PSBank

PHILIPPINE SAVINGS BANK
Metrobank Group

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April 12, 2024

Philippine Stock Exchange
6/F PSE Tower, 28th St. cor. 5th Ave.
Bonifacio Global City (BGC)
Taguig City, Philippines

Attention: **MS. ALEXANDRA D. TOM WONG**
Officer in Charge, Disclosure Department

Subject: **Submission of SEC 17-A - Annual Report**

Dear Ms. Tom Wong:

Relative to the Structured Continuing Disclosure Requirements for Listed Companies of the Exchange, we hereby submit a copy of our SEC Form 17-A (Annual Report) with Sustainability Report as of December 31, 2023.

We hope that you will find everything in order

Thank you very much.

Very truly yours,

Leah M. Zamora
Controller and Corporate Secretary
lmzamora@psbank.com.ph / 02-88858816

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COVER SHEET

15552

SEC Registration Number

PHILIPPINE SAVINGS BANK

(Company's Full Name)

PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City 1226

(Business Address: No. Street City/Town/Province)

Leah M. Zamora
(Contact Person)

8845-8888
(Company Telephone Number)

Annual Report

12 31	17-A	04 25
Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

(Secondary License Type, If Applicable)

Markets and Securities Regulation Department
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

1,429
Total No. of Stockholders
As of March 31, 2024

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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SEC Number 15552
FILE Number

PHILIPPINE SAVINGS BANK
(COMPANY'S NAME**)**

PSBank Center 777 Paseo de Roxas cor. Sedeño St., Makati City 1226
(COMPANY'S ADDRESS)

8885-82-08
(TELEPHONE NUMBER)

DECEMBER 31
(FISCAL YEAR ENDING MONTH & DAY)

SEC FORM 17-A
(FORM TYPE)

December 31, 2023
(PERIOD ENDED DATE)

Government Securities Eligible Dealer
(SECONDARY LICENSE TYPE AND FILE NUMBER)

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1.	For the fiscal year ended	:	**December 31, 2023**
2.	SEC Identification No.	:	**15552**
3.	BIR Tax Identification No.	:	**000-663-983-000**
4.	Exact name of registrant as specified in its charter	:	**Philippine Savings Bank**
5.	Province, Country or other jurisdiction or organization	:	**Metro Manila, Philippines**
6.	Industry Classification Code	:	[ ] **(SEC Use only)**
7.	Address of principal office	:	**777 Paseo de Roxas corner Sedeño Sts., Makati City 1226**
8.	Registrant's telephone No.	:	**(632) 8885- 8208**
9.	Former name, address, and former fiscal year, if changed since last report	:	**Not Applicable**
10.	Securities registered pursuant to Section 8 & 12 of the SRC		
	Title of each class	:	**Common Shares**
	Number of shares outstanding	:	**As of December 31, 2023 – 426,859,416**
11.	Are any or all of these securities listed with the Philippine Stock Exchange	:	**Yes**
12.	Check whether the issuer:		
	1. has filed all report required to be filed under Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Section 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports)	:	**Yes**
	2. has been subject to such filing requirements for the past ninety (90) days	:	**Yes**

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13.	The aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold or the average bid and asked prices of such stock, as of a specified date (March 31, 2024) within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.	:	**₱23,391,895,997**

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14.	Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court of the Commission.	:	**Not Applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-1 Into which the document is incorporated:

    (a) Any annual report to security holders;

    (b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b);

    (c) Any prospectus filed pursuant to SRC Rule 8.1-1

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PART I. BUSINESS AND GENERAL INFORMATION

Item 1. Business

Description of Business

1. Business Development

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, 2023 and 2022, the Bank had 250 branches. In 2023, the Bank had 271 Automated Teller Machines (ATMs) in the branches (on-site) and 285 in other locations (off-site) bringing its total number of ATMs to 556 as of December 31, 2023 and 557 as of December 31, 2022.

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.

As of December 31, 2023 and 2022, Metropolitan Bank & Trust Company (MBTC), the Bank's ultimate parent, owned eighty-eight percent (88%) of the Bank.

As of December 31, 2023 and 2022, the Bank has a 30% interest in Sumisho Motor Finance Corporation (SMFC), a partnership with Sumitomo Corporation. SMFC is not listed in the stock exchange.

The Bank continues to grow its core business which is primarily consumer banking. It offers deposit and loan products to retail customers and small and medium enterprises (SMEs). The Bank's financial performance in 2023 is the direct result of its agility and strength that enabled the organization to quickly deploy and redeploy resources where needed, adapt to volatile market conditions, navigate the new normal, and stay attuned to its customers' preferences, whether onsite or online.

As of December 31	Total Assets	Net Income	Branch
2023	₱238.43 billion	₱4.53 billion	250 branches
2022	₱264.42 billion	₱3.68 billion	250 branches
2021	₱261.81 billion	₱1.54 billion	250 branches

In **2023**, the Bank reported a record-high net income of ₱4.53 billion for the full year 2023, up 23% from ₱3.68 billion in 2022. This translates to a return on equity of 11.7%. The Bank's strong financial performance came from the double-digit growth in loans, higher investment revenues and muted costs brought by operational efficiencies. Net interest income improved to ₱11.83 billion, increasing by 7% year-on-year while operating expenses declined by 1% due to continuous cost optimization efforts of the Bank.

As of December 31, 2023, total assets closed at ₱238 billion while total deposits reached ₱190 billion. The Bank's capital registered at PhP40 billion with total capital adequacy ratio and common equity tier 1 ratio at

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a sturdy level of 24.5% and 23.6%, respectively. The capital ratios are above the minimum levels set by the *Bangko Sentral ng Pilipinas* and among the highest in the industry.

PSBank garnered various awards and accolades in 2023. The Bank was recognized as an Outstanding Stakeholder by the *Bangko Sentral ng Pilipinas* and received the Double Golden Arrow Recognition for Excellence in Corporate Governance from the Institute of Corporate Directors. It attained the highest credit rating from PhilRatings and was included in Forbes' list of the World's Best Banks, ranking 7th among Philippine banks. The Bank was also honored as the Best Disbursement Partner in the Thrift Bank Category in the SSS *Balikat ng Bayan* Awards and was awarded with Gold and Silver Anvil Awards by the Public Relations Society of the Philippines for the use of social media and for its Tap campaign online videos, respectively.

These recognitions and record-breaking performance served as a testament to the Bank's dedication and continuous efforts to provide exceptional PSBanking experience to all its clients and stakeholders.

In **2022**, the Bank achieved a record-high net income of ₱3.68 billion in 2022, a growth of 138.94% or more than double compared to ₱1.54 billion in 2021. The Bank's remarkable performance was attributed to higher loan demand, better asset quality, increase in non-interest revenues and prudent expense management. Total revenues reached ₱15.02 billion with combined fees, commissions, and other income amounting to ₱3.97 billion, higher by 34% year-on-year. Sustained efforts in productivity, process efficiency and automation has kept operating expenses under control, increasing only by 2% versus 2021; and flat compared to the pre-pandemic level in 2019. The Bank saw a significant drop in credit provisions by 57% versus the same period last year due to improved asset quality complemented by efficient collection and recovery efforts. Gross non-performing loans ratio decreased from 6.1% in December 2021 to 3.5% in December 2022.

Total assets reached ₱264.42 billion while total deposits were at ₱213.77 billion. Total capital was higher by 6% at ₱37.14 billion. The Bank's total capital adequacy ratio and tier 1 capital ratio also improved to 24.8% and 24.0% respectively, both exceeding the regulatory requirements set by Bangko Sentral ng Pilipinas.

2022 was another milestone for PSBank as it posted a historic-high net income. Aside from a recovering economy which resulted in rising consumer loan demand, the Bank's financial performance last year clearly is a reflection of our strategic resolve to consistently be customer-focused, and enable the power of technology to increase productivity and efficiency. The Bank has a strong and retooled workforce which demonstrated how organizational flexibility can be a key differentiator in a volatile business environment. The Bank continuously makes the digital services robust and reliable, but the core service principle remains the same: always make it simple and effortless for the customers.

In **2021**, the Bank closed the year with a net income of ₱1.5 billion, higher by 39% from previous year. The strong income performance was on the back of the increase in fee income by 22%, operating efficiencies which saw expenses decline by 3%, and the reduction in loan loss provisions owing largely to improved asset quality and effective collection efforts. Net non-performing loans ratio significantly dropped to 3.4% from 5.2% in 2020. Total deposits grew 29% to ₱216.80 billion from ₱167.46 billion. Year-on-year, the Bank saw loan applications increasing. As the economy opened up and pandemic alert levels downgraded, consumer loan demand started to pick up in the second half of 2021. Total assets closed higher by 19% to ₱261.81 billion from ₱219.41 billion a year ago. PSBank's capital position was strong at ₱34.89 billion. Total Capital Adequacy and Common Equity Tier 1 (CET1) Ratios improved significantly to 24.3% and 23.2% respectively, both above the statutory requirement set by the Bangko Sentral ng Pilipinas (BSP).

The Bank was also recognized as one of BSP's Outstanding Stakeholders for being an exemplary partner in promoting its advocacies. In the same year, the Institute of Corporate Directors (ICD) bestowed the Golden Arrow Award to PSBank for its commitment to good corporate governance. In 2021, the Bank made available an Account Onboarding Facility through the PSBank Mobile App which allows new-to-bank clients to seamlessly open a savings or prepaid account without the need to go to any of its branches. Customers can now also reload their Tollway RFIDs via the PSBank Online and Mobile App, as well as pay their PSBank Loans in all 7-Eleven outlets. The reliability and exceptional user experience provided by its digital platforms saw mobile and online transactions nearly quadruple in the last two years.

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2. Business of Issuer

a. Products and Services

Philippine Savings Bank (PSBank) is the consumer and retail thrift bank arm of the Metrobank Group, one of the Philippines' largest and leading banks. For more than 60 years, PSBank has built a reputation for its Simple Lang. Maaasahan (simple and reliable) brand of banking. Enabled by digital technology, we are able to delight our customers at every encounter. The core business of PSBank is focused on expansion of the consumer business by growing its retail deposit and consumer loans, including SME, through various channels which include, but are not limited to, branch and digital channels.

Deposits	
Savings Accounts	**Time Deposit Accounts**
PSBank Kiddie & Teen Savings	PSBank Peso Prime Time Deposit
PSBank Peso Personal ATM Savings	PSBank Peso Time Deposit
PSBank Peso Passbook Savings	
PSBank Peso OFW ATM Savings	**Foreign Currency Accounts**
Checking Accounts	PSBank USD Passbook Savings
PSBank Peso Regular Checking	PSBank Dollar Time Deposit
PSBank Premium Peso Checking	PSBank Euro Passbook Savings
Consumer Loans	
PSBank Auto Loan with Prime Rebate	PSBank Home Construction Loan
PSBank Flexi Personal Loan with Prime Rebate	PSBank Multipurpose Loan
PSBank Home Loan with Prime Rebate	PSBank Payroll Cash Advance (VALE)
PSBank Home Credit Line	
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	
PSBank e-Trust	PSBank Investment Management Account
PSBank Money Market Fund	PSBank Escrow Account
PSBank Employee Benefit/ Retirement Fund Management	PSBank Personal Management Trust
Other Products and Services & Digital Offerings	
PSBank Debit Mastercard	PSBank Mobile Time Deposit Placement
PSBank Prepaid Mastercard	PSBank QR Code
PSBank Credit Mastercard	PSBank Toll RFID & Mobile Reload
PSBank Online	PSBank PaSend Mobile Remittance
PSBank Mobile	PSBank Remittance Services
PSBank e-Credit	PSBank & AXA Bancassurance
PSBank Online Account Opening	PSBank Bills Payment Collection
PSBank Mobile Check Deposit	PSBank LiveChat
PSBank Business Online Buddy (Corporate Internet Banking)	PSBank ISSA Chatbot Service
	PSBank Cardless Withdrawal
PSBank Online Loan Application (Auto and Personal Loans)	PSBank Payme

b. Business Contribution

	December 31 (In Millions)					
	2023	%	2022	%	2021	%
INTEREST INCOME ON						
Loans and receivables	₱11,479		₱10,160		₱12,149	
Due from other banks	16		4		-	
Investment securities	4,311		2,574		1,497	
Due from BSP	1,398		1,254		648	

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	December 31 (In Millions)					
	2023	%	2022	%	2021	%
Interbank loans receivable and securities purchased under resale agreements	419		196		71	
	17,624		14,188		14,365	
INTEREST EXPENSE ON						
Bills payable	35		22		-	
Deposit liabilities	5,663		2,811		1,637	
Bonds payable	21		224		438	
Lease Liabilities	79		80		85	
	5,798		3,137		2,160	
NET INTEREST INCOME	11,826	78%	11,051	73%	12,205	80%
NET SERVICE FEES AND COMMISSION INCOME	1,727	11%	1,682	11%	1,533	10%
OTHER OPERATING INCOME (CHARGES)	1,592	10%	2,288	15%	1,422	10%
SHARE IN NET EARNINGS OF A JOINT VENTURE	86	1%	83	1%	42	-
TOTAL OPERATING INCOME BEFORE OPEX AND INCOME TAX	**₱15,231**	**100%**	**₱15,104**	**100%**	**₱15,202**	**100%**

c. Distribution Methods of Products and Services

As of December 31, 2023 and 2022, the Bank had 250 branches. In 2023, the Bank had 271 Automated Teller Machines (ATMs) in the branches (on-site) and 285 in other locations (off-site) bringing its total number of ATMs to 556 as of December 31, 2023 and 557 as of December 31, 2022.

