

PART II. MANAGEMENT REPORT

Brief Description and General Nature and Scope of Business of Registrant

Philippine Savings Bank (the Bank) was incorporated in the Philippines primarily to engage in savings and mortgage banking. The Bank's shares are listed in the Philippine Stock Exchange (PSE). The Bank offers a wide range of products and services such as deposit products, loans, treasury and trust functions that mainly serve the retail and consumer markets. On September 6, 1991, the Bank was authorized to perform trust functions.

As of December 31, 2022 and 2021, the Bank had 250 branches. In 2022, the Bank had 271 Automated Teller Machines (ATMs) in the branches (on-site) and 286 in other locations (off-site) bringing its total number of ATMs to 557 as of December 31, 2022 and 547 as of December 31, 2021.

The Bank's original Certificate of Incorporation was issued by the Securities and Exchange Commission (SEC) on June 30, 1959. On March 28, 2006, the Board of Directors (BOD) of the Bank approved the amendment of Article IV of its Amended Articles of Incorporation to extend the corporate term of the Bank, which expired on June 30, 2009, for another 50 years or up to June 30, 2059. This was subsequently approved by stockholders representing at least two-thirds of the outstanding capital stock of the Bank on April 25, 2006. The Amended Articles of Incorporation was approved by the SEC on September 27, 2006.

On April 27, 2010, by majority vote of the BOD and by stockholders representing two-thirds of the outstanding capital stock, the amendment of Article VI of its Amended Articles of Incorporation reducing the number of directors from a maximum of eleven (11) to a maximum of nine (9) has been approved. This was approved by the SEC on August 26, 2010.

On March 24, 2014, the BOD approved Article III of Articles of Incorporation to specify its principal address from Makati City to PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City 1226. The Amended Articles of Incorporation was approved by the SEC on December 22, 2014.

On November 20, 2019, the SEC approved the amendment to the Articles of Incorporation (AOI) on the increase in authorized capital stock of the Bank from ₱4,250,000,000.00 divided into 425,000,000 common shares with a par value of ₱10.00 per share to ₱6,000,000,000.00 divided into 600,000,000 common shares with a par value of ₱10.00 per share. The increase in authorized capital stock was intended to provide the Bank more flexibility for any potential business opportunities in the future that would need sufficient authorized and unissued shares that can be issued promptly. In order to satisfy the mandated subscription requirement in relation to the Bank's increase in authorized capital stock, the Bank declared and paid stock dividends on February 21, 2020 in the amount of ₱437,500,000.00 equivalent to 43,750,000 common shares with par value of ₱10.00 per share. The shares that were given as stock dividends to the shareholders were taken from the shares created pursuant to the increase in authorized capital stock. The said increase in Capital Stock with corresponding amendment in the Articles of Incorporation was approved initially by the Board of Directors on 18 March 2019 and subsequently by the stockholders during the PSBank Annual Stockholders' Meeting held on 15 April 2019.

As of December 31, 2022 and 2021, Metropolitan Bank & Trust Company (MBTC), the Bank's ultimate parent, owned eighty-eight percent (88%) of the Bank.

Market Price Information

PSBank common shares were listed in the Philippine Stock Exchange (PSE) in 1994. The shares are traded under the symbol "PSB".

The high and low sales prices of the Shares as reported in the PSE for each quarter in the years ending December 31, 2022 and 2021 and subsequent interim periods were as follows:

	Highest	Lowest
2023:		
January 31	₱57.00	₱56.50
February 28	55.10	55.10

	Highest	Lowest
2022:		
First quarter	58.20	54.80
Second quarter	58.00	55.00
Third quarter	57.85	55.00
Fourth quarter	59.00	55.00
2021:		
First quarter	56.70	53.00
Second quarter	84.75	53.05
Third quarter	77.00	50.20
Fourth quarter	58.10	55.00

Closing price as of March 23, 2023 was at ₱56.90 per share.

Dividends and 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 the Bank's outstanding capital stock. The Dividend Policy of the Bank is presented in Part II. Management Report on Compliance with Leading Practices on Corporate Governance.

Dividends Paid and Proposed

Details of the Bank's dividend distributions as approved by the Bank's BOD and the BSP follow:

Cash Dividends				
Date of declaration	Per share	Total amount	Record date	Payment date
January 16, 2020	₱0.75	₱287,332,062	January 31, 2020	February 17, 2020
April 21, 2020	0.75	320,144,562	May 7, 2020	May 21, 2020
July 23, 2020	0.75	320,144,562	August 7, 2020	August 24, 2020
October 22, 2020	0.75	320,144,562	November 9, 2020	November 23, 2020
January 21, 2021	0.75	320,144,562	February 5, 2021	February 22, 2021
April 26, 2021	0.75	320,144,562	May 11, 2021	May 26, 2021
July 22, 2021	0.75	320,144,562	August 6, 2021	August 23, 2021
October 21, 2021	0.75	320,144,562	November 8, 2021	November 22, 2021
January 17, 2022	0.75	320,144,562	February 2, 2022	February 16, 2022
April 25, 2022	0.75	320,144,562	May 11, 2022	May 21, 2022
July 21, 2022	0.75	320,144,562	August 5, 2022	August 22, 2022
October 20, 2022	0.75	320,144,562	November 7, 2022	November 21, 2022
Stock Dividends				
Date of declaration	Per share	Total amount	Record date	Payment date
March 12, 2019	11.42%	₱—	January 31, 2020	February 21, 2020

No unregistered securities were sold or offered for sale by the Bank for the year 2022.

Cash Dividend Declaration

On January 26, 2023, the BOD of the Bank approved the declaration of a 7.50% regular cash dividend for the fourth quarter of 2022 for stockholders on record as of February 10, 2023 amounting to ₱320.14 million or ₱0.75 per share, to be paid on February 27, 2023.

Holders

As of February 28, 2023, the Bank has 1,441 stockholders.

Top 20 Stockholders as of February 28, 2023

	Name of Stockholders	No. of Shares	% to Total
1	METROPOLITAN BANK & TRUST COMPANY ¹	377,279,068	88.3849%
2	DOLOR, DANILO L.	14,051,043	3.2917%