to roll out digital innovations such as our Online Account Onboarding facility, making it conveniently safe for our customers to open a PSBank peso savings account seamlessly via the PSBank Mobile App without the need to go to the branch. Robotics process and data analytics also enabled us to reduce turnaround times and bring tailor-fit solutions to customer needs.

These factors are part of the enabling environment that made our performance possible in the past years. All these are complemented by having an organization like PSBank where people and values make all things happen in a world of uncertainty.

2022 is clear proof of how a strong, inspired, and retooled workforce can become a key differentiator in a volatile business environment. Even as we continuously make our digital services robust and reliable, our core service principle remains the same: always make it simple and effortless for our customers.

Moving with confidence

Looking back, I am proudest that our organization not only endured and survived the pandemic but has also been galvanized by it. Woven throughout this entire annual report is the narrative of how people and values fortified our resolve to execute our game plan, enabling us to flourish in the midst of adversity.

Key to our strategy and plan are initiatives to help make PSBank a more resilient and responsible organization. Apart from a culture strategy re-imagined to address ongoing disruptions to the world of work, we are also taking significant strides to embrace Environmental, Social and Governance (ESG) principles in all that we do.

In 2022, we continued to take steps to green our operations by shifting to energy-efficient sources in our premises to reduce our carbon footprint. We also continued to invest in employee mental health and wellness programs to protect our biggest asset: our PSBankers.

Our business model supplemented by the critical investments we are making will allow us to introduce new products and services, stay customer-focused, and consistently provide exceptional customer experience to drive our long-term growth.

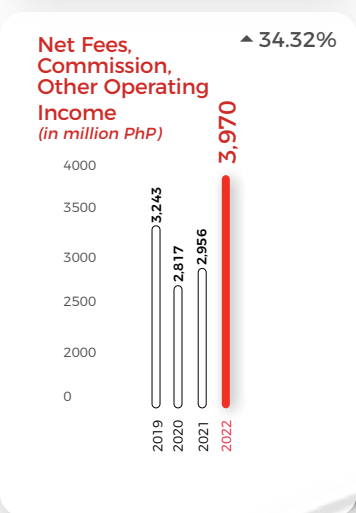
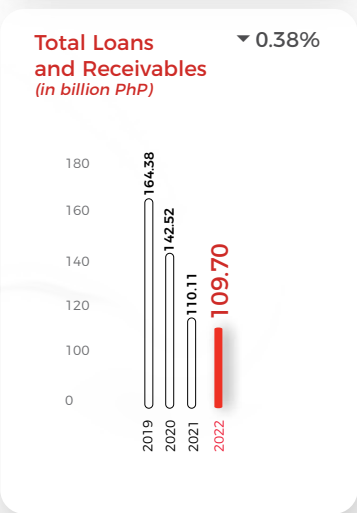
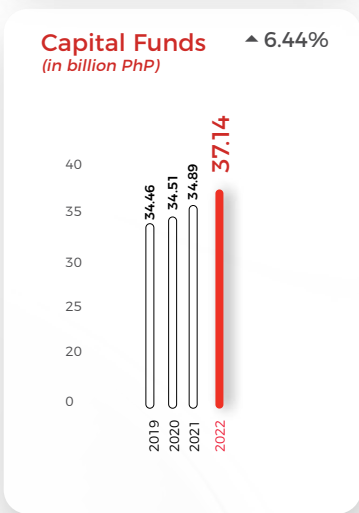
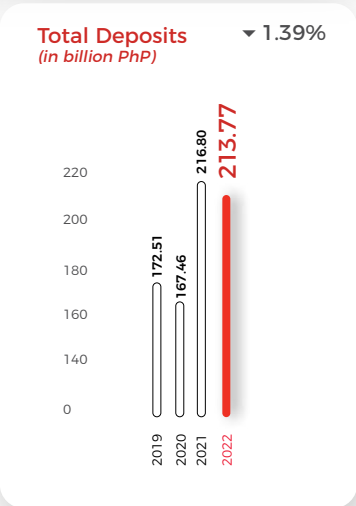
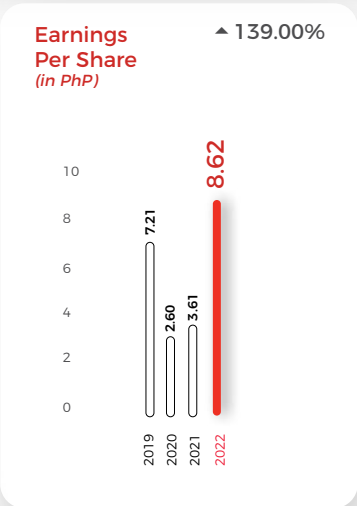
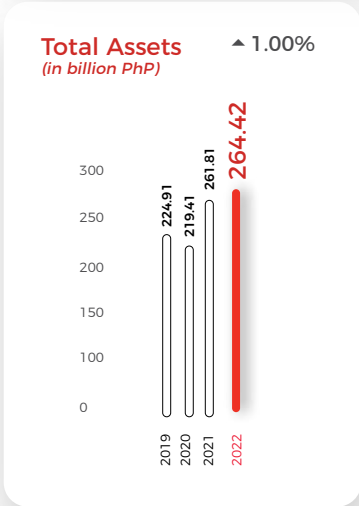
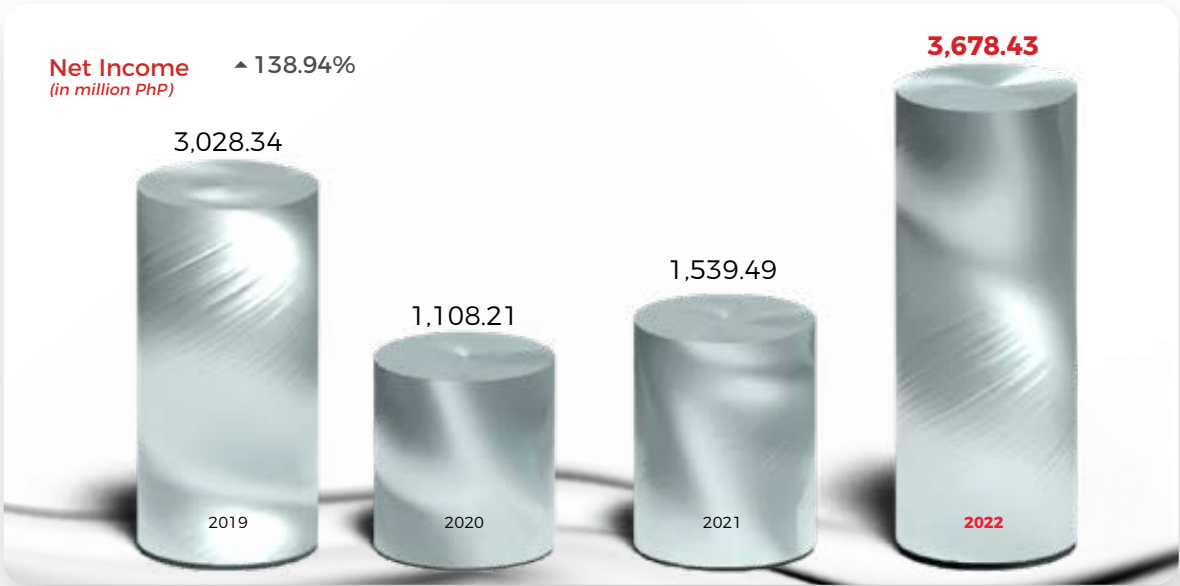
My confidence in the future resides in our people. It is not just what they achieved in the past years that matters, but how they delivered these results –with speed, agility, *malasakit* (concern for others), care and compassion for each other and those we serve. These are the values that are ingrained in every PSBanker’s DNA, keeping us motivated and inspired to do our best, enabling us to thrive and triumph over every challenge.

PSBank will stay vigilant as we expect headwinds in the coming years from economic challenges of rising inflation and energy supply costs, and from the profound impacts of non-financial risks including climate change and cyber events.

Many have contributed to our success: our dedicated PSBankers, loyal customers, and shareholders. We are grateful for their support, and shall continue to be inspired by their trust and confidence.


Jose Vicente L. Alde
President

FINANCIAL HIGHLIGHTS



STATEMENTS OF CONDITION (IN PHP)

ASSETS

	December 31 2022	December 31 2021	December 31 2020	December 31 2019
Cash and Other Cash Items	42,394,456,886	56,595,973,563	35,992,302,289	10,235,321,035
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	2,669,609,031	4,532,877,908	5,445,979,370	-
Investments	100,083,036,461	81,228,895,771	23,795,282,132	39,009,406,957
Loans and Receivables	109,697,304,552	110,111,505,826	142,524,344,524	164,384,202,213
Investment in a Joint Venture	816,284,853	762,926,364	705,476,563	755,781,369
Property and Equipment	3,126,723,127	2,938,455,849	3,089,814,582	3,312,836,126
Investment Properties	4,031,471,065	3,508,598,106	3,585,971,956	3,765,748,696
Other Assets	1,602,123,260	2,126,876,426	4,274,430,823	3,443,524,794
	264,421,009,234	261,806,109,812	219,413,602,239	224,906,821,190

LIABILITIES AND EQUITY

Liabilities

Deposit Liabilities	213,772,192,978	216,795,549,885	167,464,310,096	172,505,110,160
Bills Payable	1,185,944,975	-	-	4,189,736,932
Bonds Payable	4,648,449,939	4,633,613,322	10,902,456,911	6,254,701,780
Other Liabilities	7,674,810,118	5,482,869,471	6,536,106,829	7,499,998,855
	227,281,398,010	226,912,032,678	184,902,873,836	190,449,547,727

Equity

Common Stock	4,268,594,160	4,268,594,160	4,268,594,160	3,831,094,160
Capital Paid in Excess of Par Value	11,418,563,257	11,418,563,257	11,418,563,257	9,287,650,873
Surplus Reserves and Surplus	22,251,469,925	19,853,619,914	19,594,705,443	22,306,758,913
Fair Value Reserves on Financial Assets at FVOCI	(48,782,635)	2,409,891	13,058,180	(18,931,431)
Remeasurement Losses on Retirement Plan	(748,523,773)	(632,885,484)	(726,238,329)	(937,954,589)
Equity in Remeasurement Gains on Retirement Plan of a Joint Venture	2,877,392	2,877,392	(1,285,176)	941,681
Equity in Hedge Reserves of a Joint Venture	(12,144,581)	(12,144,581)	(35,097,280)	
Cumulative Translation Adjustment	7,557,479	(6,957,415)	(21,571,852)	(12,286,144)
	37,139,611,224	34,894,077,134	34,510,728,403	34,457,273,463
	264,421,009,234	261,806,109,812	219,413,602,239	224,906,821,190

STATEMENTS OF INCOME (IN PHP)

Years ended December 31	2022	2021	2020	2019
Interest Income	14,187,873,452	14,364,768,830	17,317,905,086	17,412,487,728
Interest Expense	3,137,222,758	2,160,008,144	3,564,952,487	6,053,619,403
Net Interest Income	11,050,650,694	12,204,760,686	13,752,952,599	11,358,868,325
Net Service Fees and Commission Income	1,681,532,824	1,533,310,116	1,257,384,725	1,863,504,377
Other Operating Income	2,288,188,244	1,422,211,190	1,559,164,632	1,379,839,143
Total Operating Income	15,020,371,762	15,160,281,992	16,569,501,956	14,602,211,845
Other Expenses	10,306,826,589	11,936,449,093	15,519,051,877	11,129,338,845
Share in Net Income of a Joint Venture	83,418,474	41,914,529	40,299,304	105,905,423
Provision for Income Tax	1,118,535,388	1,726,254,708	(17,462,895)	550,440,783
Net Income	3,678,428,259	1,539,492,720	1,108,212,278	3,028,337,640

Profitability (vs. 2021)

Net Income
▲ 138.94% to PhP 3,678,428,259

Total Net Interest Income
▼ 9.46% to PhP 11,050,650,694

Total Non-Interest Income
▲ 34.32% to PhP 3,969,721,068

Total Non-Interest Expenses
▲ 1.52% to PhP 9,000,584,153

Provision for Impairment and Credit Losses*
▼ 57.46% to PhP 1,306,242,436

Share in Net Income of a Joint Venture
▲ 99.02% to PhP 83,418,474

*Allowance for credit losses under BSP Cir. No. 956

Selected Ratios

Return on Equity (ROE)
2022 10.21%
2021 4.44%

Return on Assets (ROA)
2022 1.40%
2021 0.64%

Capital Adequacy Ratio
2022 24.85%
2021 24.29%

Per Common Share Data (vs. 2021)

Net Income per Share
Basic
▲ 138.94% to PhP 8.62

Diluted
▲ 138.94% to PhP 8.62

Book Value
▲ 6.44% to PhP 87.01

Selected Balance Sheet Data (vs. 2021)

Gross Loans
▼ 1.62% to PhP 111,403,217,702

Total Assets
▲ 1.00% to PhP 264,421,009,234

Deposits
▼ 1.39% to PhP 213,772,192,978

Total Equity
▲ 6.44% to PhP 37,139,611,224

Others

Total Cash Dividends Declared
2022 PhP 1,280,578,248
2021 PhP 1,280,578,248

Headcount (vs. 2021)
Officers
▲ 0.44% to 1,136
Staff
▼ 3.72% to 1,630

VIEW OUR AUDITED FINANCIAL STATEMENTS





EMPOWERED BY TECH

In a testy environment where costs keep rising and customer demands grow, banks are often caught in a tug-of-war. While meeting these dual imperatives, they must also stave off fierce competition from traditional rivals as well as digital disrupters.