The Bank's operating segments are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit that offers different products and serves different markets.

These segments are the bases on which the Bank reports its primary segment information. The Bank evaluates performance on the basis of information about the components of the Bank that senior management uses to make decisions about operating matters. There are no other operating segments than those identified by the Bank as reportable segments. There were no inter-segment revenues and expenses included in the financial information. The Bank has no single customer with revenues from which is 10.00% or more of the Bank's total revenue.

The Bank's assets generating revenues are all located in the Philippines.

The Bank presented the disclosure requirements prescribed under PFRS in Note 6 of the Audited Financial Statements (Exhibit 5).

d. Status of any publicly-announced new products or services

Gone are the days when customers expect only an ATM card to go with their passbook. As dependence on technology grows, so do customer expectations on the products and services banks can offer to make life more simple and convenient. PSBank continues to marry passion and innovation in rolling out products and services to be closer to the consumers' pulse and meet rapidly evolving needs.

As part of PSBank's continuing digitalization of current bank processes, we launched the Green PIN Project in February 2023. No more peeling back the paper mailer that hides the PIN. No more worrying about attempts at mail tampering. No more waiting for a postal courier to deliver a printed mailer that contains the ATM's PIN number. With the Green PIN Project, PSBank ATM cardholders now have the option to activate their ATM cards anytime, anywhere via PSBank Mobile or Online. No need to worry,

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too, about changing their PIN, as this can also be done online. Now, clients can do everything paperless and effortlessly 24/7, including requesting for a card replacement (for lost, stolen, or expired cards).

Regardless of whether they choose to use their phone or laptop, PSBank customers can now enjoy the same experience across our digital banking platforms. With the gradual integration of the PSBank Mobile app with PSBank Online, services that used to be exclusive to our mobile platform are now also offered in our online banking facility. These services include the ATM Lock/Unlock functionality for PSBank Prepaid, Debit, and Flexi card accounts. We have also enhanced the screens of our Fund Transfer and PaSend services so customers using our PSBank Mobile app will have a more effortless PSBanking experience.

Banking is not just a matter of convenience; it's also about safety. We have stepped up our efforts in 2023 to bolster PSBank's information security system through multiple enhancements. One of which is allowing clients to lock access to their PSBank Online if they are more active on the Mobile app, and vice versa. This option provides an added security layer for clients as they can set restrictions on the PSBank platform they seldom use.

We strengthened our support behind the Bangko Sentral ng Pilipinas' (BSP) campaign for the use of quick response (QR) code-enabled payment services through the National QR Code Standard or QR Ph. In 2023, we allowed payments via QR code for billings issued by participating merchants using QR Ph, the country's QR code standard. This enhancement not only leads to better and more effortless customer and merchant experiences, but also to greater usage of digital payments aligned with the BSP's push for a cashless society.

As of end-2023, we have completed the rollout of our redesigned Queue Anywhere Kiosk touchscreens on all our 250 branches. The new screen design and flow of our Queue Anywhere Kiosks, proudly developed in-house by our PSBank team, further enhances our customers' experience in our branches. In addition, our PSBank Head Office Branch lobby now has a screen monitor that displays the latest U.S. dollar and peso exchange rates — making it more effortless to do currency conversion in our branch.

Products/Services	Launch Date
Green PIN	February 8, 2023
Security Enhancement - Locking of access to PSBank Online via PSBank Mobile and Vice Versa.	September 1, 2023
Queue Anywhere Kiosk Touchscreen Redesign	September 30, 2023
Lobby Management Screen (LMS) FOREX Display	October 4, 2023

e. Competition

The Philippine banking system, as well as the thrift banks, is sound, stable, and supportive of both strong and inclusive economic growth.

According to Bangko Sentral ng Pilipinas (BSP) as of December 31, 2023, the country's banking system comprised of 45 universal banks and commercial banks, 42 thrift banks and 100 rural banks.

As the thrift banking arm of the Metrobank Group, Philippine Savings Bank (PSBank) continues to persevere in steadfast dedication to deliver its promise of making things simple and reliable for its customers. Combined with financial discipline, constant investment in innovation and information technology, and constant retooling and relearning among its people, 'copability' is what made PSBank tick.

PSBank accounted for 23% of total assets among thrift banks as of end-December 2023 based on the latest published financial statements of the BSP. The Bank's performance was a result of its continuing efforts to make the organization strong and flexible to ensure that the Bank is prepared to face the uncertainties of an ever-changing business environment.

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f. Innovations and Promotions

With customers faced with a daily dose of technology, we must always seek ways to connect on a personal level. This is why in our processes; we are humanizing technology. By infusing technology with human touch, we are able to establish meaningful client relationships, create exceptional experiences, and deliver EFFORTLESS PSBANKING.

Money and time are wasted when there is human error. Clients fill out lease contracts by hand, and employees manually create the new contract for processing. As these documents are based on free text, they are unstructured, and oftentimes inefficient. With the drive to bring effortless PSBanking to both our clients and employees, we sought to optimize the process through Robotics Process Automation (RPA). This involves downloading statement of accounts directly from the lessor's portals, enrolling lease contracts, and monitoring the lease renewal. Done digitally, we have eliminated the manual and tedious processes involved in lease contract management. This translates to cost efficiencies by processing the payment accurately, tracking and monitoring all payments closely, and reducing financial discrepancies. We also embarked on other automation and robotics projects to manage transaction volumes, improve turnaround time and customer experience, strengthen controls, and eliminate manual and repetitive processes.

With our customers' interest always at the heart of what we do, we continued to introduce system enhancements and fortify our IT infrastructure to deliver effortless PSBanking to our clients.

INITIATIVES INCLUDED IN 2023:

- New modules for check and document reviews
- Upgrades of multiple client databases for our major bank systems for faster processing and higher availability of our production systems
- New client onboarding facility, including the complete integration of PhilSys ID acceptance
- Enhancements to client-related systems and interfaces for easier and faster client concern handling
- Network upgrades in branches, ensuring business continuity in the event of unforeseen situations

g. Customer/Clients

There is no single customer that accounts for 20% or more of the Bank's deposits and loans.

h. Transactions with and/or dependence on related parties

Transactions with related parties and with certain directors, officers, stockholders and related interests (DOSRI) are discussed in Note 29 of the Audited Financial Statements (Exhibit 5).

i. Patents, Trademarks, Copyrights, Licenses, Franchises, etc.

The Bank sells its products and services thru the PSBank trademarks and/or trade names.

j. Government approval of principal products or services

Its authority to operate as a thrift bank governs the Bank's principal products and services. Existing products and services are within the scope allowed under the Bank's regulatory licenses.

Effect of Existing or Probable Government Regulations

Capital Adequacy

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank's unimpaired capital (regulatory capital) as reported to the BSP. This is determined on the basis of regulatory accounting policies which differ from PFRS in some respects.

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In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both solo basis and consolidated basis. Qualifying capital and risk-weighted assets are computed based on BSP regulations.

Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.

On January 15, 2013, the BSP issued Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements which states the implementing guidelines on the revised risk-based capital adequacy framework, particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Circular took effect on January 1, 2014.

On March 29, 2022, the BSP issued Circular No. 1142, Amendments to the Guidelines on the Computation of Minimum Required Capital and Risk-Based Capital Adequacy Ratio, which provides amended guidelines on the computation of the minimum required capital and the risk-based capital adequacy ratio.

The Bank considered BSP regulations, which set out a minimum CET1 ratio of 6.00% and Tier 1 capital ratio of 7.50%, and require capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and these ratios shall be maintained at all times.

Regulatory qualifying capital consists of Tier 1 (going concern) capital, which comprises capital stock, surplus, surplus reserves, net unrealized gains on FVOCI securities, cumulative foreign currency translation and remeasurements of net defined benefit asset. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (gone-concern) capital, which is comprised of the Bank's general loan loss provision. Certain items are deducted from the regulatory Gross Qualifying Capital, such as but not limited to, outstanding unsecured credit accommodations, both direct and indirect, to DOSRI, and unsecured loans, other credit accommodations, and guarantees granted to subsidiaries and affiliates (net of specific provisions), deferred tax assets, goodwill, other intangible assets and significant minority investments in a joint venture.

Risk-weighted assets are determined by assigning defined risk weights to amounts of on-balance sheet exposures and to the credit equivalent amounts of off-balance sheet exposures.

As of December 31, 2023 and 2022, the Bank has complied with the requirements of BSP Circular No. 781 and BSP Circular No. 538.

On October 29, 2014, the BSP issued Circular No. 856 which covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement was phased-in starting January 1, 2017, with full compliance on January 1, 2019. On September 27, 2019, the BSP issued Circular No. 1051 which covers the enhancements in the assessment methodology of D-SIBs. The Bank has complied with this requirement.

The issuance of BSP Circular No. 639 covering the Internal Capital Adequacy Assessment Process (ICAAP) in 2009 supplements the BSP's risk-based capital adequacy framework under BSP Circular No. 538. In compliance with this new circular, the Metrobank Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget, as well as regulatory directives. The Bank follows the Group's ICAAP framework and submits the result of its assessment to the Parent Company. Per BSP Circular No. 869, effective January 31, 2015, submission of an ICAAP document is required by BSP every March 31 of each year. The Bank has complied with this requirement.

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The Bank has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.

Leverage Ratio

On June 9, 2015, the BSP issued Circular No. 881 covering the implementing guidelines on the Basel III Leverage Ratio Framework which is designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.0 percent. The monitoring period has been set every quarter starting December 31, 2014 and extended until June 30, 2018 under BSP Circular No. 990 issued on January 22, 2018. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The Basel III Leverage Ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as percentage. Capital measure is the Tier 1 capital. Exposure measure is the sum of on-balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items. The leverage ratio shall not be less than 5.0 percent computed on both solo (head office plus branches) and consolidated bases (including subsidiary financial allied undertakings but excluding insurance companies).

As of December 31, 2023 and 2022, the Bank maintains these ratios above minimum requirements as shown in the table below (in millions):

	2023	2022
A. Capital Measure	**₱35,878**	**₱33,521**
B. Exposure Measure	**236,514**	**263,482**
C. Basel III Leverage Ratio (A/B)	**15.17%**	**12.72%**

Summary Comparison of Accounting Assets and Common Disclosure vs. Leverage Ratio Exposures as of December 31, 2023 and 2022 are shown in the table below (in millions):

Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure	**2023**	**2022**	**Common Disclosure vs. Leverage Ratio Exposure**	**2023**	2022
Total consolidated assets	**₱237,120**	₱263,377	On-balance sheet exposures	**₱229,505**	₱260,794
Adjustments for derivative financial instruments	–	–	Derivative exposures	**–**	–
Adjustments for securities financial transactions	–	–	Securities financing transaction exposures	**6,990**	2,651
Adjustments for off-balance sheet items	20	37	Other off-balance sheet exposures	**20**	37
Other adjustments	(626)	68	Tier 1 capital	**35,878**	33,521
			Total Leverage Ratio exposures	**₱236,514**	₱263,482
Leverage Ratio Exposures	**₱236,514**	₱263,482	**Basel III Leverage Ratio**	**15.17%**	12.72%

Meanwhile, the reconciliation requirement that details the source(s) of material differences between Banks' total balance sheet assets in its financial statements and on-balance sheet exposures in the common disclosure template are shown in the table below (in millions):

	On-balance sheet exposures	**Audited**	**Variances**
Cash on Hand	₱1,654	₱1,654	₱–
Due from Bangko Sentral ng Pilipinas	9,746	9,746	–
Due from Other Banks	1,759	1,764	(5)
Fair Value Through Profit or Loss (FVTPL) Investments	415	414	1
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	54,288	54,360	(72)
Investment Securities at Amortized Cost	29,893	29,893	–

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	On-balance sheet exposures	Audited	Variances
Loan Portfolio (Net)	126,537	126,537	–
Sales Contract Receivable (Net)	5	6	(1)
Accrued Interest Income from Financial Assets (Net)	2,309	2,326	(17)
Equity Investment in Subsidiaries, Associates and Joint Ventures (Net)	845	870	(25)
Bank Premises, Furniture, Fixture and Equipment (Net)	3,213	3,142	71
Real and Other Properties Acquired (Net)	2,565	3,935	(1,370)
Goodwill (Net)	30	54	(24)
Other Intangible Assets (Net)	245	245	–
Deferred Tax Asset	1,691	1,258	433
Other Assets (Net)	1,925	2,229	(304)
Total Assets (FRP / AFS)	**237,120**	**238,433**	**(1,313)**
Reconciling Items:			
Add: General Loan Loss Provision (GLLP)	2,373	–	2,373
Less: Derivatives with Positive Fair Value Held for Trading	–	–	–
Less: Securities and Financing Transactions-Repurchase agreements-Buyer	6,990	6,990	–
On-balance sheet exposures (BLR) l Total Assets (AFS)	**₱232,503**	**₱231,444**	**₱1,059**

Liquidity Coverage Ratio

On March 10, 2016 and February 8, 2018, the BSP issued Circular Nos. 905 and 996, respectively, which include guidelines on LCR, and LCR disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets (HQLAs) to total net cash outflows. To promote the short-term resilience of the liquidity risk profile of the Bank, it shall maintain an adequate stock of unencumbered HQLAs that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. The stock of liquid assets should enable the Bank to withstand significant liquidity shocks for at least thirty (30) calendar days, which would give time for corrective actions to be taken by the Bank's management and/or the BSP.

On March 15, 2019, the BSP issued Circular No. 1035 which approved the: (1) extension of the observation period of the minimum Basel III LCR requirement to December 31, 2019 for subsidiary banks and quasi-banks (QBs) of universal and commercial banks (U/KBs), (2) adoption of a seventy percent (70.00%) LCR floor for subsidiary banks and QBs during the observation period, (3) minimum requirement of one hundred (100.00%) starting January 1, 2020.

As of December 31, 2023 and 2022, the LCR in single currency as reported to the BSP is shown in the table below (in millions):

	2023	2022
A. Total Stock of High-Quality Liquid Assets	**₱100,420**	₱136,201
B. Total Net Cash Outflows	**59,805**	85,822
C. Liquidity Coverage Ratio [A/B]	**167.91%**	158.70%

Net Stable Funding Ratio

On June 6, 2018, the BSP issued Circular No. 1007, covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - NSFR. The NSFR limits overreliance on short-term wholesale funding and promotes enhanced assessment of funding risk across all on- and off-balance sheet accounts. The NSFR complements the LCR, which promotes short term resilience of the Bank's liquidity profile. The covered bank shall maintain an NSFR of at least 100.0 percent at all times. Compliance with this requirement was phased-in effective July 1, 2018, with full implementation of the minimum NSFR on January 1, 2019.

On March 15, 2019, the BSP issued Circular No. 1034 which approved the extension of the observation period for the Basel III Framework on Liquidity Standards - NSFR for subsidiary banks/quasi-banks.

The implementation of the minimum NSFR shall be phased in to help ensure that the covered banks/QBs can meet the standard through reasonable measures without disrupting credit extension and financial market activities. In order to facilitate compliance, covered banks/QBs shall undergo an

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observation period before the NSFR becomes a minimum requirement. Subsidiary banks/QBs of U/KBs shall be subject to an NSFR floor of seventy percent (70.00%) during the observation period. Starting January 1, 2020, the minimum NSFR for subsidiary banks/quasi-banks of universal and commercial banks (UBs/KBs) shall be 100.00%.

As of December 31, 2023 and 2022, the NSFR as reported to the BSP is shown in the table below (in millions):

	2023	2022
A. Available Stable Funding	**168,111**	₱163,874
B. Required Stable Funding	**120,937**	110,358
C. Net Stable Funding Ratio [A/B]	**139.01%**	148.49%

Basel III Countercyclical Capital Buffer

On December 6, 2018, the BSP issued Circular No. 1024 covering the Philippine adoption of the Basel III Countercyclical Capital Buffer (CCyB) which imposed the following capital buffers:

- Capital Conservation buffer (CCB) of two and a half percent (2.50%); and
- Countercyclical capital buffer (CCyB) of zero percent (0.00%) subject to upward adjustment to a rate determined by the Monetary Board of the BSP when systemic conditions warrant but not to exceed two and a half percent (2.50%). Any increase in the CCyB rate shall be effective 12 months after its announcements. Decreases shall be effective immediately.

The prescribed ratios shall be maintained at all times.

Applicable Tax Regulations

Under Philippine tax laws, the Bank is subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include corporate income tax, further discussed below, and final taxes paid at the rate of 20.00%, which is a final withholding tax on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33% to 20.00% of the interest income subject to final tax.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Bank's income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020, 2021 and 2022, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

The deferred tax assets and liabilities as of December 31, 2020 were also remeasured using the lower RCIT rate of 25.00%. These reductions were recognized in the 2021 financial statements.

Starting July 1, 2008, the Optional Standard Deduction (OSD) equivalent to 40.00% of gross income may be claimed as an alternative deduction in computing for the RCIT. The Bank elected to claim itemized expense deductions instead of the OSD in computing for the RCIT in 2022 and 2021.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense for a service company is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and OBUs is taxed at 15.00% in 2023 and 2022. Under current tax

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regulations, the income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks, including branches of foreign banks, is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax.

k. Research and Development Costs

There are no major expenses on research and development activities. Expenses incurred related to these activities are included into the regular business expense of the Bank.

l. Employees

2023: YEAR FOR THE PEOPLE

Recovering from the pandemic fully, the Bank dedicated 2023 as the Year for the People – their Engagement & Loyalty, their Wellness & Well-being, their Learning & Development, and their Pride & Purpose. People Experience led initiatives that involved all PSBank stakeholders – in head office, branches, and sales desks.

PEOPLE RESULTS

HR's efforts led to great results as shown by the following success metrics:

Workforce Engagement Scale or WES-60

- Dedication: VERY HIGH (3.86/4.00)
- Job Performance: VERY HIGH (3.81/4.00)
- Working Relationships: VERY HIGH (3.82/4.00)
- Company Policies and Goals: VERY HIGH (3.90/4.00)
- Company Support: VERY HIGH (3.71/4.00)

Employee Net Promoter Score or e-NPS: +85

Attrition Rate: 10.9%

Way lower than industry rates. According to a study done by British-American multinational financial services firm Aon PLC, the Philippines logged an attrition rate of 18% for the year 2022. On the other hand, Banking and Finance Industry has 18.6% turnover rate, based on Compdata survey 2022.

Fill Rate: 90.42% (target is only 84.0%)

PSBank's Employer Branding is stronger than ever:

- Earn & Learn was launched as the Bank's recruitment battlecry
- 375 new PSBankers joined the #SimplengMaaasahan family
- Effortless One-Day Hiring was a huge hit as it produced 30% of the new hires
- Talent Findr also remained a good source of new PSBankers producing 29% of new hires
- LinkedIn likewise lived up to being a primary recruitment channel as 11% of new hires were sourced from this platform

Employee Lifetime Value (ELTV), with preliminary/experimental variables was used for the first time as basis for an organizational development intervention; the results were used to identify participants for **Continuing Advanced Management Program or CAMP**. CAMP is the new flagship program on succession.

Self-Service HR – new modules and functionalities were deployed on IWorXS to increase Self-Service capability for HR requirements and requests including Job Description and Historical Training Records.

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Continuing Fitness and Propriety of PSBankers was also given more attention in 2023. HR ensured organizational alignment to reduce human resource or people risks in accordance with BSP Circular 1112 by implementing the quarterly Lifestyle Check which covered 100% of PSBankers. There was zero fraud/termination for employees hired within the last 2 years.

ON EMPLOYEE ENGAGEMENT & LOYALTY

Through **Workplace & Work Chat from Meta,** the Bank's main platform for Employee Communication, employees conversed and engaged with each other throughout the year. Monthly active users for 2023 was at 99.36%.

Teams also created opportunities to regroup, talk about operational and institutional updates, and share thoughts on different topics; providing micro-learning opportunities and showcasing that indeed, there is **Hope in a Huddle**.

Employee Clubs are stronger than ever @ PSBank. Employees met colleagues they share passions and interests with as they built connections, created bonds, and boosted each other's engagement throughout the year through the following:

- **Windows, Mirrors, and Portals: the PSBook Club** – the Bank's book lovers had a Book-venture in on one of the biggest bookstores in Metro Manila; co-organized the Words for Wellness: A Forum for Mental Health and Bibliography; and organized the Agosto kong Maging Author: Ikalawang Yugto.

- **PSBikers Klub** – the Bank's cyclists and mobility champions had challenging yet fun rides including the Kilometer Zero Challenge, Halina sa Nuvali, and Ahon sa Antipolo.

- **PSBank Chorale** – PSBankers gifted with golden voices shared their singing talents throughout the year in various occasions. They had regular training and huddle sessions; got a new coach-trainer; did an immersion with a youth choir at the San Nicolas de Tolentino Parish in Bahay Toro, Quezon City; impressed guests during the Bank's 63rd Anniversary celebration; serenaded PSBankers to raise #PSBayanihan funds; made Christmas happier for the kids Sandiwaan Center for Learning in Tondo, Manila; and produced the Bank's first ever Christmas ID (similar to TV networks' station IDs).

- **Eco-Warriors Club** – the Bank's sustainability champs shared their love for the people and the planet by joining such initiatives as re-bagging thousands of seedlings and saplings through the Million Trees Foundation Inc. at the Million Trees Nursery and Eco-Learning Center, La Mesa Watershed, Quezon City; Marikina Riverside Clean-Up Drive with La Liga Mariquina Inc.; and the International Coastal Clean-Up Day.

- **Indayog Club** – the *dancerists* are also back as Indayog Club held sessions on Tiktok and Hiphop dances; new club leads and new members helped bring the group back to its groove.

- **ArtBeats Club** – Litratura of photography hobbyists started to evolve and expand into an arts club this year. They had a Smartphone Photography Workshop, a Photowalk in Intramuros, and art appreciation sessions. They were also present as documentation committee leads in many Employee Engagement activities.

ClubHub was launched via Workplace to house all announcements and updates of all Employee Clubs. To celebrate the Bank's 63rd Founding Anniversary – the Employee Club Fair featuring employee-designed and managed booths served as one of the main activities for HO-based employees.

Throughout the year, there were international and national observances and celebrations that were customized for PSBankers. Some of the biggest Employee Engagement activities in 2023 included the following: **Love Fest @ Rooftop 777**, **Mid-Year Karaoke Night @ e-H**ub; **Kapihan para sa #SimplengMaaasahan**; and the **Creepy Carnival @ Rooftop 777 (completed with Elevator Prank**).

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ON EMPLOYEE WELLNESS & WELL-BEING

PSBank put so much premium on Employee Wellness & Well-being to help ensure the over-all health holistic development of PSBankers on all fronts – physically, mentally, emotionally, socially, and spiritually.

For the first time, the Bank also organized a **bankwide campaign for wellness** using data from the Annual Physical Exam (APE) which led to the conduct of the following initiatives:

- **1st Fun Walk to Wellness for Head Office and Metro Manila-based Employees** – to kickstart its wellness campaign, PSBank organized its very first #FunWalkToWellness at Quezon Memorial Circle. Starting with the easiest but also most often neglected form of exercise — walking, close to 500 PSBankers joined the activity to #FightObesity and to ensure #WellnessWins.

- **Cebu Summer Sportsfest** – after the successful kick-off in Metro Manila, the Bank's provincial sportsfest and wellness series, the HR team visited the oldest city in the Philippines - Cebu to bring the fun under the sun and hold the first ever summer sportsfest for Cebu-based PSBankers. The teams gathered all their strength and agility to compete for the championship through activities such as beach volleyball, group dynamic exercises, and parlor games.

- **South Luzon Sports Festival** – as their first in-person sports activity after the pandemic — PSBankers from Batangas, Cavite, Quezon, and Laguna branches 'got physical' with their respective teams. Committing to their journey towards wellness, the sportsfest started with a Fun Walk which was followed by a Zumba Dance Craze to cool them down after the walk. They also had a friendly competition between their teams in parlor games, basketball, volleyball, and badminton matches.

- **NCL Fun Day: North and Central Luzon Sports Fest** – during its celebration of #WellnessMonth, the Bank held the historic North & Central Luzon (NCL) Fun Day — a first for these geographically dispersed branch segments covering four regions: Cagayan Valley, Ilocos, Cordillera Administrative Region, and Central Luzon. Held at the New Clark City — which once hosted the SEA Games, more than a hundred PSBankers experienced a jampacked day like no other using the venue's state-of-the-art amenities and facilities. NCL Fun Day covered sports, well-being, and teambuilding all in one go with the activities they chose and helped organize — Zumba, Nature Walk, Cheerdance, Basketball, and other fun indoor games.

- **Wow, MindaNOW! Mindanao Segment's Cultural Sportsfest** – to conclude the #SportsfestsSeries of the Bank across its provincial segments, the HR team brought the fun to Mindanao. Themed as a cultural sportsfest, the activity aimed to bring together all the branches and sales desks from Davao and North Mindanao Area to celebrate their vibrant culture — and spend a day full of fun, blazing passion, and excitement.

Sports @ PSBank also had a huge comeback with two (2) seasons of the **PSBasketball League,** organized by the PSBank Employees' Union (PSBEU) in partnership with HR. These were the first tournaments since the pandemic. Season 1 in 2023 1H had 14 competing teams while Season in 2023 2H had 12.

The annual basketball league provides an opportunity for PSBallers develop their skills, establish confidence, strengthen camaraderie, and simply enjoy their favorite sport.

The PSBank Volleybelles also had their time to shine as the Volleyball Tournament for ladies also resumed. Four (4) teams competed to earn the right to be called PSBank's Volleyball Champs.