To address these challenges, PSBank continued to deploy tools to advance process digitization, robotics, and data analytics. This enabled us to further improve our operational efficiency on one hand, and provide customers with experiences that match those delivered by digital natives.

We found that the leaner and more efficient our operations become, the more likely we are to thrive through in a constantly changing business environment.

Robotics and Digital Automation

Robotic process automation (RPA) and relevant digitization efforts enabled us to strengthen control and eliminate manual and repetitive processes, replacing them with newfound efficiencies that delight the customer and save their precious time and energy.

A number of our 2022 initiatives included:

- Automatic printing of ATM cards post-approval, largely eliminating errors in customer name and details
- Revised Fund Transfer screen for better user experience and increased PESONet cutoffs via multiple batch posting within the day, making fund transfers more convenient
- Improved mobile check deposit through auto-capture enhancement
- Email-based post-dated check (PDC) reminders
- End-to-end reconciliation for BancNet, Cirrus, and Visa transactions, accelerating the process with minimal possibility for errors
- Improved float dispositions for BancNet and similar transactions as well as DST affixal, optimizing loan processing and accounts booking
- Online validation of electronic Phil ID with the PhilSys website

Tech-Aided Compliance

Technology and human focus enabled us to deliver timely, high-touch compliance with regulatory requirements in 2022. We implemented interfacing of our integrated customer base with our remittance system to check negative data for compliance purposes.

We also completed the implementation and full compliance with the ISO 20022 messaging format, in which all InstaPay transactions and QR code connections became ISO-certified by BancNet. ISO 20022 is a single standardization approach used to have a common platform for the development of messages interfacing and communication.

Administrative Agility

We enhanced iWorXS, our one-stop, single-view human resources portal developed in-house using agile technology.

We established a Yellow Note System for external client complaints and employees' administrative concerns. This acts as a database for all complaint information, readily available and accessible at any time to authorized personnel. It allows automated encoding, tracking, and notification of complaints, allowing for fail-proof, real-time status availability.

Along with our ongoing digital transformation alongside people empowerment initiatives, we will continue to streamline our products and services, reduce waste (client time and resources), and improve our productivity in 2023 and beyond. This is aligned with our goal of building a culture of doing things fast and consistently helping our clients better navigate a fast-changing, increasingly demanding world.

FEATURE

RETOOLING THE ORGANIZATION



TRANSFORMING WITH AGILITY

COVID-19 was unprecedented in breadth and scope, and put every organization, big or small, waging war against a common enemy. Today's businesses are scrambling to find new ways to serve customers – from rethinking their delivery channels to revamping their entire business models.

At PSBank, we did not need to look farther. The pandemic may have accelerated our digital transformation but it did not douse our drive to keep our people well-trained and abreast of ways to create exceptional customer experiences.

To thrive through the pandemic and beyond, we sustained our people training and development, grounded on programs and initiatives that harness technology, in-house expertise, and laser-sharp customer focus.

Learning and Development

Even before the pandemic started, the PSBank Business Campus (PBC), our official training arm, already launched an Open University Concept in 2019, to offer flexible learning.

In 2022, we were witness to the growing enthusiasm among PSBank learners, with numbers that speak volumes.

44,256
training hours

587
internal training programs

251
employees onboarded in our New Employee Orientation Sessions (NEO)

49
Management trainees who became Junior Officers under PSBank's management training and ladderized program (succession planning)

53
graduates in the 1st Inter-Pillar Commencement Exercises

45
subject matter experts showcased in the 1st PBC Faculty Meet & Greet

After holding virtual sessions that ended in April 2022, we shifted to in-person New Employee Orientation (NEO) sessions for branch operations and welcomed 251 new employees.

We also migrated to the cloud our PSBank Moodle, our online learning and course management platform. This gives our employees fast and more convenient access so they can complete their courses, anytime and anywhere.

Making Awesome Employee Experiences

For PSBank, creating delightful employee experiences is as important as making exceptional customer experiences. The latter is only possible with the former, so we look at our human resources policies and processes as a vital ingredient to our recipe for success.

In 2022, we further strengthened the way we manage people-related tasks through automation and analytics. Using our internally developed HR system, Integrated Workforce Experience System (IWorXS), we improved our employee profiling by automating processes and deploying new modules such as enhanced reports, employee loan projection details, employee bio and certificates, and other HR operational requirements.

To help ascertain the continuing fitness and propriety of PSBankers, we intensified our Employee Lifestyle Check, where automated reports were generated and reviewed monthly based on parameters set by the Fraud Management, Decision Management and Analytics, and Human Resources teams.

Looking Out for Health and Safety

We continued our strict 24/7 COVID-19 management and monitoring to safeguard our employees' health and wellbeing. All cases were fully attended by our 24/7 Health and Safety team.

Our employees' mental and emotional wellness were also our utmost priority. Efforts included the annual mental and emotional well-being check-up; production and dissemination of 31 Mind over Matter and #SelfCareSunday educational materials; prompt referral of affected employees to resident psychologists; and mental health webinars and an in-person forum tackling crucial topics such as stress and burnout recovery, time and stress management, and understanding depression.

We celebrated World Mental Health Day with Color Walk and launched the "Anxiety, Phobia, at Trauma: Ano Ang Pinagkaiba?" video series. We promoted overall employee wellness through the organization-first Mobile Annual Physical Examination and on-site flu and pneumococcal vaccination.

Other initiatives in 2022 were:

- Launch of #WeekdayWellness, where yoga and zumba sessions took place in the Head Office and across our branches
- Year-round and monthly regrouping and action planning sessions of the Occupational Safety and Health Committee (OSHCOM) to address all relevant matters

Being Proactive in Emergency and Disaster Response

Looking out for our employees also entails a proactive emergency and disaster response policy.

In 2022, we reinforced our Emergency Response Team (ERT) by appointing a new Chief Emergency Brigade Officer (CEBO) and Assistant Chief Emergency Brigade Officer (ACEBO) to lead bank-wide emergency response to threats, calamities, and disasters.

We completed surprise earthquake and evacuation drills for the Head Office, including building tenants, and initiated conversations on important emergency protocols. We also released educational articles, videos, and multimedia guides to build every PSBanker's awareness and agility in such situations.

Hearing the Voice of Our People

Equally important to our ability to retool and prepare our people for the future of work is listening to their concerns and feedback.

We diligently rolled out annual surveys to hear, understand, and take action on the voice of PSBankers through our internally developed Workforce Engagement Scale (WES-60) and the universal employee-Net Promoter Score (e-NPS).

Despite the workplace challenges in 2022, all dimensions in WES-60 were very highly rated.



FEATURE
**ORGANIZATIONAL
FLEXIBILITY**



CULTURE + CUSTOMER CENTRICITY

In a world where the digital landscape is ever-changing, businesses have to work nimbly and build flexible applications that sway to the beat of the customers’ hearts and minds. This is how we at PSBank thrive: building an agile organization that puts the customers’ needs above all else, and creating digital services with flexibility in mind.

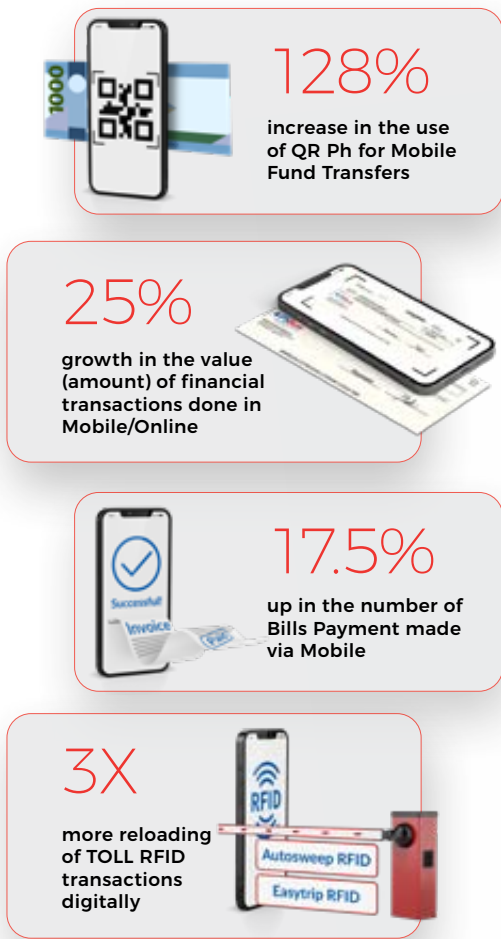
In 2022, the collaborative spirit of our people, paired with our robust digital infrastructure, enabled us to create memorable and delightful experiences for PSBank customers.

Fortified PSBank Mobile/Online Banking
In keeping with our retail proposition of making banking simpler and delivering exceptional customer experience at every touchpoint, we continually improved our PSBank Mobile/Online as part of our robust, reliable, and secure digital service channels.

As mobility restrictions eased and digital adoption levelled up in 2022, we saw a growth of 130% in enrolment in PSBank Mobile/Online among new clients, thus seeing an increase in total mobile/online users year-on-year of 17%. Among others, we saw a significant uptick of 128% in the use of

QR Ph-enabled codes for interbank fund transfers via InstaPay, demonstrating increasing trust and reliance on our secure online banking facility and a growing shift towards a cashless financial ecosystem.

To further make the customer experience in our PSBank Mobile more delightful, we added more information on their account transaction history for fund transfers, bills payment, telco reload, and point-of-sale and online transactions. This is for better referencing by customers when reconciling their transactions.



We continued to promote the use of quick response (QR) code as a payment mode to retail stores and other merchants. This enabled payments to QR Ph-ready stores and establishments in our mobile app and online via scanning of the QR Ph codes at point of sale. QR Ph is the country’s QR code standard which unifies the different domestic QR-based cashless payment schemes allowing for interoperability among participating institutions, efficiency in the payment ecosystem and convenience for the customers.

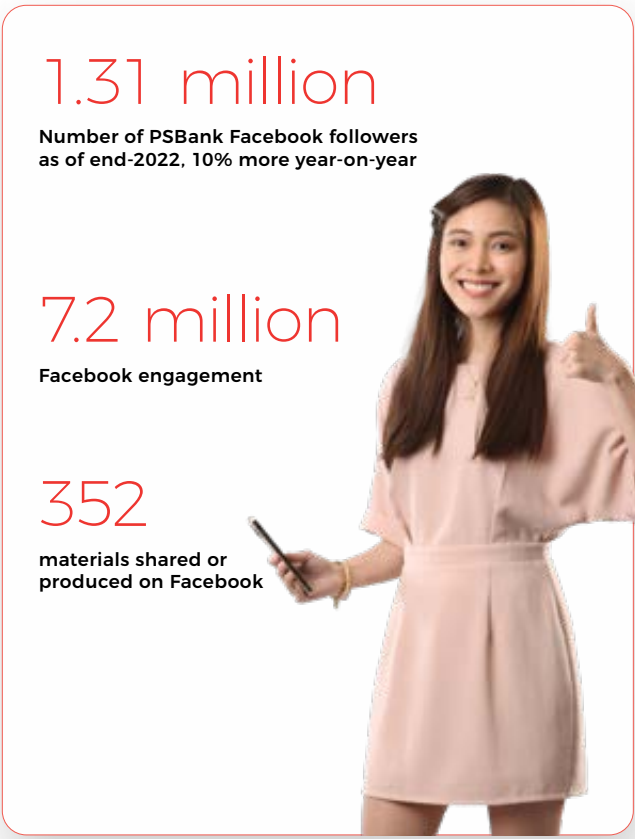
Harnessing SMS Power
With the growing reliance on digital channels comes the “dark side” in the form of fraud. So our customers are informed of their transactions and alerted of possible fraud should they occur, we put the power in their hands, literally. Customers with their mobile numbers on our records instantly receive SMS notifications whenever they perform over-the-counter withdrawal transactions. The real-time SMS notification enables them to be alerted immediately of transactions made on their account. This is on top of strict controls in place in our digital and branch platforms to secure customers’ accounts and safeguard their interest. We also send timely SMS advice for the termination or pre-termination of time deposit placements.

Engaging Our Customers
To boost the use of our digital channels, we promoted our initiatives through various multimedia platforms, including social media.

Our social selling management tool in our customer experience portal also enabled our sales officers and branch heads to easily retrieve a wealth of advertising and sales materials to support their selling activities.

We ran a series of 30-second digital advertisements with the campaign theme “Simplehan Natin” that embodied our pursuit of simple, reliable banking for our clients at all times. These digital ads revolved around our enhanced savings account opening, loan availment, use of PSBank Mobile, among others.

As our digital initiatives continue in 2023 and beyond, our collaboration across various departments and units will persist to keep building a culture of service across the organization. This benefits our customers in the end: a PSBanking experience made safe and seamless in its sheer simplicity.





BEING A RESPONSIBLE BUSINESS

In a world clouded with uncertainty and doubt, businesses large and small must do their part to enact positive change and earn customer trust. When companies choose to do what's right, not only for their bottom line, customers feel they are also doing their part when using the products or services of a socially responsible company.

At PSBank, responsibly conducting our business starts with minding our footprint and impact on people, the planet, and the communities we serve. We recognize that our success also lies on the difference our financial solutions make, as well as on how we contribute to creating happier, healthier, more inclusive communities.

Embedding Sustainability

Integrating sustainability into our business also involves turning our employees into environmental champions.

To this end, we included sustainability commitments in our employees' job descriptions. Our 75 housekeeping rules were updated from Quality Managed Work Environment (QMWE) to Green Housekeeping, which is also aligned with the United Nations Sustainable Development Goals (SDGs). We also launched a new checklist that supports three SDGs: SDG 6 (Water and Sanitation), SDG 12 (Responsible Production and Consumption), and SDG 13 (Climate Action).



Keeping the spirit of volunteerism alive in our ranks, we also participated in the One Billion Bamboo project held in the Marikina Watershed, Sitio Wawa in Rodriguez, Rizal, along with an edible gardening outreach in collaboration with Urban Farmers PH at Bonifacio Global City in Taguig City.

We also resumed our Blood Donation Drive in partnership with Manila Doctors Hospital, which saw PSBankers donating a total of 31 blood bags.

Minding Our Carbon Footprint

Apart from managing the impact of our everyday operations and infrastructure, we invest in projects aimed at helping sustain the environment.

Remaining mobility restrictions due to COVID-19 and new initiatives translated to fewer staff reporting on site, lower waste produced, and therefore reduced levels of carbon emissions.

In 2022, we continued to transition to green energy use to further cut our carbon footprint. We converted 70% of regular bulbs into LED lighting in the PSBank Head Office, deployed our e-Letter facility, and enhanced our waste segregation efforts.

For the first time, we included product offerings which continued to demonstrate our commitment to build a sustainable business. In 2022, we tied up with global auto brand Toyota to promote the Toyota hybrid electric vehicle through PSBank Auto Loans. Not only does this provide our clients with lower interest rates and free first-year comprehensive auto insurance, it also enables us to encourage their shift to planet-friendly transport.

In an increasingly volatile, pandemic-prone world, PSBank remains true to its commitment to give back to the community, building a sustainability-centric culture, and providing positive social value to help make a difference.



- **Creating green spaces:** The Rooftop 777 in Head Office serves as our main sustainability space.
- **Using sustainable items for prizes and tokens:** "New Normal NEO Kit" onboarding kits for new hires
- **Greening Events:** Monthly and annual recognition for the Adopt-A-Green Spot Contest, an employee-led and employee-driven collaboration showcasing green initiatives which include Urban Gardening and Food Compost Workshops.
- **Sparking Action:** Our 1st Sustainable Forum entitled "Love x Evolve Forum" aimed to spark awareness and inspire action in the PSBank community. The Eco-Warriors Club was formed to serve as lead advocates in our sustainability programs.

FEATURE

EMBRACING
SUSTAINABILITY

As a leading consumer bank in the Philippines, PSBank recognizes the economic, environmental, and social impacts of its banking operations, products, and services.

Our Board of Directors firmly believes we have a role to play in promoting sustainable development. In pursuit of this commitment, we started reporting our environmental, social, and governance (ESG) impacts in 2019.

Scope of the Report

Our 2022 Sustainability Report contains quantitative and qualitative information for the period January 1 to December 31, 2022 for topics with material impact to the Bank’s business, stakeholders, and the environment. The Report is prepared in line with the sustainability reporting frameworks and disclosure requirements of the Philippine Stock Exchange (PSE), the Securities and Exchange Commission (SEC), and select sustainability reporting frameworks.

Milestones

- October 2020:** The Board approved our transition plan for the adoption of a Sustainable Finance Framework, in compliance with BSP Circular No. 1085. The Plan lays down our activities to integrate sustainability principles, including those covering environmental and social (E&S) risk areas, with our corporate governance and risk management frameworks, as well as with our strategic objectives and operations.
- December 2020:** Sustainability principles and roles were embedded in our Corporate Governance, Audit, and Risk Oversight Committees’ Charters.
- March 2021:** The incumbent Chief Risk Officer was appointed as the Chief Risk and Sustainability Officer to help our Senior Management manage PSBank’s sustainable finance journey.

- September 2021:** The Board approved the Bank’s Sustainable Finance Framework.
- February 2022:** Awareness campaigns to promote our employees’ understanding of sustainable finance and sustainability were initiated, in addition to our annual sustainable finance training. These activities are in accordance with the Board-approved transition plan as we drew close to the final phase of the transition period for the adoption of the Sustainable Finance Framework. Policies, processes, product manuals and other bank documents and forms were also reviewed and updated to integrate the sustainable finance agenda.
- July 2022:** The Environmental and Social Risk Management Policy Manual was approved. This documents our guidelines in addressing environmental and social risks for operations and lending business of the Bank. It is one of the policies crafted in compliance with BSP Circular 1128 Environmental and Social Risk Management Framework.
- September 2022:** We piloted our climate risk assessments on physical risk of the Bank’s assets and loan portfolios with collateral. These initial assessments were reported to our Risk Oversight Committee for notation.

Stakeholders and ESG Materiality

We follow an internal process review to define issues that are significant to ESG and economic priorities and their impacts to both our business and our stakeholders.

Based on our assessment, the high material issues for both sector-level and organizational-level remain as follows:



ECONOMIC

- Market presence
- Financial performance
- Geographical positioning and management
- Innovation and digitalization
- Brand positioning and management
- Customer experience



ENVIRONMENTAL

- Compliance with environmental laws and regulations of the national government and local government units



SOCIAL

- Non-discrimination
- Workplace health and safety
- Labor relations
- Diversity and equal opportunity
- Talent acquisition and retention
- Customer health and safety



GOVERNANCE

- Anti-fraud and anti-bribery
- Data management and security practices
- Financial risk management
- Anti-corruption/whistleblower protection
- Human rights protection
- Customer privacy
- Ethics and integrity
- Regulations and compliance management

With the Board of Directors, Senior Management, and employees, we strategized to ensure these high material issues are managed well for us to continue in delivering on our sustainable finance commitment.

Our Sustainability Performance in 2022

We consider the economic, environmental, and social impacts of our banking operations, products and services, as they provide strategic opportunities and financial risks.

Embed Sustainability Principles

2021	2022
<ul style="list-style-type: none">Board-approved transition planSustainability principles embedded in Corporate Governance and Risk Management Committee ChartersBoard approved Sustainable Finance Framework (SFF)Appointed Chief Risk and Sustainability OfficerSFF Bankwide TrainingAction plans for Environmental and Social Risk Management Framework (ESRMF)Rollout of ESRMS action Items to Business units	<ul style="list-style-type: none">Board-approved Environmental and Social Risk Policy ManualSFF Training and awareness campaigns with ESRMIntegrated ESRM in policies, processes, manuals and forms

ESG Materiality Matrix

2021	2022
<ul style="list-style-type: none">21 high material topics retainedFormalized the Management Approach in the SR	<ul style="list-style-type: none">21 high material topics retainedUpdated materiality process and management approach

ECONOMIC IMPACT	2021	2022
Financial Inclusion and Literacy	<ul style="list-style-type: none">Continued Be Aware! Campaign, released 290 materialsActive 9 communication platforms3.52 million reached in 2021	<ul style="list-style-type: none">Continued Be Aware! Campaign, released 308 materialsActive 9 communication platforms3.5 million reached in 2022
ENVIRONMENTAL IMPACT	2021	2022
Operational Greenhouse Gas Emission	Scope 2 absolute emission at 3,685 tCO2e when only skeletal workforce were onsite	Scope 2 absolute emission at 3,777 tCO2e, higher due to resumption of onsite reporting of all PSBank employees
Energy Consumption	<ul style="list-style-type: none">Introduced inverter appliancesConverted to LED lightsDecommissioned old serversLowered energy consumption in the Head Office (PSBank Centre)Largely powered by renewal energy in Head Office	<ul style="list-style-type: none">Appointment and certification of Energy ManagerOutsourced third party service provider to perform energy audit70 % Head office lights converted to LED lightsHead Office 100% powered by green energy
Fuel Consumption	Continued decrease in fuel consumption	Optimized fuel usage
Water Consumption	Continued decrease in water consumption	Increased water consumption due to resumption of onsite reporting of all PSBank employees
Waste Disposal and Management	<ul style="list-style-type: none">Documented guide on waste disposalContinued decrease in waste	<ul style="list-style-type: none">Decreased total waste despite 100% onsite reportingImplemented waste segregation in Head OfficeReplaced plastic utensils and cups to biodegradable or plastic alternates in its Head office canteen
Operations	<ul style="list-style-type: none">Agile work arrangementIssued corporate tablets and laptops for business continuity during the pandemicVarious process enhancements and automation	<ul style="list-style-type: none">Continued agile and lean work arrangementContinued adoption of DevOps methodologies for systems and projects for improved collaboration, performance, and deliveryDecreased paper consumption: saved 328 reams of 8x13 paper and 450 reams of account opening forms

FEATURE

EMBRACING
SUSTAINABILITY

SOCIAL IMPACT			2021	2022
Workplace Diversity	As of December 2021:		As of December 2022:	
	Employee population: 2,824 <ul style="list-style-type: none">64% female, 36% male71.39% ages 30 to 50 years old21.81% <30 years old6.80% over 50 years old		Employee population: 2,766 <ul style="list-style-type: none">64% female, 36% male70.79% ages 30 to 50 years old21.69% <30 years old7.52% over 50 years old	
Workplace Safety and Labor Practices	Board of Directors: 9 members 2 female, 7 male		Board of Directors: 9 members 2 female, 7 male	
	<ul style="list-style-type: none">Increased employee wellness programsContinued bankwide trainings on Occupational Health and Safety (OHS)Constant issuance of health, safety, and mental wellness advisoriesDelegation and Certification of Additional Health and Safety officers		<ul style="list-style-type: none">Launched Mobile Annual Physical Examination (APE)Conducted 4 Mental Health WebinarsRe-launched face to face wellness program to improve employee's health and promote a more active lifestyle<ul style="list-style-type: none">#WeekdayWellness Yoga and Zumba Sessions for Head Office and BranchesPSBank Sports - PSBank Elite Basketball TeamRelaunched Blood Donation drive in partnership with Manila Doctors HospitalReinforced the Bank's Emergency Response team through the Appointment of a new Chief Emergency Brigade Officer (CEBO) and Assistant Chief Emergency Brigade Officer (ACEBO)	
Employee Training and Development	<ul style="list-style-type: none">Improved trainings (i.e. new training courses for specific jobs, increased frequency, added virtual methods)Increased ladderized training programs for employee developmentReinforced comprehensive Succession training program		<ul style="list-style-type: none">Continued training programsCompleted employee development programs for 195 employees (higher than previous year)	

GOVERNANCE			2021	2022
Data Security Framework	<ul style="list-style-type: none">Enhanced Data Security FrameworkInternal policies and guidelines provide the minimum-security measures requiredTightened cybersecurity risk measures for remote work set upRegular data security awareness campaigns and information security risk assessments		<ul style="list-style-type: none">Continued to strengthen data security tools and improved metrics.Continued release of Information Security AwarenessContinued Anti-Phishing campaigns and anti-phishing exercise, achieving click rate below industry average	
Data Privacy	<ul style="list-style-type: none">Appointed Deputy Data Protection OfficerData Protection Policies in placeRegular data privacy training bankwide		<ul style="list-style-type: none">Continued to strengthen data privacy policies and practicesMaintained zero data privacy breachProvided regular data privacy training bankwide	
ICAAP Process	<ul style="list-style-type: none">Semi-annual ICAAP ExerciseExpanded capital planning with environmental risks		<ul style="list-style-type: none">Expanded stress scenarios with The Big One: Major Earthquake in the West Valley Fault Line	
Business Ethics	<ul style="list-style-type: none">Strong compliance with Anti-money launderingAnti-money laundering policy in placeWhistleblower Protection Policy in placeAnti-corruption policy in place		<ul style="list-style-type: none">Maintained strong compliance	