With the re-emergence of face-to-face activities, sports tournaments are also back on the game. The much-awaited return of the management-sponsored Basketball Tournament organized by the PSBank Employees' Union (PSBEU) happened at YMCA Basketball Court, Manila.

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It's a Deal: Forum on Dental Wellness

As the Bank continued to prioritizing #OverallWellBeing — a Dental Wellness Forum was conducted for the first time. Facilitated by a dental care expert Dr. Jonathan Rosario, PSBankers gained practical and helpful insights about oral care and health. Selected PSBankers who needed an expert's advice on dental care also had free consultation with Dr. Rosario.

Mind Over Matter

Aside from the activities for physical health, the Bank strengthened its mental and emotional support initiatives through *Mind Over Matter* which included the following:

- Psychological consultations from January to December 2023
- Annual Mental and Well-being (AMEW) Check-up
- #SundaySelfcare reminders via Workplace
- Mental Health online/hybrid forum which was attended by a hundred participants per session:
    - Feb-ibig Mental Health Forum *(February 2023)*
    - Be Kind to Your Mind: A Talk on Stress and Anger Management *(April 2023)*
    - Word for Wellness: A Forum for Mental Health and Bibliotherapy *(July 2023)*
    - Emotional Resilience: Managing Life's Ups and Downs *(November 2023)*

Occupational Safety and Health Trainings

The Bank also ensured it has a complete pool of First Aiders and Safety Officers by sending Head Office and Branch personnel to related trainings:

- Occupational First Aid Training; with 160 newly-certified First Aiders *(3 runs – February, September, October)*
- Basic Occupational Safety and Health for Safety Officer 1; with 51 newly-certified Safety Officers *(3 runs – August, September, November)*

#FellowshipForAll (Spiritual Break)

#FellowshipForAll is a monthly gathering for PSBankers to come together to dedicate some time to their spiritual well-being and connect with their colleagues at the Bank who share the same faith and/or spiritual beliefs.
All PSBankers are welcome to attend the mid-day gathering regardless of their religious affiliation, creating an inclusive spiritual community that encourages unity and understanding among diverse belief systems.

ON EMPLOYEE LEARNING AND DEVELOPMENT

The **PSBank Business Campus** (PBC) opened many courses and programs the entire year to cater to the learning needs of PSBankers.

Head Office Ladderized Programs

- Launched the flagship management program for future Tech Leaders in March — the **IT Officership Program (ITOP)**; all eleven (11) participants of the pioneer batch are now on developmental assignments as Systems Analysts, Network Specialists, and Systems Engineers — preparing to assume various fields of specializations in IT.

- Conducted the **2nd Interpillar Commencement Exercises** in September that gathered forty-one (41) participants from different PBC programs and tracks.

- Filled-in forty-five (45) vacancies for **Junior Officers coming from promotion of Ladderized Program** participants – Branch Operations (1), Credit and Collections (5), CX Operations (2), Decision Management and Analytics (3), Human Resources (3), Finance (2), Fraud Management (1), Indirect Sales Channel (3), Information Security (3), Information Technology (14), Internal Audit (4), Marketing (2), Support Services (2).

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Branch Banking Programs

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

- Forty-nine (49) vacancies for Branch Service and Control Officers (BSCOs) and Branch Heads (BHs) were filled-in by SPEED AX-L graduates.

- The first-ever SPEED AX-L localized run for Visayas and Mindanao was launched: four (4) of the graduates are now branch officers while the remaining seven (7) are included in the Branch Banking Group's pool of *ready-now* officers.

New Accounts Clerk (NAC) Step-Up Program

- There were four (4) cycles of NAC Step-Up in 2023 which produced eighty-four (84) newly-certified CSA – NACs.

PSBank Business Campus Faculty

- Conducted the first **Trainers-to-Educators training** for PBC faculty members which was designed to develop their proficiency in designing syllabi and training plans that are responsive, relevant, and appropriate.

ON EMPLOYEE PRIDE & PURPOSE

HR also worked to strengthen **Employee Pride** which covered efforts that highlight responsibility, recognition, and achievement that boost confidence, respect, and strength. This also included initiatives that push PSBankers to go above and beyond; to be proud of PSBank and the work they do; and to have a deep sense of pride in what they do every day. A key initiative is the quarterly and annual recognition for the most productive PSBankers via the primary employee recognition program – **HE1GHTS: Reaching the Peak of Topnotch Performance.**

PSBank as an organization embraces **corporate empathy** – by engaging both external and internal customers – offline and online (through social media). It is also committed to provide PSBankers with opportunities to realize their aspirations, to develop their passions, to achieve personal growth and self-fulfillment, and to find meaning in what they do, bringing them closer to their purpose. Initiatives that instilled **Employee Purpose** in 2023 are the following:

- Trails to Empower Kids (TREK): Bukidnon

- Brigada Eskwela @ Amado V. Hernandez Elementary School

- Quarterly Donate Blood, Save Lives, Live Well: Blood Donation Drive (in partnership with Manila Doctors' Hospital)

- Pamaskong Handog para sa mga Batang Sandiwaan (Year 2)

Manpower Complement

The following table shows the Bank's existing manpower complement:

	As of December 31, 2023	As of March 31 , 2024
Senior Officers	59	57
Junior Officers	1,134	1,132
Staff	1,641	1,652
Total	**2,834**	**2,841**

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m. Risk Management

PSBank is exposed to all business risks that confront all banks in general, such as credit, market, interest, liquidity, legal, regulatory and operational risk. The Bank's risk management structure and process that serve as mechanism to identify, assess and manage these risks are further discussed in Note 5 of the Audited Financial Statements (Exhibit 5).

Item 2. Properties

The Bank owns the premises it occupies for the Head Office and 28 of its branches. These offices and branches are all in good condition and there is no mortgage or lien on any of these properties owned by the Bank. Schedule of owned branch sites are shown in Exhibit 1.

The rest of the Bank's branch premises are under lease agreements. The Bank leases the premises occupied by its branches for periods ranging from 1 to 30 years renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 10.00%.

The Bank recognized interest expense on lease liabilities (included in 'Interest expense' in the statements of income) amounting to ₱78.9 million, ₱79.9 million and ₱85.2 million in 2023, 2022 and 2021, respectively, rent expense from short-term leases and leases of low-value assets amounting (included in 'Occupancy and equipment-related costs' in the statements of income) to ₱111.9 million in 2023, ₱116.2 million in 2022 and ₱130.9 million in 2021. The Bank has no immediate plans to acquire properties in relation to its branch expansion programs.

Please refer to Exhibit 2 for the schedule of branch sites under lease agreements.

Item 3. Legal Proceedings

The Bank in the course of its operations and in running its business has several legal cases that are filed in its behalf and against it. However, these cases will not give any material effect to its financial status nor would have any material impact in continuing its operations. These cases are part of its daily business activities and consequence of its collection efforts and business dealings with the public.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders through the solicitation of proxies or otherwise.

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PART II. OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

1. Market 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, 2023 and 2022 and subsequent interim periods were as follows:

	Highest	Lowest
2024:		
January 31	₱55.75	₱55.75
February 29	54.00	52.00
March 31	54.90	54.90
2023:		
First quarter	57.50	55.00
Second quarter	56.95	55.00
Third quarter	58.00	54.15
Fourth quarter	56.00	50.20
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

Closing price as of April 8, 2024 was at ₱54.75 per share.

2. Holders

As of March 31, 2024, the Bank has 1,429 stockholders. The Top 20 Stockholders as of March 31, 2024 are as follow:

	Name of Stockholders	No. of Shares	% to Total
1	METROPOLITAN BANK & TRUST COMPANY [1]	377,279,068	88.3849%
2	DE LEON, MARIA SOLEDAD S.	26,982,149	6.3211%
3	PCD NOMINEE CORPORATION (FILIPINO) [2]	5,146,023	1.2056%
4	DE LEON, GIAN CARLO SERRANO	3,054,440	0.7156%
5	DE LEON, LEONARD FREDERICK SERRANO	2,895,061	0.6782%
6	PCD NOMINEE CORPORATION (NON-FILIPINO)	2,792,993	0.6543%
7	DE LEON, ALVIN BENJAMIN SERRANO	2,716,290	0.6363%
8	DE LEON, KEVIN ANTHONY SERRANO	2,682,950	0.6285%
9	GO, JAMES	334,723	0.0784%
10	GRAND ASIA REALTY INVESTMENT CORPORATION	325,958	0.0764%
11	QUE, LIONG H.	75,834	0.0178%
12	CHOA, JOHNNY K.	72,247	0.0169%
13	CHOA, VICTORIA K.	68,940	0.0162%
14	TY, ALEJANDRO	63,893	0.0150%
15	CHENG, BERCK Y. OR ALVIN Y. CHENG OR DIANA Y. CHENG OR CHERYL Y. CHENG	50,138	0.0117%
16	SY, VICTOR GAN	45,654	0.0107%
17	PEREZ, MA. GEORGINA V.	44,418	0.0104%
18	DY BUNCIO, ANJANETTE TY	42,710	0.0100%
19	PEOPLE'S GENERAL INSURANCE CORPORATION	41,776	0.0098%
20	ROSARIO, ROLAND R.	41,762	0.0098%

1 Includes 206,331,982 shares lodged with PCD Nominee Corp.
2 Net of 206,331,982 shares owned by Metropolitan Bank & Trust Company and 18 shares owned by Arthur Ty

Note: List of Stockholders as of March 1, 2024 (record date) is provided under Exhibit 10.

Minimum Public Ownership

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	Public Ownership		Foreign Ownership	
	Number of Shares	% of Ownership	Number of Shares	% of Ownership
December 31, 2023	45,122,680	10.57%	2,834,620	0.66%
February 28, 2024	49,579,475	11.61%	2,831,447	0.66%

3. 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 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
January 26, 2023	0.75	320,144,562	February 10, 2023	February 27, 2023
April 27, 2023	0.75	320,144,562	May 15, 2023	May 29, 2023
July 20, 2023	0.75	320,144,562	August 4, 2023	August 22, 2023
October 19, 2023	0.75	320,144,562	November 8, 2023	November 20, 2023

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 2023.

Cash Dividend Declaration

On January 18, 2024, the BOD of the Bank approved the declaration of a 7.50% regular cash dividend for the fourth quarter of 2023 for stockholders on record as of February 2, 2024 amounting to ₱320.14 million or ₱0.75 per share, to be paid on February 19, 2024.

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Item 6. Management's Discussion and Analysis or Plan of Operations

The audited financial statements of the Bank are presented in Exhibit 5 as an attachment to this report. Details of the Bank's financial statements as of and for the years ended December 31, 2023, 2022 and 2021 are presented below.