READ OUR
SUSTAINABILITY REPORT



Sustainability Data Mapping per SEC Guidelines

Below is a mapping of the Bank's sustainability discussions against the SEC requirements:

SEC Standard Disclosure	PSBank Section Name
Materiality Process	ESG Materiality and Management Approach
Economic: Economic Performance – Direct Economic Value Generated and Distributed	Economic Impact - Economic Performance
Economic: Procurement Practices – Local Suppliers	Economic Impact - Procurement Practices
Economic: Anti-corruption – Trainings, Incidents	Economic Impact - Anti-Corruption
Economic: Anti-corruption – Grievance Mechanism for Whistleblower	Economic Impact - Grievance Mechanism for Whistleblowers
Economic: Financial Inclusion and Literacy	Economic Impact - Financial Inclusion and Literacy
Economic: Responsible Investment	Economic Impact - Responsible Investment
Environment: Resource Management – Energy: Electric Consumption, Reduction of Consumption	Environmental Impact - Electricity Consumption
Environment: Resource Management – Energy: Fuel Consumption, Reduction of Consumption	Environmental Impact - Fuel Consumption
Environment: Resource Management – Energy: Water Consumption, Reduction of Consumption	Environmental Impact - Water Use
Environment: Resource Management – Materials – Consumption, Recycling/Reuse	Environmental Impact - Waste Management
Environment: Resource Management – Ecosystems and Biodiversity	Environmental Impact - Ecosystems and Biodiversity
Environment: Environmental Impact Management – Air Emissions - GHG	Environmental Impact - Operational Greenhouse Gas Emissions
Environment: Environmental Impact Management – Air Pollutants	Environmental Impact - Operational Greenhouse Gas Emissions
Environment: Solid and Hazardous Wastes -Solid	Environmental Impact - Waste Management
Environment: Solid and Hazardous Wastes – Hazardous Wastes	Environmental Impact - Waste Management
Environment: Solid and Hazardous Wastes – Effluence	Environmental Impact – Waste Management; Water Use
Environment: Environmental Compliance - Non-compliance with Environmental Laws and Regulations	Environmental Impact - Environmental Compliance
Social: Employee Management – Employee Hiring	Social Impact - Workforce Diversity
Social: Employee Management – Employee Benefits	Social Impact - Employee Benefits
Social: Employee Management – Employee Training and Development	Social Impact - Employee Training and Development
Social: Employee Management – Labor-Management Relations	Social Impact - Workplace Safety and Labor Practices
Social: Employee Management – Diversity and Equal Opportunity	Social Impact - Workforce Diversity
Social: Employee Management – Workplace Conditions	Social Impact - Workplace Safety and Labor Practices
Social: Employee Management - Labor Standards	Social Impact - Workplace Safety and Labor Practices
Social: Employee Management - Human Rights	Social Impact - Workplace Safety and Labor Practices
Social: Supply Chain Management	Governance - Stakeholder Management
Social: Relationship with Community	Governance - Stakeholder Management
Social: Customer Management – Customer Satisfaction	Social Impact - Customer Management Governance - Stakeholder Management
Social: Customer Management – Health and Safety	Governance - Stakeholder Management
Social: Customer Management – Marketing and Labelling	Governance - Marketing and Labelling
Social: Customer Management – Customer Privacy	Governance - Data Privacy and Information Security
Social: Customer Management – Data Security	Governance - Data Privacy and Information Security
UN Sustainable Development Goals	Economic Impact - Responsible Investment; Governance - Innovation and Technology; Environmental Impact - Ecosystems and Biodiversity, Electricity Consumption, Fuel Consumption, Water Use, Waste Management



SKILLFUL BALANCING OF RISKS

To consistently deliver value to our various stakeholders, we always take cognizant of the risks inherent in our business. This is increasingly becoming more important in today's business environment characterized by disruptions and dynamism.

The key to good risk management is the ability to identify and monitor such risks, striking a good balance with organizational objectives and business opportunities. Performing this tight balancing act is an essential element of PSBank's Enterprise Risk Management (ERM).

Using a set of qualitative standards and quantitative metrics, we are able to determine our risk appetite. These are aimed at maintaining a 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 versus established trigger levels and limits. To avoid a breach in our risk limits, we institute a hierarchy of approval and observe escalation processes. Reports on our risk profile are presented to the senior management and the Board of Directors. Board-approved risk manuals are revisited annually or more frequently based on the changing risk environment and evolving regulatory landscape.

Risk Management Structure

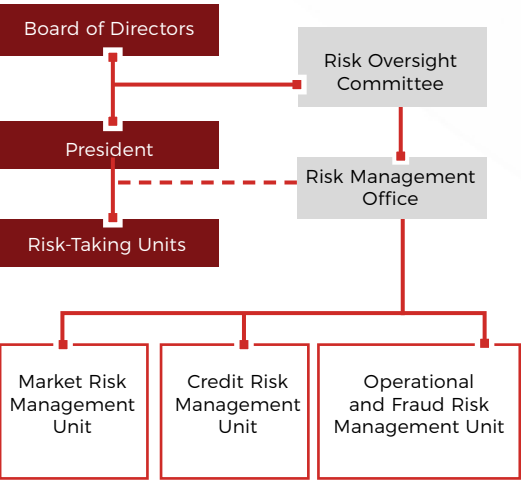
Our Board of Directors takes the lead on all major risk management initiatives. It approves broad strategies and policies, and ensures that these are consistent with our overall objectives. The Risk Oversight Committee (ROC) is composed of at least three members of the Board, the majority of whom are independent directors, including the Chairperson who does not chair the Board or 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 senior 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.

RISK ORGANIZATION



Risk Organization

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 or not 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

The nature of our business exposes us to different types of risks.

Credit Risk

This arises when a counterparty fails to meet its contractual obligations. Due to our low tolerance for nonperforming loans, our lending business follows strict 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.

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 our portfolio growth and health using key performance indicators. We use expected credit loss (ECL) models to measure the credit quality of financial assets, 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. This is 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. The Assets and Liabilities Committee (ALCO), ROC, and the Board regularly review our market risk policies and implementing guidelines 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 and Foreign Exchange (FX) that are marked-to- market daily. We use BSP-approved Type 3 Derivative License for plain vanilla FX forwards to manage our FX risk against adverse exchange rate movements.

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 VAR, and comply with regulatory standards. We 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.

Interest Rate Risk

We have 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. An independent auditor regularly validates all these models.

Interest Rate Repricing Gap is a tool that distributes rate sensitive assets and liabilities to 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 a historical simulation on interest rate volatility using 1,300 data points. Based on this, EaR is derived as the 99th-percentile biggest drop in net interest income. We use various stress scenarios such as largest historical movement in interest rates, predefined increase in interest rates, flattening and steepening yield curves. We use Delta Economic Value of Equity (ΔEVE) to measure changes in the net present value of our banking book at different interest rate 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. ΔEVE 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 or changes in the yield curve such as steepener, flattener, parallel up, parallel down, short rates up and short rates down.

We generate and monitor our monthly EaR and ΔEVE exposures. EAR and ΔEVE levels are assessed vis-à-vis limits which are based on a percentage of net interest income or capital. Aside from the EaR and ΔEVE, 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 EaR, ΔEVE and stress testing reports are prepared monthly.

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 various 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 basis. We discourage dependence on Large Fund 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. Our Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are managed on a daily basis to ensure our strong liquidity posture and compliance with the regulatory ratios.

Operational Risk

This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. 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 zero appetite for fraud and constantly improve our policies, processes, and tools to prevent these instances. We also have zero tolerance for non-compliance to our internal policies as well as applicable local regulations and laws. As part of ensuring an appropriate risk management environment, the operational risk framework is consistently implemented throughout the organization. The Bank recognizes the principle of having three levels of defense in mitigating operational risk exposures, namely: the first level involves all personnel, the second are the risk and compliance teams, and the internal audit team is third. Our Board-approved, bank-wide organizational chart clearly establishes areas of management responsibility, accountability, and reporting lines for all senior officers. Senior Management is responsible for developing policies, processes, and procedures for managing operational risk in all the Bank’s material products, services, processes, and systems. Operational risk management policies and frameworks are regularly reviewed and updated, subject to ROC and Board approval to ensure that they remain relevant, effective and aligned with those of the parent bank. Performance gaps are identified and resolved by strengthening existing controls and implementing additional controls. Risk awareness is implemented through various training curricula that the PSBank Business Campus

designs and implements. This is a key component and embedded in the regulatory training for all employees. For high-potential and high-performing employees undergoing management training programs, this is a component of the Ladderized Programs, the Staff Professional Enhancement and Educational Development – Accelerated Learning (SPEED AX-L), the Redefining Institutional Sales Efficiency (RISE), ELEV8: Future-Proofing the Leadership Bench, and other initiatives.

Our products and operating manuals, policies, and procedures spell out internal controls that our business and operating support units implement. 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 in close coordination with our parent bank. We perform this vis-a-vis the Board-approved operational loss thresholds and benchmarks and through the ORM tools such as the Institutional Key Risk Indicator (KRI) Report, Business Unit Level (BU Level) KRI Report, Risk Incident Report (RIR), Risk and Control Self-Assessment (RCSA), Loss Event Database (LED), and various Risk Assessments. These operational risks are regularly monitored and reported to Senior Management, and Board through the ROC. The Bank has a robust Business Continuity Plan (BCP) and a Disaster Recovery Program (DRP) that are reviewed and tested annually for continuous improvement and to ensure readiness and effectiveness in case of business disruptions, system failures and disasters. These provide activities for testing critical systems and other systems in the Business Recovery Center (BRC) on a per segment basis. In 2021, our BRC was moved to a more strategic location with upgraded and up-to-date facilities and conduct of bank-wide BCP testing will normalize this 2023.

Technology Risk

This 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 audit 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 so we can make quick 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 with existing and/or latest bank-wide processes and compliance with related local regulatory requirements. This defines the responsibilities of all employees involved in identification, assessment, reporting, and management of technology risks and the guidelines that govern the IT Risk Management process. This provides for the annual conduct of IT Risk Assessment to identify, assess, monitor and control the technology-related risks.

We have an IT Steering Committee that oversees IT performance and institutes appropriate controls to manage significant IT issues. The Information Technology Group (ITG) and Information Security Division (ISD) provide support through their technology and information security initiatives, projects and well-defined policies and controls.

Legal Risk

This 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 Services Division plays a significant role in protecting the Bank’s rights and interests by ensuring that legal activities of the Bank are carried out in accordance with laws and regulations, established legal processes, prescribed practices, customary or ethical standards, Bank policies and goals. The Legal Services Division also conducts necessary legal review of products, services, policies, manuals, bank documents including legal capacities of the parties to a transaction. Legal risk is difficult to measure, but it can be defined, understood, and controlled with the end view of limiting and minimizing exposure to such risks. The Legal Services Division conducts legal risk assessment of cases filed against the Bank and recommends legal risk mitigation measures. The appropriate actions include reducing exposures of sources of legal risk, establishing an appropriate legal risk management process and strengthening the compliance function in the Bank. The legal risks are tracked in the monthly Institutional KRIs and Business Unit Level KRIs of the Legal Services Division, and breaches with the corresponding action plans are reported by the Operational and Fraud Risk Management Unit to the ROC and Board.

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. Guided by our Compliance Office, we continuously promote a strong culture of compliance. The Bank’s internal policies, local rules and regulations, and laws support our low appetite for regulatory risk amid an ever dynamic banking regulatory landscape and zero tolerance specific to Money Laundering and Terrorist Financing (ML/TF) risks.

Strategic Risk

This 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. 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

This refers to the current and prospective impact of negative public opinion on our earnings or capital which may affect 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 financial consumer protection, client complaint handling, employee conduct, the use of social media, and crisis management.

Reputational risks may also arise from our outsourced services. These are part of items assessed and approved by our Outsourcing Oversight Committee, and by the Board, whenever needed. We have a Crisis Management Team that formulates, implements, and coordinates the approach to managing a reputation event. Our Emergency Committee (EMCOM) ensures the management and monitoring of the effective implementation of our Business Continuity Plan (BCP) related to an emergency scenario or event which may lead to reputational damage. Reputational risk controls are established through the source risk areas of credit, market and operational risks. Management and reporting of the reputation events are performed by the business units, as the first line of defense, through the established risk indicators.

Risks Related to Trust

These risks take into account the impact of compliance, reputational, or operational risks on our managed funds. These are part of the overall risks taken by the Bank or the enterprise risk. The Trust Committee oversees the implementation of the risk management framework for trust and ensures that controls are in place relative to fiduciary activities. The Trust Division is governed by risk management and various policies and procedures for trust.