PHILIPPINE SAVINGS BANK

STATEMENTS OF CONDITION

	December 31				Amount	%	Amount	%	Amount	%
	2023	2022	2021	2020	**2023 vs 2022**		**2022 vs 2021**		**2021 vs 2020**	
ASSETS										
Cash and Other Cash Items	**₱1,653,554,961**	₱1,930,720,274	₱2,801,335,279	₱2,841,851,535	(₱277,165,313)	-14.36%	(₱870,615,005)	-31.08%	(₱40,516,256)	-1.43%
Due from Bangko Sentral ng Pilipinas	**9,745,633,911**	37,553,243,574	52,427,713,760	31,688,975,820	(27,807,609,663)	-74.05%	(14,874,470,186)	-28.37%	20,738,737,940	65.44%
Due from Other Banks	**1,764,229,676**	2,910,493,038	1,366,924,524	1,461,474,934	(1,146,263,362)	-39.38%	1,543,568,514	112.92%	(94,550,410)	-6.47%
Interbank Loans Receivable and Securities Purchased Under Resale Agreements	**6,989,635,680**	2,669,609,031	4,532,877,908	5,445,979,370	4,320,026,649	161.82%	(1,863,268,877)	100.00%	(913,101,462)	-16.77%
Fair Value Through Profit or Loss (FVTPL) Investments	**414,298,313**	35,875	44,701	50,189	414,262,438	1154738.50%	(8,826)	-19.74%	(5,488)	-10.93%
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	**54,359,693,631**	69,660,715,882	60,266,504,348	10,059,232,805	(15,301,022,251)	-21.97%	9,394,211,534	15.59%	50,207,271,543	499.12%
Investment Securities at Amortized Cost	**29,893,168,043**	30,422,284,704	20,962,346,722	13,735,999,138	(529,116,661)	-1.74%	9,459,937,982	45.13%	7,226,347,584	52.61%
Loans and Receivables	**122,764,412,226**	109,697,304,552	110,111,505,826	142,524,344,524	13,067,107,675	11.91%	(414,201,274)	-0.38%	(32,412,838,698)	-22.74%
Investment in a Joint Venture	**870,178,530**	816,284,853	762,926,364	705,476,563	53,893,677	6.60%	53,358,489	6.99%	57,449,801	8.14%
Property and Equipment	**3,141,957,377**	3,126,723,127	2,938,455,849	3,089,814,582	15,234,250	0.49%	188,267,278	6.41%	(151,358,733)	-4.90%
Investment Properties	**3,934,950,184**	4,031,471,065	3,508,598,106	3,585,971,956	(96,520,881)	-2.39%	522,872,959	14.90%	(77,373,850)	-2.16%
Deferred Tax Assets	**1,257,607,610**	280,113,544	576,786,519	2,091,140,847	977,494,066	348.96%	(296,672,975)	-51.44%	(1,514,354,328)	-72.42%
Goodwill and Intangible Assets	**298,197,196**	333,890,899	361,193,084	441,143,119	(35,693,703)	-10.69%	(27,302,185)	-7.56%	(79,950,035)	-18.12%
Other Assets	**1,345,778,616**	988,118,816	1,188,896,822	1,742,146,857	357,659,800	36.20%	(200,778,006)	-16.89%	(553,250,035)	-31.76%
	₱238,433,295,954	₱264,421,009,234	₱261,806,109,812	₱219,413,602,239	(₱25,987,713,280)	-9.83%	₱2,614,899,422	1.00%	₱42,392,507,573	19.32%
LIABILITIES AND EQUITY										
Liabilities										
Deposit Liabilities										
Demand	**₱25,325,912,039**	₱26,602,133,863	₱26,939,262,124	₱25,523,284,040	(₱1,276,221,824)	-4.80%	(₱337,128,261)	-1.25%	₱1,415,978,084	5.55%
Savings	**46,463,448,245**	46,933,474,339	45,319,797,393	41,724,171,123	(470,026,094)	-1.00%	1,613,676,946	3.56%	3,595,626,270	8.62%
Time	**112,749,125,906**	135,158,982,248	136,095,038,765	91,791,490,829	(22,409,856,342)	-16.58%	(936,056,517)	-0.69%	44,303,547,936	48.27%
Long-term Negotiable Certificates of Deposits	**5,084,217,598**	5,077,602,528	8,441,451,603	8,425,364,104	6,615,070	0.13%	(3,363,849,075)	-39.85%	16,087,499	0.19%
	189,622,703,788	213,772,192,978	216,795,549,885	167,464,310,096	(24,149,489,190)	-11.30%	(3,023,356,907)	-1.39%	49,331,239,789	29.46%
Bills Payable	**271,896,461**	1,185,944,975	-	-	(914,048,514)	-77.07%	1,185,944,975	0.00%	-	0.00%
Bonds Payable	-	4,648,449,939	4,633,613,322	10,902,456,911	(4,648,449,939)	-100.00%	14,836,617	0.32%	(6,268,843,589)	-57.50%
Treasurer's, Cashier's and Manager's Checks	**1,514,065,655**	1,014,225,796	593,630,994	531,318,419	499,839,859	49.28%	420,594,802	70.85%	62,312,575	11.73%
Accrued Taxes, Interest and Other Expenses	**2,663,537,503**	2,506,216,736	1,684,762,235	1,782,919,802	157,320,767	6.28%	821,454,501	48.76%	(98,157,567)	-5.51%
Income Tax Payable	-	-	80,547	322,018,981	-	0.00%	(80,547)	-100.00%	(321,938,434)	-99.97%
Other Liabilities	**4,206,934,631**	4,154,367,586	3,204,395,695	3,899,849,627	52,567,045	1.27%	949,971,891	29.65%	(695,453,932)	-17.83%
	198,279,138,038	227,281,398,010	226,912,032,678	184,902,873,836	(29,002,259,972)	-12.76%	369,365,332	0.16%	42,009,158,842	22.72%

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	December 31				Amount	%	Amount	%	Amount	%
	2023	2022	2021	2020	**2023 vs 2022**		**2022 vs 2021**		**2021 vs 2020**	
Equity										
Common Stock	**₱4,268,594,160**	₱4,268,594,160	₱4,268,594,160	₱4,268,594,160	-	0.00%	-	0.00%	-	0.00%
Capital Paid in Excess of Par Value	**11,418,563,257**	11,418,563,257	11,418,563,257	11,418,563,257	-	0.00%	-	0.00%	-	0.00%
Surplus Reserves	**1,046,398,969**	1,043,979,211	1,041,471,464	1,039,166,094	2,419,758	0.23%	2,507,747	0.24%	2,305,370	0.22%
Surplus	**24,455,554,572**	21,207,490,714	18,812,148,450	18,555,539,348	3,248,063,858	15.32%	2,395,342,264	12.73%	256,609,102	1.38%
Fair Value Reserves on Financial Assets at FVOCI	**70,794,457**	(48,782,635)	2,409,891	13,058,180	119,577,092	245.12%	(51,192,526)	-2124.27%	(10,648,289)	-81.54%
Remeasurement Losses on Retirement Plan	**(1,129,174,728)**	(748,523,773)	(632,885,484)	(726,238,329)	(380,650,955)	-50.85%	(115,638,289)	18.27%	93,352,845	-12.85%
Equity in Remeasurement Gains on Retirement Plan of a Joint Venture	**6,178,352**	2,877,392	2,877,392	(1,285,176)	3,300,960	114.72%	(0)	0.00%	4,162,568	-323.89%
Equity in Hedge Reserves of a Joint Venture	**9,707,213**	(12,144,581)	(12,144,581)	(35,097,280)	21,851,794	179.93%	(0)	0.00%	22,952,699	0.00%
Cumulative Translation Adjustment	**7,541,664**	7,557,479	(6,957,415)	(21,571,852)	(15,815)	-0.21%	14,514,894	208.62%	14,614,437	-67.75%
	40,154,157,916	37,139,611,224	34,894,077,134	34,510,728,403	3,014,546,692	8.12%	2,245,534,090	6.44%	383,348,731	1.11%
	₱238,433,295,954	₱264,421,009,234	₱261,806,109,812	₱219,413,602,239	(₱25,987,713,280)	-9.83%	₱2,614,899,422	1.00%	₱42,392,507,573	19.32%

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PHILIPPINE SAVINGS BANK

STATEMENTS OF INCOME

	Years Ended December 31				Amount	%	Amount	%	Amount	%
	2023	2022	2021	2020	**2023 vs 2022**		**2022 vs 2021**		**2021 vs 2020**	
INTEREST INCOME										
Loans and receivables	**₱11,479,459,384**	₱10,159,518,037	₱12,148,774,170	₱15,666,265,787	₱1,319,941,347	12.99%	(₱1,989,256,133)	-16.37%	(₱3,517,491,617)	-22.45%
Financial assets at FVOCI and investment securities at amortized cost	**4,307,661,938**	2,574,256,913	1,486,019,162	1,298,471,798	1,733,405,025	67.34%	1,088,237,751	73.23%	187,547,364	14.44%
Due from Bangko Sentral ng Pilipinas	**1,397,792,663**	1,254,216,130	648,063,197	221,893,610	143,576,533	11.45%	606,152,933	93.53%	426,169,587	192.06%
Interbank loans receivable and securities purchased under resale agreements	**419,381,106**	195,778,577	70,592,184	85,056,319	223,602,529	114.21%	125,186,393	177.34%	(14,464,135)	-17.01%
Due from other banks	**16,474,592**	4,101,643	47,132	1,178,094	12,372,949	301.66%	4,054,511	8602.46%	(1,130,962)	-96.00%
FVTPL investments	**3,495,728**	2,152	11,272,985	45,039,478	3,493,576	162340.89%	(11,270,833)	-99.98%	(33,766,493)	-74.97%
	17,624,265,411	14,187,873,452	14,364,768,830	17,317,905,086	3,436,391,959	24.22%	(176,895,378)	-1.23%	(2,953,136,256)	-17.05%
INTEREST EXPENSE										
Deposit liabilities	**5,663,176,485**	2,811,393,495	1,637,233,919	2,771,606,957	2,851,782,990	101.44%	1,174,159,576	71.72%	(1,134,373,038)	-40.93%
Lease Liabilities	**78,902,394**	79,873,386	85,201,992	99,539,323	(970,992)	-1.22%	(5,328,606)	-6.25%	(14,337,331)	-14.40%
Bills payable	**35,278,313**	21,919,260	41,972	110,397,939	13,359,053	60.95%	21,877,288	52123.53%	(110,355,967)	-99.96%
Bonds payable	**20,731,311**	224,036,617	437,530,261	583,408,268	(203,305,306)	-90.75%	(213,493,644)	-48.80%	(145,878,007)	-25.00%
	5,798,088,503	3,137,222,758	2,160,008,144	3,564,952,487	2,660,865,745	84.82%	977,214,614	45.24%	(1,404,944,343)	-39.41%
NET INTEREST INCOME	**11,826,176,908**	11,050,650,694	12,204,760,686	13,752,952,599	775,526,214	7.02%	(1,154,109,992)	-9.46%	(1,548,191,913)	-11.26%
Service fees and commission income	**1,792,742,915**	1,732,841,894	1,581,126,848	1,308,210,530	59,901,021	3.46%	151,715,046	9.60%	272,916,318	20.86%
Service fees and commission expense	**65,583,938**	51,309,070	47,816,732	50,825,805	14,274,868	27.82%	3,492,338	7.30%	(3,009,073)	-5.92%
NET SERVICE FEES AND COMMISSION INCOME	**1,727,158,977**	1,681,532,824	1,533,310,116	1,257,384,725	45,626,153	2.71%	148,222,708	9.67%	275,925,391	21.94%
OTHER OPERATING INCOME (CHARGES)										
Gain on foreclosure and sale of chattel mortgage properties - net	**619,971,252**	700,214,707	142,185,112	(458,776,805)	(80,243,455)	-11.46%	558,029,595	392.47%	600,961,917	-130.99%
Gain on foreclosure and sale of investment properties - net	**361,931,299**	801,738,724	571,276,769	326,868,825	(439,807,425)	-54.86%	230,461,955	40.34%	244,407,944	74.77%
Foreign exchange gain - net	**17,627,813**	(6,075,489)	(8,168,185)	27,217,634	23,703,302	390.15%	2,092,696	25.62%	(35,385,819)	-130.01%
Gain on disposal of investment securities at amortized cost	**-**	-	11,711,129	1,291,913,518	-	0.00%	(11,711,129)	-100.00%	(1,280,202,389)	-99.09%
Trading and securities gains (losses) - net	**5,293,898**	2,455,186	2,733,476	354,430,046	2,838,712	115.62%	(278,290)	-10.18%	(351,696,570)	-99.23%
Gain on sale of property and equipment	**3,895,058**	12,079,779	2,042,084	2,045,386	(8,184,721)	-67.76%	10,037,695	491.54%	(3,302)	-0.16%
Miscellaneous	**582,860,969**	777,775,337	700,430,805	15,466,028	(194,914,368)	-25.06%	77,344,532	11.04%	684,964,777	4428.83%
	1,591,580,289	2,288,188,244	1,422,211,190	1,559,164,632	(696,607,955)	-30.44%	865,977,054	60.89%	(136,953,442)	-8.78%
TOTAL OPERATING INCOME	**₱15,144,916,174**	₱15,020,371,762	₱15,160,281,992	₱16,569,501,956	₱124,544,412	0.83%	(₱139,910,230)	-0.92%	(₱1,409,219,964)	-8.50%

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	Years Ended December 31				Amount	%	Amount	%	Amount	%
	2023	2022	2021	2020	**2023 vs 2022**		**2022 vs 2021**		**2021 vs 2020**	
OTHER EXPENSES										
Compensation and fringe benefits	**₱3,811,715,458**	₱3,640,553,887	₱3,545,335,550	₱3,635,622,388	₱171,161,571	4.70%	₱95,218,337	2.69%	(₱90,286,838)	-2.48%
Taxes and licenses	**1,672,526,981**	1,612,926,317	1,586,134,257	1,571,869,031	59,600,664	3.70%	26,792,060	1.69%	14,265,226	0.91%
Provision for credit and impairment losses	**1,451,089,796**	1,306,242,436	3,070,678,224	6,397,259,386	144,847,360	11.09%	(1,764,435,788)	-57.46%	(3,326,581,162)	-52.00%
Depreciation	**840,135,760**	755,952,721	836,327,579	899,545,800	84,183,039	11.14%	(80,374,858)	-9.61%	(63,218,221)	-7.03%
Occupancy and equipment-related costs	**431,238,658**	344,568,484	352,588,645	363,406,183	86,670,174	25.15%	(8,020,161)	-2.27%	(10,817,538)	-2.98%
Security, messengerial and janitorial services	**338,465,479**	413,011,422	349,532,682	438,391,419	(74,545,943)	-18.05%	63,478,740	18.16%	(88,858,737)	-20.27%
Amortization of intangible assets	**106,212,859**	102,850,715	113,649,164	128,137,358	3,362,144	3.27%	(10,798,449)	-9.50%	(14,488,194)	-11.31%
Miscellaneous	**1,690,846,708**	2,130,720,607	2,082,202,992	2,084,820,312	(439,873,899)	-20.64%	48,517,615	2.33%	(2,617,320)	-0.13%
	10,342,231,699	10,306,826,589	11,936,449,093	15,519,051,877	35,405,110	0.34%	(1,629,622,505)	-13.65%	(3,582,602,784)	-23.09%
INCOME BEFORE SHARE IN NET INCOME OF A JOINT VENTURE AND INCOME TAX	**4,802,684,475**	4,713,545,173	3,223,832,899	1,050,450,079	89,139,302	1.89%	1,489,712,274	46.21%	2,173,382,820	206.90%
SHARE IN NET INCOME OF A JOINT VENTURE	**86,340,894**	83,418,474	41,914,529	40,299,304	2,922,420	3.50%	41,503,945	99.02%	1,615,225	4.01%
INCOME BEFORE INCOME TAX	**4,889,025,369**	4,796,963,647	3,265,747,428	1,090,749,383	92,061,722	1.92%	1,531,216,219	46.89%	2,174,998,045	199.40%
PROVISION FOR (BENEFIT FROM) INCOME TAX										
Current	**1,208,573,920**	783,316,316	312,183,551	766,276,709	425,257,604	54.29%	471,132,765	150.92%	(454,093,158)	-59.26%
Deferred	**(850,610,415)**	335,219,072	1,414,071,157	(783,739,604)	(1,185,829,487)	-353.75%	(1,078,852,085)	-76.29%	2,197,810,761	-280.43%
	357,963,505	1,118,535,388	1,726,254,708	(17,462,895)	(760,571,883)	-68.00%	(607,719,320)	-35.20%	1,743,717,603	-9985.27%
NET INCOME	**₱4,531,061,864**	₱3,678,428,259	₱1,539,492,720	₱1,108,212,278	₱852,633,605	23.18%	₱2,138,935,539	138.94%	₱431,280,442	38.92%
Basic/Diluted Earnings Per Share	**10.61**	8.62	3.61	2.60						

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A. Plan of Operation

The core business of PSBank is focused on the expansion of the consumer business by growing its retail deposits and consumer loans, including small and medium enterprises, through its various channels and digital ecosystem. Ultimately, the aim is to make things simple for the customers by providing them solutions based on actual need and enhancing their 24/7 banking experience – at every encounter in their most preferred platform.