Environmental and Social Risk

This refers to the potential adverse financial, legal, and/or reputational impact on the Bank when faced with environmental and social issues such as environmental pollution, climate risk (both physical and transition risks), hazards to human health, safety and security, and threats to community, biodiversity and cultural heritage. Cognizant that these could pose concerns for us and our stakeholders and guided by the Bangko Sentral ng Pilipinas (BSP) Circular No. 1085, in September 2021, we formally instituted our Sustainable Finance Framework to articulate the integration of environmental, social, and governance criteria into our day-to-day business operations and our financial products and services. The framework provides basis for defining our targets and metrics to deliver on our commitment to support sustainable economic growth and the transition to a low-carbon economy. The principles and standards are embedded in our Environmental and Social Risk Management Policy Manual in accordance with BSP Circular No. 1128 issued in October 2021 and BSP Circular No. 1149 issued in September 2022. In 2022, we integrated environment and social-related risks in our product manuals, policies and procedures and employee functions. We improved our banking, credit and investment operations with environmental risk metrics. We introduced physical risk assessments for our credit and capital assets.

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 mandated 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, regulatory requirements, and rules as stated in the Board-approved Audit Committee Charter.

The Committee is composed of three non-executive and independent directors, all of whom with essential skills, knowledge, and experiences to perform their functions. In 2022, the Committee held 12 regular meetings and two special meetings with the external auditors, aside from the 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 AC Chair and members were in full attendance in all these meetings and executive sessions.

The Committee attested that the internal audit function has maintained its independence and proper authority to effectively execute its duties and achieve its goals and objectives. Also, both Internal Audit Group (IAG) and Fraud Management Group (FMG) have satisfactorily implemented their respective 2022 plans, of which results of their projects have furnished significant inputs to Management that improved operations and control implementations. Full support has been provided by the Committee to the IAG and FMG. The Committee ensures that IAG and FMG are guided to enable them to effectively discharge their functions.

Highlights of the Committee’s activities were the following:

Financial Reporting

- Reviewed and discussed with the Management and the external auditor, SGV & Co. (SGV), the year-end Audited Financial Statements (AFS) and the related disclosures; and endorsed on February 23, 2023 for Board approval the 2022 AFS. Management is responsible for the preparation and fair presentation of the Bank’s financial statements and adequacy of disclosures in accordance with Philippine Financial Reporting Standards (PFRS); while SGV is responsible for expressing an independent opinion on the AFS and their conformity with PFRS.
- Discussed with the SGV the key audit matters and how these were addressed in the financial statements.
- Discussed with the Controller and the internal auditors the highlights of the monthly unaudited consolidated financial reports, including the results of Bank’s operations.

Internal Controls and Risk Management

- Evaluated and reviewed with the internal and external auditors the adequacy and effectiveness of the Bank’s internal controls, financial reporting controls, operational, and compliance controls, and risk management policies, information systems and security policies established by Management, including the Bank’s implementation of the business continuity plan.
- Identified and assessed controls and high-risk areas that require more consideration by IAG and FMG. Based on BSP Risk Assessment Report as of June 2022, the overall risk management system of the Bank is “Acceptable and Effective” in mitigating existing and planned exposures leading to “Moderate” net risk rating across all material risks.
- Reviewed and monitored through IAG the management’s actions and plans, thus resulting in timely resolution of audit issues and implementation of recommendations to improve the operations of the branches, head office units, information systems and security; and occupational health and safety compliance.

Internal Audit and Fraud Management

- Discussed and approved the annual work plans of the IAG and the FMG, including plan revisions to ensure adequacy of scope and adoption of alternative strategies and methodologies due to changed environment and volatile conditions. IAG was able to complete additional projects on top of its 2022 plan.
- Reviewed and monitored through IAG on the results of evaluation on the adequacy and effectiveness of the Bank’s governance, risk management, and control processes; and the Bank’s compliance with applicable laws, rules, regulations, Code of Conduct, and whistle-blowing policy.

- Managed fraud risks through FMG via fraud management process which included prevention, detection, investigation, and recovery monitoring of possible, suspected, and actual fraud; deployed case management and blacklisting modules for a more efficient fraud management process; renewed 3DS Multi-Factor Authentication service which provides additional layer of security for online transactions; and implemented real-time monitoring, detection, and auto-notification in compliance with BSP Circular 1140.
- 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. Assessment is done to determine the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.
- Reviewed and approved the results of the annual assessment of the Internal Audit Charter and the Fraud Management Charter.
- Reviewed the adequacy of resources, staff competencies, activities, and effectiveness of the IAG and FMG through full monitoring of tasks and productivity during onsite and work-from-home arrangements.


External Audit

- Reviewed the audit plan and the scope of work of the SGV, ensuring that focus areas are appropriately covered and that there is no duplication of scope between internal and external audits for an effective use of resources.
- 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.

Regulatory Compliance

- Monitored the Bank’s compliance with the new and existing laws and regulations of the Bangko Sentral ng Pilipinas (BSP) and other regulatory government agencies through the regular reports on the result of compliance reviews by IAG which also include sustainability transition plan. Also monitored the compliance with regulations and policies contained in the various operations manual as well as the Bank’s Code of Conduct and other codes of conduct imposed by the Bank.
- Conducted the annual review of the Audit Committee Charter to ensure that provisions are still relevant and consistent with the requirements of the BSP and the Securities and Exchange Commission, as well as the International Professional Practices Framework.
- Confirmed, through a self-assessment process, that the Committee has effectively fulfilled its responsibilities as embodied in its Charter.

Based on the results of the assurance and fraud management activities performed by the Bank’s IAG and FMG; the unqualified opinion on the financial statements by the External Auditor; and the plans and actions taken by Management, the Committee conclude that the Bank’s governance, risk management, and control processes continue to be adequate and generally operating properly. The Committee will continuously review and monitor management’s activities to ensure its adherence to the guidelines set by the Board.


EDUARDO A. SAHAGUN
Chairman


JOSÉ T. PARDO
Member


SAMSON C. LIM
Member



PEOPLE AT THE HEART OF GOVERNANCE

Corporate governance ensures that we stay accountable and transparent — even when no one is looking.

This is why well-governed organizations are comprised of people driven by a common purpose: to continually build the trust and confidence of stakeholders, going beyond mere compliance with applicable laws, rules, and regulations.

At PSBank, people and culture are at the heart of good corporate governance. These determine how we run our business in a prudent and sound manner, remain fair and transparent in all our dealings, and provide reliable and better service amidst the ever-growing expectations of our customers while at the same time working with integrity and accountability.

CORE GOVERNANCE POLICIES

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

Fairness

We see to it that we conduct fair dealings with counterparties and other stakeholders. We ensure that such dealings, especially with our related parties, are made in the regular course of our business, and upon mutually favorable terms. 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.

These are 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 RPT policy is regularly

reviewed and updated on an annual basis. It was last updated in November 2022 to rationalize the transaction materiality thresholds for enterprise loans, clarify basis amounts per type of transaction vis-à-vis the set transaction materiality thresholds, streamline certain processes and realign with parent-Metrobank's latest RPT policy.

Our transaction materiality thresholds for RPTs were set on a per transaction type basis, taking into account 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 or 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 with amounts 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 Board approval prior to their consummation and for stockholders' confirmation in the Annual Stockholders' Meeting.

In 2022, the following material RPTs were entered into between the Bank and its related parties (see material RPTs table on the next page and Note 29 of the Audited Financial Statements).

MATERIAL RELATED PARTY TRANSACTIONS

Related Parties	Relationship	Nature of Transaction	Terms & Conditions	In Millions PhP	
				Original Amount	Dec. 31, 2022 Balance
INSURANCE					
AXA Philippines (AXA)	Affiliate	Annual Renewal of the Bank's Fire Insurance Coverage for ROPA-Real Estate Properties	Total sum insured is PhP3.250 Billion with a gross annual premium rate (inclusive of taxes) of 0.18% thereof	5.89	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 will be used for Inter-Bank Call Loans (IBCL) only; secured line covers interbank lending transactions and is collateralized by government securities and settlement/ pre-settlement lines are used to cover risks for fixed income securities and FX spot transactions for a maximum of T+3	Clean – 2,000; Secured -16,000; Settlement – 1,500 & Pre-Settlement -750 (no changes)	N/A
ORIX Metro Leasing & Financing Corporation (OMLFC)	Affiliate			Clean -1,000 (no changes)	N/A
First Metro Investment Corporation (FMIC)	Affiliate			Pre-Settlement – 85 (no changes)	N/A
Metropolitan Bank & Trust Company (MBTC)	Parent-Bank	Annual Renewal of Related Intercompany Lines of Trust Division	Counterparty line for fixed income securities (i.e., corporate bonds, government securities) and any exposure in excess of the allowable unsecured ceiling for Clean and IMA lines will be secured by non-risk assets i.e. GS	Clean – 1,000; Pre-Settlement – 5; Settlement – 50 & IMA – 100 (no changes)	N/A
Philippine Savings Bank (PSBank)	Bank Proper			Clean – 1,000; Pre-Settlement – No Limit; Settlement – No Limit & IMA – 4,000 (no changes)	N/A
First Metro Investment Corporation (FMIC)	Affiliate		Counterparty line for fixed income securities (i.e., corporate bonds, government securities)	Pre-Settlement – 70 & Settlement – 700 (no changes)	N/A
First Metro Securities Brokerage Corp. (FMSBC)	Affiliate		Counterparty line for equity transactions of various trust accounts	Pre-Settlement – 500 & Settlement – 500 (no changes)	N/A
LOANS AND CREDIT ACCOMMODATIONS					
First Metro Investment Corporation (FMIC)	Affiliate	Credit Line	Reinstatement of clean/ unsecured credit line available via PNs of up to 30 days for additional working capital purposes and to gap intraday funding requirements subject to an interest rate upon drawdown based on current BSP's Overnight Lending Facility (OLF) rate plus 50-75 basis points spread as the floor/minimum rate	1,000	N/A
Principal Officer of affiliate-FMIC	Corresponding Persons of Affiliated Companies	Home Equity Loan	Ten (10) year term home equity loan with interest rate of 7.25% p.a. under one (1) year re-pricing cycle	25	N/A
PSBank Trust Division	Bank Proper	Credit /Domestic Bill Purchase Line	Renewal of Domestic Bills Purchase Line for the purchase of local and regional checks issued by PSBank Trust Division's clients payable to PSBank Trust Division for outright crediting of their investments	1,000	N/A
Director of parent-MBTC	Corresponding Persons of Affiliated Companies	Annual Renewal of Business Credit Line	One (1) year business credit line for working capital purposes with interest rate of 7.50% p.a.	30	18.90

Related Parties	Relationship	Nature of Transaction	Terms & Conditions	In Millions PhP	
				Original Amount	Dec. 31, 2022 Balance
OTHERS					
First Metro Securities Brokerage Corp. (FMSBC)	Affiliate	Renewal of Lease Contract	Renewal of lease contract for another five (5) years covering a total area of 639.15 sq.m. at Php882.00/sq.m. for office spaces, Php5,512.50/slot for car parking spaces, Php1,551.33/slot for motorcycle parking spaces and Php77.56/sq.m. for common use service area subject to 5% annual escalation rate	7.86	N/A
Federal Land Inc. (FLI), Federal Land Orix Corp. (FLOC) and Horizon Land Property and Development Corporation (HLPDC)	Affiliates	Buy-Back of Past Due Home Loans	Affiliate-real estate developers to buy back seventeen (17) past due home loan accounts at their total amounts due net of penalties fully waived but subject to applicable additional interest if paid beyond the commitment payment date as a mode of the Bank's recovery thereof pursuant to the terms & conditions of the Deed of Undertaking executed by the Bank and said real estate developers	56.19	N/A
Metropolitan Bank & Trust Company (MBTC)	Parent-Bank	Amendments to the Bank's Existing Collection Services Agreement	Increase in service fee to reflect the Bank's current fully-loaded manpower cost; inclusion of 61-90 days past due collection bucket for Auto and Home loans and expansion of collection services to also include in-bound collections	11.12	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 act as our counterparty) to inhibit or abstain from the discussion, approval, and management of such a transaction, except to provide material information to the RPTC or Board about the transaction. Provisions against conflict of interest situations are also 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), or the “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 10% of its 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
The Code of Conduct, which was updated and approved by the Board in 2022, 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 the Bank;
- Corrective measures for unacceptable behavior or failure to comply with our rules, such as on Financial Consumer Protection, Anti-Money Laundering/Terrorism Financing, and Data Privacy, and our other policies and procedures;
- Schedule of penalties for attendance and punctuality, required corporate attire, conduct and behavior, dishonesty, health, safety, and security, reporting of violations, information security, and data privacy, among others; and,
- Provisions on management of personal finances, conflict of interest, anti-bribery and corruption, 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 on the next trading day after their election/appointment and from the date of changes thereof, 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 trading days after such information is disclosed.