The bank has a network of 250 branches and 555 ATMs strategically located nationwide as at end-March 2024.

B. Management's Discussion And Analysis

Analysis of Statements of Condition

As of December 31, 2023 and 2022

In 2023, the Bank recorded Total Assets at ₱238.43 billion, ₱25.99 billion lower as compared to the December 2022 level of ₱264.42 billion. The decrease was primarily due to the reduction in the Bank's investment portfolio, including placements in the Bangko Sentral ng Pilipinas (BSP).

Loans and Receivables, net of allowance and unearned interest and discounts, representing 51.49% of total assets were posted at ₱122.76 billion, higher by ₱13.07 billion from December 2022 level of ₱109.70 billion. Auto Loans grew by 23.70%, while Mortgage Loans decreased by 2.18%.

Interbank Loans Receivable and Securities Purchased under Resale Agreements increased by 161.82% from ₱2.67 billion in 2022 to ₱6.99 billion in December 2023.

As of December 31, 2023 and 2022, Investment securities represented 35.51% and 37.85% of the total assets, respectively. These were composed of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI), which decreased by ₱15.30 billion or 21.97% to ₱54.36 billion from ₱69.66 billion in December 2022. Investment securities at amortized cost amounted to ₱29.89 billion in December 2023, ₱529.12 million or 1.74% lower compared to December 2022 level of ₱30.42 billion. Fair Value through Profit or Loss Investments (FVTPL) amounted to ₱414.30 million and ₱0.04 million in December 2023 and 2022, respectively.

Due from Other Banks was recorded at ₱1.76 billion, ₱1.15 billion or 39.38% lower than the December 2022 level of ₱2.91 billion. Cash and Other Cash Items decreased to ₱1.65 billion versus ₱1.93 billion in December 2022. Further, Due from Bangko Sentral ng Pilipinas decreased by ₱27.81 billion or 74.05% to ₱9.75 billion from ₱37.55 billion year on year.

Investment in a joint venture went up by ₱53.89 million or 6.60% to ₱870.18 million from ₱816.28 million in December 2022 due to the recognition of PSBank's share in the net earnings of Sumisho Motor Finance Corporation (SMFC), a joint venture between PSBank and Sumitomo Corporation. The increase from the recognition of share in net earnings was partially reduced by the dividend received by the Bank from SMFC. As of December 31, 2023 and 2022, the Bank's ownership interest in SMFC is 30.00%.

Investment Properties decreased by ₱96.52 million or 2.39% to ₱3.93 billion as of December 31, 2023 from ₱4.03 billion as of December 31, 2022 due to sale of investment properties. Property and Equipment increased by ₱15.23 million or 0.49% to ₱3.14 billion as of December 31, 2023 from ₱3.13 billion in 2022.

Deferred Tax Asset was higher at ₱1.26 billion in December 2023 from ₱280.11 million in December 2022. Goodwill and Intangible Assets decreased to ₱298.20 million in December 2023 from ₱333.89 million in December 2022. Other Assets jumped to ₱1.35 billion from ₱0.99 billion as of December 31, 2022.

The Bank's deposit level comprising of 95.63% of total liabilities reached ₱189.62 billion as of December 31, 2023, 11.30% lower than the ₱213.77 billion posted last year.

Treasurer's, Cashier's and Manager's Checks increased by ₱499.84 million or 49.28% to ₱1.51 billion from ₱1.01 billion last December 31, 2022. Likewise, Accrued Taxes, Interest and Other Expenses increased by

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₱157.32 million or 6.28% to ₱2.66 billion in December 2023 from ₱2.51 billion as of December 31, 2022. Income Tax Payable was nil as of December 31, 2022 and 2023. Other Liabilities went up to ₱4.21 billion, ₱52.57 million or 1.27% higher than ₱4.15 billion posted last year.

Total Capital remained strong at ₱40.15 billion, ₱3.01 billion or 8.12% higher from the ₱37.14 billion posted as of December 31, 2022. The Bank reflected a ₱70.79 million Fair Value Reserves on Financial Assets at FVOCI, ₱119.58 million higher than the negative ₱48.78 million in December 2022.

Return on Average Equity (ROAE) increased to 11.72% in December 2023 versus 10.21% in December 2022. Return on Average Assets (ROAA) was higher at 1.80% in 2023 from 1.40% in 2022.

As of December 31, 2022 and 2021

In 2022, the Bank recorded Total Assets at ₱264.42 billion, ₱2.61 billion higher as compared to the December 2021 level of ₱261.81 billion. The growth was primarily due to increases in investment portfolio.

Loans and Receivables, net of allowance and unearned interest and discounts, representing 41.49% of total assets were posted at ₱109.70 billion, lower by ₱414.20 million from December 2021 level of ₱110.11 billion. Auto Loans increased by 4.70%, while Mortgage Loans decreased by 7.09%.

Interbank Loans Receivable and Securities Purchased under Resale Agreements decreased by 41.11% from ₱4.53 billion in 2021 to ₱2.67 billion in December 2022.

Investments securities represent 37.85% and 31.03% of total assets as of December 31, 2022 and 2021, respectively. Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) increased to ₱69.66 billion in December 2022, or ₱9.39 billion higher than the December 2021 level of ₱60.27 billion. Meanwhile, Investment securities at amortized cost amounted to ₱30.42 billion, 45.13% higher compared to December 2021 level of ₱20.96 billion. Fair Value through Profit or Loss Investments (FVTPL) amounted to ₱0.04 million in December 2022.

Due from Other Banks was registered at ₱2.91 billion, 112.92% or ₱1.54 billion higher than the December 2021 level of ₱1.37 billion. Cash and Other Cash Items decreased to ₱1.93 billion versus ₱2.80 billion in December 2021. Further, Due from Bangko Sentral ng Pilipinas also decreased by ₱14.87 billion to ₱37.55 billion versus ₱52.43 billion in December 2021.

Investment in a joint venture went up by ₱53.36 million to ₱816.28 million from ₱762.93 million in December 2021 due to the recognition of PSBank's share in the net earnings of Sumisho Motor Finance Corporation (SMFC), a joint venture between PSBank and Sumitomo Corporation. The increase from the recognition of share in net earnings was partially reduced by the dividend received by the Bank from SMFC amounting to ₱30.06 million. As of December 31, 2022 and 2021, the Bank's ownership interest in SMFC is 30.00%.

Investment Properties increased by 14.90% or 522.87 million to ₱4.03 billion as of December 31, 2022 from ₱3.51 billion as of December 31, 2021 due to foreclosure of investment properties. Property and Equipment also increased by ₱188.27 million to ₱3.13 billion as of December 31, 2022.

Deferred Tax Asset was lower at ₱280.11 million from ₱576.79 million. Likewise, Goodwill and Intangible Assets decreased to ₱333.89 million in December 2022 from ₱361.19 million in December 2021. Other Assets went down to ₱988.12 million from ₱1.19 billion as of December 31, 2021.

The Bank's deposit level comprising of 94.06% of total liabilities reached ₱213.77 billion as of December 31, 2022, 1.39% lower than the ₱216.80 billion posted last year.

Treasurer's, Cashier's and Manager's Checks increased to ₱1.01 billion from ₱593.63 million last December 31, 2021. Likewise, Accrued Taxes, Interest and Other Expenses increased by ₱821.45 million to ₱2.51 billion in December 2022 from ₱1.68 billion as of December 31, 2021. Income Tax Payable was nil as of December 31, 2022 compared to ₱0.08 million recorded in December 2021. Other Liabilities went up to ₱4.15 billion, 29.65% higher than ₱3.20 billion posted last year.

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Total Capital remained strong at ₱37.14 billion, ₱2.25 billion higher from the ₱34.89 billion posted as of December 31, 2021. The Bank reflected a negative ₱48.78 million Fair Value Reserves on Financial Assets at FVOCI, ₱51.19 million lower than ₱2.41 million in December 2021.

Return on Average Equity (ROAE) stood at 10.21% in December 2022 versus 4.44% in December 2021. Return on Average Assets (ROAA) was better at 1.40% in 2022 from 0.64% in 2021.

As of December 31, 2021 and 2020

In 2021, the Bank recorded Total Assets at ₱261.81 billion, ₱42.39 million higher as compared to the December 2020 level of ₱219.41 billion. The growth was primarily due to increases in investment portfolio, including placements in Bangko Sentral ng Pilipinas (BSP).

Loans and Receivables, net of allowance and unearned interest and discounts, representing 42.06% of total assets were posted at ₱110.11 billion, lower by ₱32.41 billion from December 2020 level of ₱142.52 billion. Auto Loans and Mortgage Loans decreased by 26.41% and 10.21%, respectively.

Interbank Loans Receivable and Securities Purchased under Resale Agreements decreased by 16.77% from ₱5.45 billion in 2020 to ₱4.53 billion in December 2021.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) increased to ₱60.27 billion in December 2021, or ₱50.21 billion higher than the December 2020 level of ₱10.06 billion. Meanwhile, Investment securities at amortized cost amounted to ₱20.96 billion, 52.61% higher compared to December 2020 level of ₱13.74 billion. Fair Value through Profit or Loss Investments (FVTPL) amounted to ₱0.04 million in December 2021. Overall, these investment accounts comprised 31.03% of the total assets.

In 2020, the Bank sold investment securities classified as investment securities at amortized cost with total carrying amount of ₱19.6 billion, resulting in gain on disposal of investment securities at amortized cost totaling ₱1.3 billion. The sale was made as there were changes in the Bank's funding requirements given its assessment on the impact of a prolonged pandemic. In aggregate, the disposals in 2020 were assessed as not inconsistent with the Bank's HTC business model as the disposals were considered infrequent even if significant in value. In 2021, the Bank sold investment securities classified as investment securities at amortized cost with total carrying amount of ₱378.7 million, resulting in gain on disposal of investment securities at amortized cost amounting to ₱11.7 million. The disposal in 2021 was assessed as not inconsistent with the Bank's HTC business model as the disposal was considered infrequent and insignificant in value. Further, the Bank assessed that the disposals did not reflect a change in the Bank's objectives for the HTC business model. Accordingly, the remaining investment securities in the affected HTC portfolio continue to be measured at amortized cost.

Due from Other Banks was registered at ₱1.37 billion, 6.47% or ₱94.55 million lower than the December 2020 level of ₱1.46 billion. Likewise, Cash and Other Cash Items also decreased to ₱2.80 billion versus ₱2.84 billion in December 2020. Due from Bangko Sentral ng Pilipinas increased by ₱20.74 billion to ₱52.43 billion versus ₱31.69 billion as of December 2020.

Investment in a joint venture went up by ₱57.45 million to ₱762.93 million from ₱705.48 million in December 2020 due to cash dividend received by the Bank.

Investment Properties went down to ₱3.51 billion as of December 2021 from ₱3.59 billion compared last year due to sale of investment properties. Property and Equipment decreased by ₱151.36 million to ₱2.94 billion as of December 2021. Effective January 1, 2019, the Bank adopted PFRS 16, Leases. The adoption resulted to recognition of right of use asset under 'property and equipment' and lease liability under 'other liabilities' accounts.

Deferred Tax Asset was lower at ₱0.58 billion from ₱2.09 billion while Goodwill and Intangible Assets decreased to ₱361.19 million in December 2021 from ₱441.14 million in December 2020. Other Assets decreased by 31.76% or ₱553.25 million to ₱1.19 billion from ₱1.74 billion as of December 2020.

The Bank's deposit level, representing 95.54% of total liabilities reached ₱216.80 billion as of December 2021, 29.46% higher than the ₱167.46 billion posted last year.

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As of December 2021, the Bank's Bonds Payable, net of prepaid expenses, amounted to ₱4.63 billion. The ₱6.30 billion Peso Fixed Rate Bonds (PFRBs) issued last July 2019 matured in July 2021. The 2-year bond was priced at 5.60% per annum with interest payments made every quarter and full principal paid out at maturity.

On December 10, 2018, the Bank issued MTFNs amounting to ₱3.0 billion with a tenor of one (1) year and six (6) Months and due on June 10, 2020 with interest rate of 7.07% per annum payable quarterly. Interest payment dates shall commence on March 10, 2019 and up to and including the maturity date. The minimum investment size for the MTFNs is ₱10.0 million with increments of ₱0.1 million thereafter. On June 10, 2020, the Bank paid its outstanding MTFNs.

Treasurer's, Cashier's and Manager's Checks increased to ₱0.59 billion from ₱0.53 billion last December 31, 2020. On the other hand, Accrued Taxes, Interest and Other Expenses decreased by ₱98.16 million to ₱1.68 billion in December 2021 from ₱1.78 billion as of December 31, 2020. Income Tax Payable went down to ₱0.08 million as of December 2021 from ₱322.02 million in December 2020. Other Liabilities decreased to ₱3.20 billion, 17.83% lower from ₱3.90 billion posted last year.

Total Capital remained strong at ₱34.89 billion, ₱383.35 million higher from the ₱34.51 billion posted as of December 2020. The Bank reflected a ₱2.41 million Fair Value Reserves on Financial Assets at FVOCI, ₱10.65 million lower than ₱13.06 million in December 2020.

On January 16, 2020, the Securities and Exchange Commission ("SEC") approved the stock dividend equivalent to 43,750,000 common share of PSBank with January 31, 2020 as record date and February 21, 2020 as payment date for the required subscription to the increase in capital stock of the Bank from ₱4.25 billion to ₱6.00 billion.

Return on Average Equity (ROAE) stood at 4.44% in December 2021 versus 3.21% in December 2020. Return on Average Assets (ROAA) increased to 0.64% in 2021 from 0.50% in 2020.

Analysis of Results of Operations

For the years ended December 31, 2023 and 2022

The Bank ended 2023 with a net income of ₱4.53 billion, a growth of 23.18% or ₱852.63 million compared to ₱3.68 billion in 2022. The Bank's strong financial performance came from the double-digit growth in loans, higher investment revenues and muted costs brought by operational efficiencies.

Total Interest Income was recorded at ₱17.62 billion, higher by 24.22% than ₱14.19 billion recorded last year. Total Interest Expense went up to ₱5.80 billion from ₱3.14 billion in 2022. Net Interest Income increased by 7.02% or ₱0.78 billion to ₱11.83 billion from the ₱11.05 billion posted last year.

Interest income on Loans and Receivables was recorded at ₱11.48 billion, 12.99% higher than the ₱10.16 billion recorded last year. Interest income on Financial Assets at FVOCI and Investment Securities at Amortized cost was better by 67.34% or ₱1.73 billion to ₱4.31 billion from ₱2.57 billion in 2022. Interest Income on FVTPL Investments rose to ₱3.50 million from ₱0.002 million in 2022. Further, Interest earned from deposits with BSP increased by ₱143.58 million to ₱1.40 billion from ₱1.25 billion in 2022. Interest earned from Interbank Loans Receivable and SPURA was recorded at ₱419.38 million, 114.21% higher than the ₱195.78 million in 2022. Interest income from deposits with other banks jumped to ₱16.47 million from ₱4.10 million last year.

Interest Expense on the Bank's deposit liabilities increased by 101.44% to ₱5.66 billion from ₱2.81 billion year on year. The Bank recorded ₱20.73 million in Interest Expense on Bonds Payable for the year 2023, ₱203.31 million or 90.75% lower than the ₱224.04 million in 2022 due to the maturity of the Peso Fixed Rate Bonds on February 4, 2023. Meanwhile, Interest Expense on Bills Payable was recorded at ₱35.28 million in 2023, 60.95% higher than the P21.92 million recorded in 2022.

The Bank recognized interest expense on lease liabilities amounting to ₱78.90 million and ₱79.87 million in 2023 and 2022, respectively. Prior to adoption of PFRS 16, rentals charged against profit or loss under these lease contracts is included in Occupancy and Equipment – related cost account.

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Net Service Fees and Commission Income increased by 2.71% to ₱1.73 billion versus ₱1.68 billion in 2022.

The Bank's Net Interest Income went up by 7.02% versus last year. This was primarily due to the increase in Interest Income on Loans and Receivables and Financial asset at FVOCI/Investment securities at amortized cost amounting to ₱11.48 billion and ₱4.31 billion, respectively.

The Bank's Other Operating Income of ₱3.32 billion was lower year-on-year by 16.40% despite Net Service Fees and Commission Income increasing by ₱45.63 million to ₱1.73 billion this year from higher loan bookings.

For the year ended December 31, 2023, the Bank posted a net gain on the foreclosure and sale of investment properties amounting to ₱361.93 million, 54.86% lower compared with the ₱801.74 million gains last year. Also, gain on foreclosure and sale of chattel mortgage properties slid to ₱619.97 million from ₱700.21 million in 2022. Miscellaneous Income was lower by ₱194.91 million or 25.06% to ₱582.86 million versus ₱777.78 million in 2022 mostly from reduced bancassurance income in 2023. Meanwhile, Foreign Exchange Gain was posted at ₱17.63 million for the year ended December 31, 2023.

Other Operating Expenses, excluding provision for impairment and credit losses decreased by 1.22% to ₱8.89 billion from ₱9.00 billion in 2022. Taxes and Licenses went up by ₱59.60 million or 3.70% to ₱1.67 billion from ₱1.61 billion posted last year. Compensation and Fringe Benefits amounted to ₱3.81 billion while Occupancy and equipment-related cost amounted to ₱338.47 million in 2023. Depreciation and amortization of Bank's properties and leasehold improvements went up from ₱755.95 million to ₱840.14 million in 2023. Security, messengerial and janitorial services was posted at ₱431.24 million in 2023. Meanwhile, amortization of software was recorded at ₱106.21 million in 2023. Miscellaneous Expenses was lower by 20.64% to ₱1.69 billion in 2023 from ₱2.13 billion in 2022.

For the year ended December 31, 2023, the Bank set aside ₱1.45 billion in provision for impairment and credit losses. This was higher than ₱1.31 billion the previous year.

The Bank also reported share in net income from its investment in Sumisho Motor Finance Corporation (SMFC) amounting to ₱86.34 million and ₱83.42 million for the years ended December 31, 2023 and 2022, respectively.

For the years ended December 31, 2022 and 2021

The Bank achieved a record-high net income of ₱3.68 billion in 2022, a growth of 138.94% or more than double compared to ₱1.54 billion in 2021. The Bank's remarkable performance was attributed to higher loan demand, better asset quality, increase in non-interest revenues and prudent expense management.

Total revenues reached ₱15.02 billion with combined fees, commissions, and other income amounting to ₱3.97 billion, higher by 34% year on year. Total Interest Income was reflected at ₱14.19 billion, slightly lower by 1.23% than ₱14.36 billion recorded last year. Total Interest Expense went up to ₱3.14 billion from ₱2.16 billion in 2022. Net Interest Income declined by 9.46% or ₱1.15 billion to ₱11.05 billion from the ₱12.20 billion posted last year.

Interest income on Loans and Receivables was recorded at ₱10.16 billion, 16.37% lower than the ₱12.15 billion recorded last year. Interest income on Financial Assets at FVOCI and Investment Securities at Amortized cost was higher by 73.23% or ₱1.09 billion to ₱2.57 billion from ₱1.49 billion in 2021. Interest Income on FVTPL Investments slid to ₱0.002 million from ₱11.27 million in 2021. On the other hand, Interest earned from deposits with BSP increased by ₱606.15 million to ₱1.25 billion from ₱648.06 million due to higher placements in 2022. Interest earned from Interbank Loans Receivable and SPURA was recorded at ₱195.78 million, 177.34% higher than the ₱70.59 million in 2021. Interest income from deposits with other banks jumped to ₱4.10 million from ₱0.05 million last year.

Interest Expense on the Bank's deposit liabilities increased by 71.72% to ₱2.81 billion from ₱1.64 billion. The Bank recorded ₱224.04 million in Interest Expense on Bonds Payable for the year 2022, ₱213.49 million or 48.80% lower than the ₱437.53 million in 2021. Meanwhile, Interest Expense on Bills Payable was recorded at ₱21.92 million for the year ended December 31, 2022.

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On February 04, 2020, the Bank issued fixed rate bonds amounting to ₱4.65 billion with a tenor of three (3) years and due on February 4, 2023 with interest rate of 4.5% per annum payable quarterly. On July 24, 2019, the Bank issued fixed rate bonds amounting to ₱6.30 billion with a tenor of two (2) years and due on July 24, 2021 with interest rate of 5.6% per annum payable quarterly. The minimum investment size for the bonds payable is ₱0.5 million with increments of ₱0.1 million thereafter. On July 24, 2021, the Bank paid its outstanding bonds.

The Bank recognized interest expense on lease liabilities amounting to ₱79.87 million and ₱85.20 million in 2022 and 2021, respectively. Prior to adoption of PFRS 16, rentals charged against profit or loss under these lease contracts is included in Occupancy and Equipment – related cost account.

Net Service Fees and Commission Income increased by 9.67% to ₱1.68 billion versus ₱1.53 billion in 2021.

The Bank's Net Interest Income went down 9.46% versus last year. This was primarily due to the drop in Interest Income on Loans and Receivables to ₱10.16 billion resulting from the slow demand for consumer loans during the pandemic.

Meanwhile, Other Operating Income increased by 60.89% or ₱865.98 million to ₱2.29 billion due to higher gain on foreclosure and sale of both investment properties and chattel mortgage recorded during 2022. The Bank registered ₱2.46 million trading gains for the year 2022, ₱11.99 million lower than the ₱14.44 million trading gains in 2021.

For the year ended December 31, 2022, the Bank posted a net gain on the foreclosure and sale of investment properties amounting to ₱801.74 million, 40.34% higher compared with the ₱571.28 million gains last year. Also, gain on foreclosure and sale of chattel mortgage properties rose to ₱700.21 million from ₱142.19 million in 2021. Miscellaneous Income was higher by ₱77.34 million to ₱777.78 million mainly due to recoveries from loan accounts previously written-off and amortization of debt modification. Meanwhile, Foreign Exchange Loss was posted at ₱6.08 million for the year ended December 31, 2022.

Other Operating Expenses, excluding provision for impairment and credit losses, increased by only 1.52% to ₱9.00 billion from ₱8.87 billion in 2021 due to the Bank's sustained efforts in productivity, process efficiency and automation has kept operating expenses under control. Taxes and Licenses went up by ₱26.79 million or 1.69% to ₱1.61 billion from ₱1.59 billion posted last year. Compensation and Fringe Benefits amounted to ₱3.64 billion while Occupancy and equipment-related cost amounted to ₱344.57 million. Depreciation and amortization of Bank's properties and leasehold improvements went down from ₱836.33 million to ₱755.95 million in 2022. Security, messengerial and janitorial services was posted at ₱413.01 million. Meanwhile, amortization of software was recorded at ₱102.85 million. Miscellaneous Expenses was higher by 2.33% to ₱2.13 billion in 2022 from ₱2.08 billion in 2021.

For the year ended December 31, 2022, the Bank set aside ₱1.31 billion in provision for impairment and credit losses. There was a significant drop in credit provisions by 57.46% versus the same period last year due to improved asset quality complemented by efficient collection and recovery efforts.

The Bank also reported share in net income from its investment in Sumisho Motor Finance Corporation (SMFC) amounting to ₱83.42 million and ₱41.94 million for the years ended December 31, 2022 and 2021, respectively.

For the years ended December 31, 2021 and 2020

The Bank registered a Net Income after Tax of ₱1.54 billion for the year ended December 2021, 38.92% or ₱0.43 billion higher compared last year. This was largely driven by an increase in fee income by 21.94%, operating efficiencies which saw expenses decline by 2.81%, and reduction in loan loss provisions owing largely to improved asset quality and effective collection efforts.

Total Interest Income decreased by 17.05% compared to previous year.

Interest income on Loans and Receivables was recorded at ₱12.15 billion, 22.45% lower than the ₱15.67 billion recorded last year. Interest income on Financial Assets at FVOCI and Investment Securities at Amortized cost went up to ₱1.49 billion from ₱1.30 billion year on year. Interest Income on FVTPL Investments slid to ₱11.27 million from ₱45.04 million in 2020. On the other hand, Interest earned from

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deposits with BSP increased by ₱426.17 million to ₱648.06 million from ₱221.89 million due to higher placements in 2021. Interest earned from Interbank Loans Receivable and SPURA was recorded at ₱70.59 million, 17.01% lower than the ₱85.06 million in 2020. Interest income from deposits with other banks decreased to ₱0.05 million.