The Bank did not have any trading transactions with reporting insiders and/or their associates in 2022. Directors' level of share ownership and movements throughout 2022 are summarized in the table below:

	Name of Director	Position	Rollforward of Common Shares					
			Beginning		Movements		End	
			12/31/2021	%	Additions	Deductions	12/31/2022	%
1	Jose T. Pardo	Chairman and Independent Director	2,063	0.000483	-	-	2,063	0.000483
2	Arthur V. Ty	Vice-Chairman	129	0.000030	-	-	129	0.000030
3	Vicente R. Cuna Jr.	Vice-Chairman	111	0.000026	-	-	111	0.000026
4	Samson C. Lim	Independent Director	111	0.000026	-	-	111	0.000026
5	Francisco S. Magsajo Jr.	Independent Director	100	0.000023	-	-	100	0.000023
6	Eduardo A. Sahagun	Independent Director	111	0.000026	-	-	111	0.000026
7	Jose Vicente L. Alde	President and Director	111	0.000026	-	-	111	0.000026
8	Ma. Soledad D.S. De Leon	Director	4,456,795	1.044090	-	-	4,456,795	1.044090
9	Rosanna F. De Vera	Director	111	0.000026	-	-	111	0.000026
	Total		4,459,642	1.044756	-	-	4,459,642	1.044756

Whistleblowing

PSBank's whistleblowing policy requires our employees to report immediately any impropriety or malpractice committed by co-employee/s or third party/ies to their group heads or directly to Human Resources, Internal Audit, Compliance, or Fraud Management 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 identity as a breach of confidentiality which is subject to disciplinary sanctions.

The Bank has whistleblowing hotlines such as iag-expose@psbank.com.ph and fire@psbank.com.ph which can only be accessed by the Internal Audit Group Head and by the Fraud Management Group Head, respectively.

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

PSBank subscribes to and adopts the State's policy to protect the 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 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 following basic AML/CFT controls required under existing AML/CFT laws, rules and regulations:

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
5. Employee Training and Continuing Education

Our MLTFPP was last updated in September 2022 to include the Bank's API-based third party sanction screening solution as source of external adverse records that is interfaced with its Integrated Customer Data Bank (ICDB) system, incorporate the various CO AML advisories issued and revise the scope of Designated Non-Financial Businesses & Professions (DNFBPs) per AMLC Regulatory Issuance (ARI) No. 03 Series of 2021. Compliance with the requirements of this MLTFPP is continuously monitored by our Board-designated AML Compliance Officer (AMLCO) as lead implementer under the Compliance Office.

Transparency and Open Communication

As a publicly listed company and a responsible financial institution, we abide by the various disclosure requirements of the BSP, the SEC, and the Philippine Stock Exchange (PSE). 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. Our CGM is reviewed on an annual basis and was last updated in September 2022 to incorporate the pertinent provisions of SEC Memorandum Circular No. 4 Series of 2022 pursuant to Sections 26 and 27 of the Revised Corporation Code (RCC) with respect to the grounds for director/officer disqualifications and removal procedures as well as to include an Anti-Bribery and Corruption Policy as patterned after that of parent-Metrobank.

Financial Consumer Protection

With customers at the forefront of our priorities and incompliance with BSP Circular No. 857 as amended by BSP Circular No. 1048 (BSP Regulations on Financial Consumer Protection), our corporate governance system and 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 comprises 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
5. Financial education and awareness

This FCP Framework is currently undergoing review and updating to align with the amended FCP rules & regulations per BSP Circular No. 1160 pursuant to the recently enacted Republic Act No. 11765 otherwise known as "The Financial Products and Services Consumer Protection Act".

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 our 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 effective means of doing so. While positive feedback is welcome, we

are more vigilant about negative feedback or complaints as they cover areas for improvement. For data analytics purposes, complaints received from clients are lodged in an automated tracking system 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. This process is implemented in four steps, namely:

- (1) Acknowledgement
- (2) Decision/Disposition by designated senior officers
- (3) Investigation and communication of feedback to the customer concerned
- (4) Resolution of complaint

While all personnel are given access to the system for the reporting of customer complaints and feedback, the investigation and resolution are 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).
- **Designated Senior Officers:** consists of senior officers or group heads 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 and human resource group (CXHRG) head, information technology group (ITG) head, branch banking group (BBC) head, and marketing group (MG) head. 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.

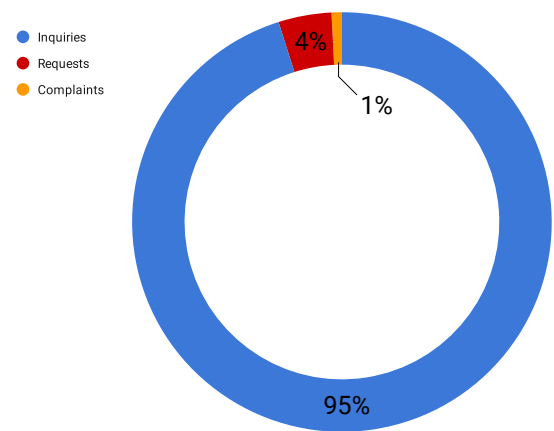
At the end of each day, all customer issues received are reported to a pool of senior officers, including the president and the executive vice president. The consolidated report is likewise submitted to the RMO on a monthly basis as part of the Key Risk Indicator (KRI) reports.

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 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.

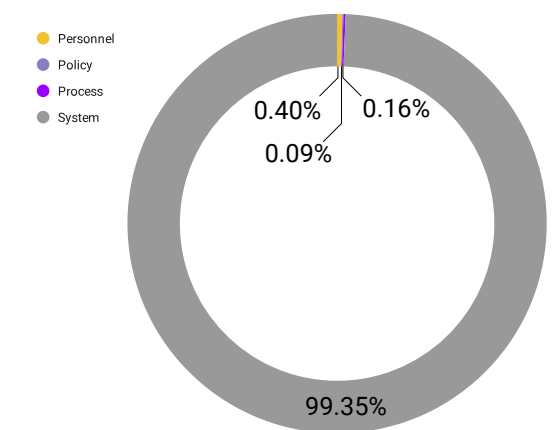
Utilization/engagement per Channel:

Nature of Txn	TOTAL	%
<div></div> Inquiries	1,102,578	95%
<div></div> Requests	47,415	4%
<div></div> Complaints	9,227	1%
	1,159,220	100%



Complaints:

NATURE OF COMPLAINT	TOTAL	%
Environment	0	0%
<div></div> Personnel	37	0.40%
<div></div> Policy	8	0.09%
<div></div> Process	15	0.16%
<div></div> System	9,167	99.35%
	9,227	100%



Data Privacy

PSBank respects and values data privacy rights and makes sure that all personal data collected from its data subjects (i.e. employees, clients & customers, suppliers, etc.) are processed in adherence to the principles of transparency, legitimate purpose, proportionality, quality and security in compliance with Republic Act No. 10173 otherwise known as “The Data Privacy Act of 2012”, its Implementing Rules and Regulations and the related issuances of the National Privacy Commission (NPC). Our Board-approved Data Privacy Policy encapsulates the privacy and data protection protocols/security measures that need to be observed and carried out within the Bank for specific circumstances (i.e. from collection to destruction) directed towards the fulfilment and realization of the rights of our data subjects and protection of personal data against natural dangers such as accidental loss or destruction, and human dangers such as unlawful access, fraudulent misuse, unlawful destruction, alteration and contamination. It was last updated in December 2022 to articulate on the data subject’s consent, the general data privacy principles of transparency, legitimate purpose & proportionality, the scope and limitations of the Data Privacy Act and the processing of personal information under a data sharing arrangement as against an outsourcing agreement based on National Privacy Commission (NPC) Advisory Opinions; incorporate by way of reference the Bank’s new Policy on Retention and Disposal of Records Containing Personal Information; update the Privacy Impact Assessment (PIA) Procedures Manual and make it an annex thereof; include Information Security check and audit on third-party service providers as part of the Bank’s Organizational Security Measures; and revise the internal and external incident reporting pursuant to existing NPC and BSP reporting rules, among other updates.

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.

In 2022, there were 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. Their selection was based on their qualifications (i.e., integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience) without discrimination against gender, age, and ethnic, political, religious, or cultural backgrounds, and therefore 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. In 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 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 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 November 2022 an annual refresher program on Corporate Governance via Zoom webinar pursuant to SEC Memorandum Circular No. 20 s2013 and as conducted by the ICD, a SEC-accredited training provider. Topics covered in said webinar are Advanced Corporate Governance Training and AMLA Compliance in the Age of the Digital World.

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 as 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. In support of the pandemic-related health and safety protocols implemented by the government and the Bank, regular board meetings, including the annual stockholders’ meeting and organizational meeting, were conducted via remote

communication using a secure online meeting platform and in compliance with related SEC-issued guidelines. Regular Board meetings are also scheduled in advance which are normally 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).

The **Risk Oversight Committee (ROC)** is responsible for the development and oversight of our risk management program. The Committee is 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 neither the chairman of the board nor 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).

The **AML Oversight Committee (AMLOC)** 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), the provisions of the Anti-Terrorism Act (ATA), the Anti-Financing of Terrorism Act (AFTA), the Strategic Trade Management Act (STMA) and their Implementing Rules and Regulations (IRRs); the regulatory issuances and orders of the Anti-Money Laundering Council (AMLC) and BSP AML/CFT 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, of whom two are non-executive directors, including the chairperson and an independent director. The Committee meets monthly and is supported by our Compliance Office (CO).

The **Audit Committee (AuditCom)** is designated to provide independent oversight for our financial reporting process, system of internal control and risk management, internal and external audits, as well as fraud management functions, and monitoring of compliance with Bank policies, applicable laws, rules, regulations, and Code of Conduct. It is composed 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).

Other Board-level committees are as follows:

The **Executive Committee (ExCom)** is tasked, among others, to regularly review and approve credit proposals within its limits. It recommends additional conditions and requirements on loan applications. The Committee is composed of four directors which includes the president, and our credit & collections group head as the Bank’s representative.

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 composed of three non-executive directors, two or majority of whom are independent directors, including the committee chairperson. It meets monthly and is supported by our Compliance Office (CO).

The **Trust Committee (TrustCom)** 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.

The attendance records in 2022 for these committees were logged as follows:

Corporate Governance Committee (CGC)

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

Risk Oversight Committee (ROC)

Members	Position	Attendance	%
FRANCISCO S. MAGSAJO JR. <i>Independent Director</i>	Chairperson	12/12	100%
JOSE VICENTE L. ALDE <i>Director</i>	Member	12/12	100%
EDUARDO A. SAHAGUN <i>Independent Director</i>	Member	12/12	100%
EDEZA A. QUE <i>Chief Risk & Sustainability Officer</i>	Secretary	12/12	100%

AML Oversight Committee (AMLOC)

Members	Position	Attendance	%
VICENTE R. CUNA JR. <i>Non-Executive Director</i>	Chairperson	11/12	92%
FRANCISCO S. MAGSAJO JR. <i>Independent Director</i>	Member	11/12	92%
ROSANNA F. DE VERA <i>Non-Executive Director</i>	Member	12/12	100%
GILBERT L. NUNAG <i>Chief Compliance & Data Protection Officer</i>	Secretary	12/12	100%

Audit Committee (AuditCom)

Members	Position	Attendance	%
EDUARDO A. SAHAGUN <i>Independent Director</i>	Chairperson	14/14	100%
SAMSON C. LIM <i>Independent Director</i>	Member	14/14	100%
JOSE T. PARDO <i>Independent Director</i>	Member	14/14	100%
SHERWIN U. LEE <i>Chief Audit Executive</i>	Secretary	14/14	100%

Executive Committee (ExCom)

Members	Position	Attendance	%
ARTHUR V. TY	Chairperson	12/12	100%
VICENTE R. CUNA JR.	Member	11/12	92%
JOSE VICENTE L. ALDE	Member	12/12	100%
ROSANNA F. DE VERA	Member	11/12	92%
MARY MYLEEN M. MASANQUE <i>PSBank Representative</i>	Member	12/12	100%
ATTY. JOSE M. MANUEL JR.	Secretary	12/12	100%
ATTY. ARLYN S. MONTEBON	Alternate Secretary		

Related Party Transactions Committee (RPTC)

Members	Position	Attendance	%
SAMSON C. LIM <i>Independent Director</i>	Chairperson	12/12	100%
JOSE T. PARDO <i>Independent Director</i>	Member	12/12	100%
MA. SOLEDAD D.S. DE LEON <i>Non-Executive Director</i>	Member	12/12	100%
SHERWIN U. LEE <i>Chief Audit Executive</i>	Resource Person	8/8	100%
GILBERT L. NUNAG <i>Chief Compliance & Data Protection Officer</i>	Resource Person and Secretary	12/12	100%

Trust Committee (TrustCom)

Members	Position	Attendance	%
ROMMEL ENRICO C. DIONISIO* <i>Independent Professional</i>	Chairperson	3/3	100%
JOSE VICENTE L. ALDE <i>President</i>	Member	4/4	100%
MA. SOLEDAD D.S. DE LEON <i>Non-Executive Director</i>	Member	4/4	100%
FRANCISCO S. MAGSAJO JR. <i>Independent Director</i>	Member	3/4	75%
REUEL R. JAVIER <i>Trust Officer</i>	Member	4/4	100%

*Appointed as Chairperson in April 2022

Board Meetings. In 2022, our Board had 12 regular meetings, in addition to the annual stockholders’ meeting (ASM) and organizational meeting. Directors logged a 99% attendance rate. Attendance records to Board meetings in 2022 are summarized below.

Members	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>	12/12	100%	YES
VICENTE R. CUNA JR. <i>Vice Chairman and Non-Executive Director</i>	12/12	100%	YES
SAMSON C. LIM <i>Independent Director</i>	12/12	100%	YES
FRANCISCO S. MAGSAJO JR. <i>Independent Director</i>	12/12	100%	YES
EDUARDO A. SAHAGUN <i>Independent Director</i>	12/12	100%	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>	11/12	92%	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) shall be filed with the Anti-Money Laundering Council Secretariat (AMLCS) 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 including materiality, environment and social risk assessment 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)** monitors IT performance and institutes 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.
- 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 (INCOM)** 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.
- The **Occupational Safety and Health Committee (OSHCOM)** serves as the official planning and policy-making group of the Bank in all matters pertaining to safety and health pursuant to Rule 1040 of the DOLE’s Occupational Safety and Health (OSH) Standards.

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 annually updated Bank Compliance Program, which was last updated in October 2022 with key changes effected to its previous October 2021 version pertaining to process enhancements and relevant updates, has 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 are the first line of defense being the risk owners and managers.
- 2. The Compliance Office (CO) is the second line of defense and the compliance risk overseers.
- 3. The Internal Audit Group (IAG) is 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

The Internal Audit Group (IAG) is established by the Board of Directors. Its responsibilities are defined by the Audit Committee (AuditCom) as part of its oversight function. The mission of internal auditing 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 Bank's governance, risk management, and control processes. IAG is headed by the chief audit executive (CAE) who reports functionally to the Board through the AuditCom and administratively to the president. The CAE confirms annually to the Board the organizational independence of the internal audit activity.

IAG is self-governed and adheres 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 the 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 AuditCom;
- 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 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 the law, and a 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, each director receives a monthly professional fee for attending Board and committee meetings. This is also in consideration of their valuable contributions in the formulation of the Bank's overall strategy.

The total per diem and transportation allowance paid to directors for their attendance in Board meetings for the period January to December 2022 was PhP20.5 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 the 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 perform better. This procedure on merit increase comes immediately after the performance appraisal exercise 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.
- **HEIGHTS: Reaching the Peak of Topnotch Performance.** This productivity-based award is given quarterly and annually to an individual or team for achieving exceptional performance. In 2022, top-performing PSBankers from Branch Banking Group, Credit and Collections Group, and Indirect Sales Channel Group were recognized for exceeding more than 100% of their target productivity.
- **Job Evaluation.** We regularly conduct job evaluation to measure and benchmark Bank positions vis-à-vis the banking industry and for certain niche roles, including other industries too.
- **Salary Structure Program.** We conduct salary restructuring to ensure that the salaries of the employees are equitable to what the industry offers. The Bank recognizes the need to attract and retain top talent, thus it reviews the existing scale periodically to ensure competitiveness.

SENIOR MANAGEMENT SELECTION PROCESS

The Bank has pre-defined job descriptions for its senior management positions (i.e., those to be held by officers from assistant vice president and up). It evaluates the qualifications of internal and/or external candidates for the available positions.

Every 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 is subject to the 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 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 compensation for their loyal service within 30 days after their effective date of retirement.

In 2022, succession was again among our focus areas for Talent Management. The Bank continued with its comprehensive Succession Planning Program which consists of five stages: (1) identification of the successor, (2) assessment of the gap, (3) addressing the gap, (4) evaluation, and (5) implementation. This instituted program helps ensure the continuity and viability of the business. Positions that are critical to the business have identified "Ready Now" and "Ready Later – Ready in 1-3 Years or Ready in 3-5 Years" replacements, which are reviewed periodically. Potential successors are subjected to Individual Development Plans, which are a combination of classroom trainings, cross-postings, immersions, and development assignments. Strategic workforce planning is also implemented 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 have adopted an age limit of 75 years old as a general rule for directors, 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 the best interest of the Bank. Our independent directors may only serve as such for a maximum cumulative term of nine years from 2012, after which the independent director shall be perpetually barred from re-election, but may continue to qualify for nomination and election as a non-independent or regular director. 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 by a majority vote of the Board 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 these comply with the regulatory requirements of the SEC and the BSP. 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 2022 stood at PhP1.28 billion. Details are shown under Note 21 of the Audited Financial Statements section.

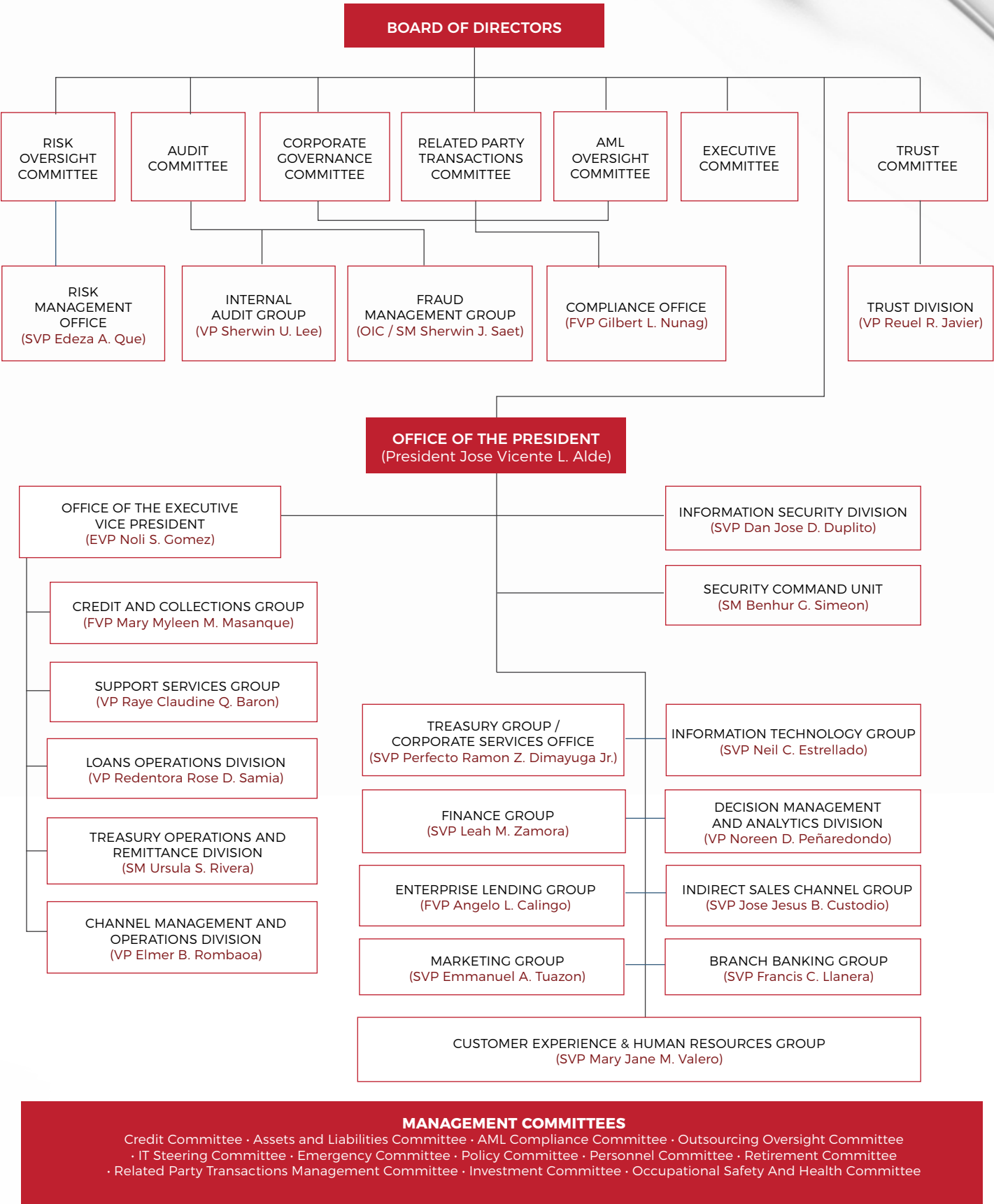
OUR GOVERNANCE EVALUATION

Every 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.

Using scorecards, this exercise aims to gauge their effectiveness and determines the 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 enjoinder to provide suggestions on how to address the deficiencies/improve performance on items rated either "1" or "2".

Our Corporate Governance Committee reviews the scorecard results, which are 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.

Table of Organization



BOARD OF

DIRECTORS



JOSE T. PARDO

CHAIRMAN / INDEPENDENT DIRECTOR



ARTHUR V. TY

VICE CHAIRMAN

JOSE T. PARDO

CHAIRMAN / INDEPENDENT DIRECTOR

Filipino, 83 • Chairman since January 2003 • Independent Director since May 2007 • Chairman/Independent Director, Philippine Seven Corporation*; Philippine Stock Exchange*; Securities Clearing Corporation of the Philippines • Chairman, Board of Advisers, Bank of Commerce • Chairman (Non-executive), ECOP Council of Business Leaders; PCCI Council of Business Leaders; • Independent Director, JG Summit Holdings, Inc.*; Araneta Hotels, Inc. (Novotel); League One Finance and Leasing Corporation; Del Monte Philippines, Inc. • Director (Non-executive), National Grid Corporation of the Philippines • Director, Radio Veritas Global Broadcasting System, Inc. • Director/Board of Trustees, Bayaning Pulis Foundation • Chairman/Board of Trustees, Philippine Stock Exchange Foundation •

Education: Honorary Doctorate, Academy of Multi-Skills, United Kingdom. Doctor of Science in Finance, Honoris Causa, De La Salle University. 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

ARTHUR V. TY

VICE CHAIRMAN

Filipino, 56 • Vice Chairman since 2001 • Chairman, Metropolitan Bank and Trust Company*; Metropolitan Bank (China) Ltd.; GT Foundation Inc. and Metrobank Foundation, Inc. • Vice Chairman, Philippine AXA Life Insurance Corporation • Director, Federal Land, Inc. and GT Capital Holdings Inc.*. Senior Adviser, First Metro Investment Corporation •

Education: BS Economics, University of California - Los Angeles. MBA, Columbia University



VICENTE R. CUNA JR.

VICE CHAIRMAN



JOSE VICENTE L. ALDE

PRESIDENT / DIRECTOR

VICENTE R. CUNA JR.

VICE CHAIRMAN

Filipino, 61 • 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. (until December 15, 2022) •

Education: A.B. Economics, De La Salle University

JOSE VICENTE L. ALDE

PRESIDENT / DIRECTOR

Filipino, 56 • President since April 2018 • Director since 2016 • Chairman, Sumisho Motor Finance Corporation • Trustee, Chamber of Thrift Banks • Director, Metropolitan Bank and Trust Company* •

Education: Bachelor of Computer Science, Cum Laude, University of the Philippines, Diliman. Master in Business Management, Asian Institute of Management

BOARD OF DIRECTORS



SAMSON C. LIM
INDEPENDENT DIRECTOR



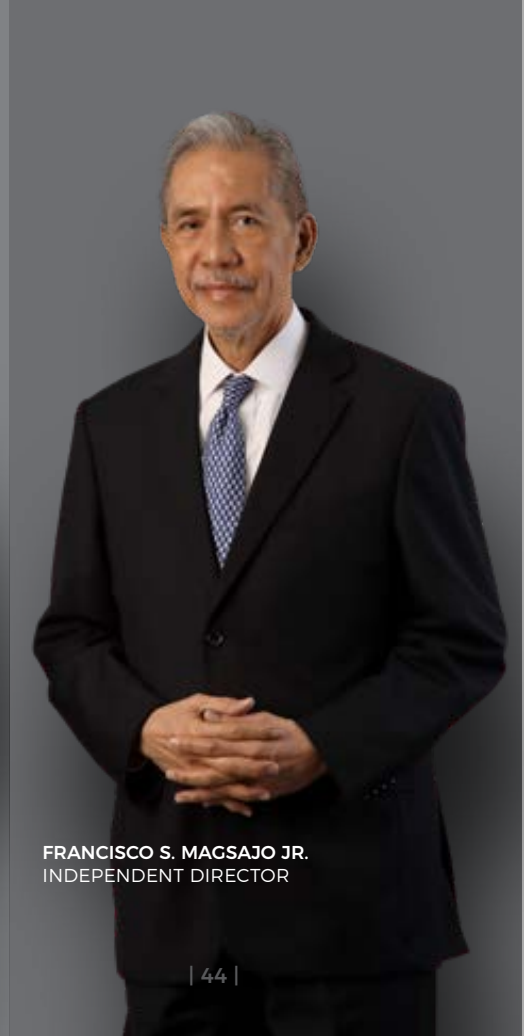
MA. SOLEDAD D.S. DE LEON
DIRECTOR



EDUARDO A. SAHAGUN
INDEPENDENT DIRECTOR



ROSANNA F. DE VERA
DIRECTOR



FRANCISCO S. MAGSAJO JR.
INDEPENDENT DIRECTOR



PERFECTO RAMON Z. DIMAYUGA JR.
CORPORATE SECRETARY

SAMSON C. LIM
INDEPENDENT DIRECTOR

Filipino, 74 • 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 • Chairman for Tourism and Franchising, Philippine Chamber of Commerce and Industry • President, Canadian Tourism & Hospitality Institute •

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

MA. SOLEDAD D.S. DE LEON
DIRECTOR

Filipino, 64 • 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

EDUARDO A. SAHAGUN
INDEPENDENT DIRECTOR

Filipino, 65 • Independent Director since April 2017 • Chairman, Edcommerce Corporation • Director, Union Galvasteel Corporation; Phinma Property Holdings Corporation; T-O Insurance Brokers, Inc.; Phinma Corporation; Song Lam Cement Joint Stock Company; Cagayan De Oro College, Inc.; First Batangas Hotel Corporation and Philcement Corporation • 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

ROSANNA F. DE VERA
DIRECTOR

Filipino, 54 • Director since April 2018 • First Vice President and Head of Commercial Credit (Metro Manila and Countryside), Metropolitan Bank and Trust Company* •

Education: BS Commerce Major in Accounting, University of Santo Tomas. MBA, Ateneo Graduate School of Business.

FRANCISCO S. MAGSAJO JR.
INDEPENDENT DIRECTOR

Filipino, 75 • Independent Director since April 2021 • Director, Philippine Veterans Bank; Intervest Project, Inc. and Intervest Insurance, Inc. •

Education: BS Economics, Lyceum of the Philippines

PERFECTO RAMON Z. DIMAYUGA JR.
CORPORATE SECRETARY

Filipino, 61 • Corporate Secretary since January 2022 • Treasurer at Philippine Savings Bank* •

Education: AB Economics, Ateneo de Manila University. MBA, University of the Philippines

*Publicly Listed Companies

SENIOR OFFICERS

NOLI S. GOMEZ
Executive Vice President

Filipino, 57 • 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



DAN JOSE D. DUPLITO
Senior Vice President

Filipino, 48 • Joined March 2005
• Chief Information Security Officer, Information Security Division • Member, Personnel Committee • 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



NEIL C. ESTRELLADO
Senior Vice President

Filipino, 51 • 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



JOSE JESUS B. CUSTODIO
Senior Vice President

Filipino, 62 • Joined December 2001 • Indirect Sales Channel Group Head • Trustee, Philippine Finance Association • 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



PERFECTO RAMON Z. DIMAYUGA JR.
Senior Vice President

Filipino, 61 • Joined January 2006 • Treasurer • Former CFO and Head of Finance Group • Member, Assets and Liabilities, IT Steering, and Personnel Committees • Chairperson, Investment Committee • Corporate Secretary, PSBank • 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. • Former Corporate Secretary, Sumisho Motor Finance Corporation

Education: AB Economics, Ateneo de Manila University. MBA, University of the Philippines



FRANCIS C. LLANERA
Senior Vice President

Filipino, 51 • 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



EDEZA A. QUE
Senior Vice President

Filipino, 50 • Joined October 2005 • Chief Risk and Sustainability Officer, Risk Management Office • Member, Assets and Liabilities, Anti-Money Laundering Compliance, Investment, Outsourcing Oversight, Personnel, 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



SENIOR OFFICERS

EMMANUEL A. TUAZON
Senior Vice President

Filipino, 59 • Joined July 2014 • Marketing Group Head • Member, Assets and Liabilities, and Personnel Committees • Spokesperson, Emergency Committee • Former Director, Philippine Association of National Advertisers Foundation Inc. and Bank Marketing Association of the Philippines • 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

Education: BS Mathematics, University of the Philippines



MARY JANE M. VALERO
Senior Vice President

Filipino, 54 • Joined August 2002 • Customer Experience and Human Resources Group Head • Chairperson, Occupational Safety and Health Committee • Secretary, Personnel Committee • Member, Outsourcing Oversight and Retirement Committees • Assoc. Professor, University of Santo Tomas Graduate School • 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



ANGELO L. CALINGO
First Vice President

Filipino, 42 • Joined October 2016 • Enterprise Lending Group Head • Member, Assets and Liabilities; and Investment Committees • 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



MARY MYLEEN M. MASANQUE
First Vice President

Filipino, 47 • Joined November 2011 • Credit and Collections Group 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



LEAH M. ZAMORA
Senior Vice President

Filipino, 49 • 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



GILBERT L. NUNAG
First Vice President

Filipino, 49 • Joined February 2008 • Chief Compliance & Data Protection Officer, Compliance Office • Former Operational Risk Management Unit Head of Risk Management Office • Chairman, Anti-Money Laundering Compliance Committee • Member, Outsourcing Oversight and Related Party Transactions Management 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 Controllershship Head, UCPB Rural Bank (subsequently merged as UCPB Savings Bank) • Former Audit Team In-Charge, SyCip, Gorres, Velayo & Co. (SCV & Co.) - Cagayan de Oro Branch

Education: BS Accountancy with Honors (Cum Laude), Ateneo de Cagayan (Xavier University) • Certified Public Accountant



SENIOR OFFICERS

LEO ANTONIO V. ABE
Vice President

Filipino, 40 • 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



RAYE CLAUDINE Q. BARON
Vice President

Filipino, 53 • Joined August 2009 • Support Services Group 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



ADLER D. FERRER
Vice President

Filipino, 49 • 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)



ANDRE MANUEL L. ABELLANOSA
Vice President

Filipino, 58 • Joined February 2003 • Asset and Liability Management Division Head, Treasury Group • Former Head of Treasury Sales and Marketing Division, Treasury Group • Member, Investment Committee • Former Manager of Securities Distribution Group, BPI Capital Corp. • Former Chief Dealer, DBS Forex Corp. •

Education: BS Management, Colegio de San Juan de Letran • Certified Treasury Professional, Ateneo-BAP Institute of Banking • Registered Fixed Income Market Salesman, Securities and Exchange Commission



NOEL C. ANG
Vice President

Filipino, 45 • Joined April 2013 • Chief Accounting Officer, Financial Accounting Services Division • 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



DENNIS O. GLORIOSO
Vice President

Filipino, 45 • 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



MIRASOL B. GUIA
Vice President

Filipino, 52 • Joined October 2010 • Digital Technology Services Division 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



SENIOR OFFICERS

ANTONELL S. INTERINO
Vice President

Filipino, 50 • Joined August 2010 • Head of Financial Planning Division under the Finance Group • Former Senior Financial Planning Analyst, GE MoneyBank Philippines

Education: BS Accountancy, De La Salle University • Certified Public Accountant



REUEL R. JAVIER
Vice President

Filipino, 51 • Joined December 2007 • Trust Division Head • Former Investments Head of Treasury Group • Member, Trust, Assets and Liabilities, and Retirement Committees • 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 UITF Certified Sales Person



JOHN EMMANUEL J. PALAFOX
Vice President

Filipino, 46 • Joined April 2007 • Shared Application Division Head • Former Head of the Technology Services Group, SQL*Wizard, Inc.

Education: BS Management Information Systems, Ateneo de Manila University



NOREEN D. PEÑAREDONDO
Vice President

Filipino, 44 • Joined October 2015 • Decision Management and Analytics Division Head • Former Region Head for Data Science, Tiaxa • Former Business Head for Web and Mobile Solutions, Stratpoint Technologies

Education: BS Statistics, University of the Philippines



SHERWIN U. LEE
Vice President

Filipino, 50 • Joined September 2008 • Chief Audit Executive and Internal Audit Group Head • Secretary, Audit Committee • Resource person, Related Party Transactions and IT Steering Committees • Former Fraud Management Group Head; Former Division Head of Investigation and Recovery; and Former Division of Head Office, Branches and Special Investigation

Education: BS Accountancy, University of the East, Certified Public Accountant (CPA)



JOSE M. MANUEL, JR.
Vice President

Filipino, 52 • Joined November 2005 • Legal Service Division Head • Former Lawyer for Citibank Savings Bank (Formerly Insular Savings Bank) • Former Chief Corporate Attorney, National Housing Authority • Former Associate Lawyer, Anuenuevo Law Offices

Education: AB Major in Economics University of Santo Tomas, Bachelor of Laws, St. Louis University • Baguio



DENBY B. PEREZ
Vice President

Filipino, 42 • Joined September 2011 • Head, Business Intelligence Division under Finance Group • Former IT Project Manager, Digitel Mobile Philippines Inc. (Sun Cellular) • Former Corporate Services Officer, Philam Properties Corporation

Education: BS in Commerce - Business Management, De La Salle University



ABRAHAM R. QUIRIMIT
Vice President

Filipino, 44 • Joined July 2009 • Cyber Security Incident Response Manager, Cyber Security Incident Response Department • Former Programmer, J-SYS Philippines • Former Research & Development Engineer, Advanced World Solution Inc.

Education: BS Mathematics Major in Actuarial Science, University of Santo Tomas • Certified Information Security Manager (CISM)



SENIOR OFFICERS

ELMER B. ROMBAOA
Vice President

Filipino, 54 • 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



REIDENTORA ROSE D. SAMIA
Vice President

Filipino, 60 • 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



MARIA LILIBETH S. SANTOS
Vice President

Filipino, 38 • 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
- PSBank Peso Personal ATM Savings
- PSBank Peso Passbook Savings
- PSBank Peso OFW ATM Savings

Checking Accounts

- PSBank Peso Regular Checking
- PSBank Premium Peso Checking

Time Deposit Accounts

- PSBank Peso Prime Time Deposit
- PSBank Peso Time Deposit

Foreign Currency Accounts

- PSBank USD Passbook Savings
- PSBank Dollar Time Deposit
- PSBank Euro Passbook Savings

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
- PSBank Payroll Cash Advance (Vale)

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 Online
- PSBank Mobile
- PSBank Business Online Buddy (Corporate Internet Banking)
- PSBank e-Credit
- PSBank Online Account Opening (Non Face-to-Face Account Opening)
- PSBank Online Loan Application (Auto and Personal Loans)
- PSBank Mobile Check Deposit
- PSBank Mobile Time Deposit Placement
- PSBank QR Code
- PSBank Toll RFID & Mobile Reload
- PSBank PaSend Mobile Remittance
- PSBank Remittance Services
- PSBank Cardless Withdrawal
- PSBank Payme
- PSBank Bills Payment Collection
- PSBank & AXA Bancassurance Cross-selling Arrangement (Life, Health and Non-Life Insurance products)
- PSBank LiveChat
- PSBank ISSA Chatbot Service
- Cashless Payment to Merchants via QR Ph (Pay-to-Merchant)

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
Thursday, 27 April 2023, 3:00 p.m. via CISCO WEBEX

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 10 March 2023 is 1,441.

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

Market Information
Below are the high and low closing prices of PSB shares as reported on the Philippine Stock Exchange for each quarter of the years ending in 2021 and 2022:

Years	Quarters	Highest	Lowest
2022	1 st	58.20	54.80
	2 nd	58.00	55.00
	3 rd	57.85	55.00
	4 th	59.00	55.00
2021	1 st	56.70	53.00
	2 nd	84.75	53.05
	3 rd	77.00	50.20
	4 th	58.10	55.00

Annual Report in SEC Form 17-A
The financial report included in this report follows the information contained in the SEC Form 17-A of PSBank, 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: psbas@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

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
16th floor Metrobank Center
35th Street corner 7th Avenue
Bonifacio Global City
Taguig City 1634
Tel: (+632) 8857-5694 to 95

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

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👤 PSBank LiveChat via www.psbank.com.ph

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

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