Interest Expense on the Bank's deposit liabilities went down by 40.93% to ₱1.64 billion from ₱2.77 billion. The Bank recorded ₱437.53 million in Interest Expense on Bonds Payable for the year 2021 while Interest Expense on Bills Payable dropped to ₱41.97 thousand from ₱110.40 million due to redemption of matured Medium Term Fixed Rate Notes (MTFNs) in June 2020.

On February 04, 2020, the Bank issued fixed rate bonds amounting to ₱4.65 billion with a tenor of three (3) years and due on February 4, 2023 with interest rate of 4.5% per annum payable quarterly. On July 24, 2019, the Bank issued fixed rate bonds amounting to ₱6.30 billion with a tenor of two (2) years and due on July 24, 2021 with interest rate of 5.6% per annum payable quarterly. The minimum investment size for the bonds payable is ₱0.5 million with increments of ₱0.1 million thereafter. On July 24, 2021, the Bank paid its outstanding bonds.

On December 10, 2018, the Bank issued MTFNs amounting to ₱3.0 billion with a tenor of one (1) year and six (6) months and due on June 10, 2020 with interest rate of 7.07% per annum payable quarterly. On June 10, 2020, the Bank paid its outstanding MTFNs.

The Bank recognized interest expense on lease liabilities amounting to ₱85.20 million and ₱99.54 million in 2021 and 2020, respectively. Prior to adoption of PFRS 16, rentals charged against profit or loss under these lease contracts is included in Occupancy and Equipment – related cost account.

Net Service Fees and Commission Income increased by 21.94% to ₱1.53 billion versus ₱1.26 billion in 2020.

The Bank's Net Interest Income went down 11.26% versus last year. This was primarily due to the decrease in Interest Income on Loans and Receivables to ₱12.15 billion resulting from the slow demand for consumer loans during the pandemic.

On February 15, 2019, the BOD approved the Bank's option to call the Tier 2 Notes issued in 2014 on its fifth year anniversary or on August 23, 2019. The request of the Bank to exercise the same was approved by the BSP on April 24, 2019. The redemption falls under the call provisions of the Tier 2 Notes worth ₱3.0 Billion, which had an original maturity of ten years or until 2024. On August 23, 2019 the Bank exercised its call option and paid ₱3.0 billion to all noteholders.

Meanwhile, Other Operating Income decreased by 8.78% or ₱136.95 million to ₱1.42 billion due to lower trading gains recorded during 2021. The Bank registered ₱14.44 million trading gains for the year 2021, ₱1.63 billion lower than the ₱1.65 billion trading gains in 2020.

In 2020, the Bank sold investment securities classified as investment securities at amortized cost with total carrying amount of ₱19.6 billion resulting in gain on disposal of investment securities at amortized cost totalling ₱1.3 billion. The sale was made as there were changes in the Bank's funding requirements given its assessment on the impact of a prolonged pandemic. In aggregate, the sale in 2020 is not inconsistent with the Bank's HTC business model as the sale was considered infrequent even if significant in value. Accordingly, the remaining investment securities in the affected HTC portfolio continue to be measured at amortized cost Furthermore, the Bank assessed that the sale did not reflect a change in the Bank's objectives for the HTC business model.

For the year ended December 30, 2021, the Bank recorded a net gain on the foreclosure and sale of investment properties amounting to ₱571.28 million, 74.77% higher compared with the ₱326.87 million gains last year. On the other hand, net loss on foreclosure and sale of chattel mortgage properties improved by ₱600.96 million to ₱142.19 million compared to (₱458.78) million in 2020. Miscellaneous Income was higher by ₱684.96 million to ₱700.43 million mainly due to recoveries from loan accounts previously written-off and amortization of debt modification. Meanwhile, Foreign Exchange loss was posted at ₱8.17 million for the year ended December 31, 2021.

Other Operating Expenses, excluding provision for impairment and credit losses, decreased by 2.81% to ₱8.87 billion from ₱9.12 billion in 2020. Taxes and Licenses went up by ₱14.27 million or 0.91% to ₱1.59 billion from ₱1.57 billion previous year. Compensation and Fringe Benefits amounted to ₱3.55 billion while

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Occupancy and equipment-related cost amounted to ₱352.59 million. Depreciation and amortization of Bank's properties and leasehold improvements went down from ₱899.55 million to ₱836.33 million in 2021. Security, messengerial and janitorial services was posted at ₱349.53 million. Meanwhile, amortization of software was recorded at ₱113.65 million. Miscellaneous Expenses was lower by 0.13% to ₱0.08 billion.

For the year ended December 31, 2021, the Bank set aside ₱3.07 billion in provision for impairment and credit losses. This was 52.00% lower than previous year due to improvement in delinquencies from credit and collection efforts.

The Bank also reported share in net income from its investment in Sumisho Motor Finance Corporation (SMFC) amounting to ₱41.91 million and ₱40.30 million for the years ended December 31, 2021 and 2020, respectively.

Analysis of Financial Soundness Indicators

		2023	2022	2021
Return on Average Assets	ROAA	1.80%	1.40%	0.64%
Return on Average Equity	ROAE	11.72%	10.21%	4.44%
Net Interest Margin on Average Earning Assets	NIM	5.18%	4.66%	5.81%
Debt-Equity Ratio	DER	4.94:1	6.11:1	6.50:1
Asset-to-Equity Ratio	AER	5.94:1	7.11:1	7.50:1
Interest Rate Coverage Ratio	IRCR	1.84:1	2.52:1	2.51:1
Liquidity/Current Ratio	LR	48.89%	62.41%	65.57%
Capital-to-Risk Assets Ratio	CAR	24.46%	24.85%	24.29%
Earnings per share	EPS	₱10.61	₱8.62	₱3.61

2023 vs. 2022 Comparative highlights on Financial Soundness Indicators

1. Return on Average Assets (ROAA) increased to 1.80% in 2023 from 1.40% in 2022. ROAA is calculated by dividing the net income by the year-on-year average of the outstanding total assets.

2. Return on Average Equity (ROAE) increased to 11.72% in 2023 from 10.21% in 2022. ROAE measures how well the Bank is using common shareholders' invested money. It is calculated by dividing the net income by the year-on-year average of the outstanding shareholders' equity.

3. Net Interest Margin on Average Earning Assets (NIM) went up from 4.66% in 2022 to 5.18% in 2023. NIM is calculated by dividing the net interest income by the average earning assets.

4. Debt-to-Equity Ratio (DER) went down to 4.94:1 as of December 31, 2023 versus 6.11:1 as of December 31, 2022. DER measures the Bank's financial leverage. This is computed by dividing total liabilities by total stockholder's equity.

5. Asset-to-Equity Ratio (AER) was lower at 5.94:1 in 2023 versus 7.11:1 in 2022. AER is computed by dividing the total assets by total shareholder's equity.

6. Interest Rate Coverage Ratio (IRCR) was lower at 1.84:1 as of December 31, 2023 and 2.52:1 as of December 31, 2022. IRCR is a measure of the Bank's ability to meet its interest payments on outstanding debt. It is calculated by dividing the total earnings before interest and taxes over interest expense.

7. Liquidity Ratio (LR) decreased in 2023 at 48.89% compared to 62.41% in 2022. LR measures the Bank's ability to meet its short-term liabilities. It is derived from dividing the current assets by current liabilities.

8. Capital-to-Risk Assets Ratio (CAR) was lower at 24.46% in 2023 versus 24.85% in 2022. CAR is the measure of the Bank's capital strength. It is calculated by dividing the qualified capital by risk-weighted assets as defined by the Bangko Sentral ng Pilipinas (BSP).

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9. Earnings per Share (EPS) improved to ₱10.61 in 2023 from ₱8.62 in 2022. EPS is the net profit the Bank has generated per common share. It is computed by dividing the net income by the weighted average number of outstanding common shares.

2022 vs. 2021 Comparative highlights on Financial Soundness Indicators

1. Return on Average Assets (ROAA) increased to 1.40% in 2022 from 0.64% in 2021. ROAA is calculated by dividing the net income by the year-on-year average of the outstanding total assets.

2. Return on Average Equity (ROAE) rose to 10.21% in 2022 from 4.44% in 2021. ROAE measures how well the Bank is using common shareholders' invested money. It is calculated by dividing the net income by the year-on-year average of the outstanding shareholders' equity.

3. Net Interest Margin on Average Earning Assets (NIM) went down from 5.81% in 2021 to 4.66% in. NIM is calculated by dividing the net interest income by the average earning assets.

4. Debt-to-Equity Ratio (DER) went down to 6.11:1 as of December 31, 2022 versus 6.50:1 as of December 31, 2021. DER measures the Bank's financial leverage. This is computed by dividing total liabilities by total stockholder's equity.

5. Asset-to-Equity Ratio (AER) was lower at 7.11:1 in 2022 versus 7.50:1 in 2021. AER is computed by dividing the total assets by total shareholder's equity.

6. Interest Rate Coverage Ratio (IRCR) was lower at 2.52:1 as of December 31, 2022 and 2.51:1 as of December 31, 2021. IRCR is a measure of the Bank's ability to meet its interest payments on outstanding debt. It is calculated by dividing the total earnings before interest and taxes over interest expense.

7. Liquidity Ratio (LR) increased in 2022 was lower at 62.41% in 2022 compared to 65.57% in 2021. LR measures the Bank's ability to meet its short-term liabilities. It is derived from dividing the current assets by current liabilities.

8. Capital-to-Risk Assets Ratio (CAR) was better at 24.85% in 2022 versus 24.29% in 2021. CAR is the measure of the Bank's capital strength. It is calculated by dividing the qualified capital by risk-weighted assets as defined by the Bangko Sentral ng Pilipinas (BSP).

9. Earnings per Share (EPS) improved to ₱8.62 in 2022 from ₱3.61 in 2021. EPS is the net profit the Bank has generated per common share. It is computed by dividing the net income by the weighted average number of outstanding common shares.

2021 vs. 2020 Comparative highlights on Financial Soundness Indicators

1. Return on Average Assets (ROAA) increased to 0.64% in 2021 from 0.50% in 2020. ROAA is calculated by dividing the net income by the year-on-year average of the outstanding total assets.

2. Return on Average Equity (ROAE) increased to 4.44% in 2021 from 3.21% in 2020. ROAE measures how well the Bank is using common shareholders' invested money. It is calculated by dividing the net income by the year-on-year average of the outstanding shareholders' equity.

3. Net Interest Margin on Average Earning Assets (NIM) went down from 7.26% in 2020 to 5.81% in 2021 from 7.26% in 2020. NIM is calculated by dividing the net interest income by the average earning assets.

4. Debt-to-Equity Ratio (DER) increased at 6.50:1 as of December 31, 2021 versus 5.36:1 as of December 31, 2020. DER measures the Bank's financial leverage. This is computed by dividing total liabilities by total stockholder's equity.

5. Asset-to-Equity Ratio (AER) increased to 7.50:1 in 2021 versus 6.36:1 in 2020. AER is computed by dividing the total assets by total shareholder's equity.

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6. Interest Rate Coverage Ratio (IRCR) was at 2.51:1 as of December 31, 2021 and 1.31:1 as of December 31, 2020. IRCR is a measure of the Bank's ability to meet its interest payments on outstanding debt. It is calculated by dividing the total earnings before interest and taxes over interest expense.

7. Liquidity Ratio (LR) increased in 2021 at 65.57% compared to 43.60% in 2020. LR measures the Bank's ability to meet its short-term liabilities. It is derived from dividing the current assets by current liabilities.

8. Capital-to-Risk Assets Ratio (CAR) increased to 24.29% in 2021 versus 19.42% in 2020. CAR is the measure of the Bank's capital strength. It is calculated by dividing the qualified capital by risk-weighted assets as defined by the Bangko Sentral ng Pilipinas (BSP).

9. Earnings per Share (EPS) increased to ₱3.61 in 2021 from ₱2.60 in 2020. EPS is the net profit the Bank has generated per common share. It is computed by dividing the net income by the weighted average number of outstanding common shares.

C. Key Variables and Other Qualitative and Quantitative Factors

Liquidity

PSBank manages its liquidity position to ensure that it has more than adequate funds to meet its obligations at any given time. The Bank monitors its daily liquidity and reserve position by determining inflows and outflows, short-term and long-term obligations, holdings and repayments. Short-term liquidity management identifies obligations and repayments in the next 12-months, aids in the determination of the securities trading strategy, and influences the Bank's pricing mechanism. On the other hand, long-term liquidity management covers maturing obligations and repayments of loans and investments beyond the next 12-months.

The level of liquid assets remained strong, exhibiting healthy growth in both placements with BSP/other banks and investments.

With the Bank's high capitalization, current liquidity position, strong deposit growth trend, continuing development of retail and corporate accounts, and prudent liquidity management, PSBank does not anticipate encountering any cash flow or liquidity problems in the next 12 months. It remains confident of its ability to meet its obligations and is committed to providing the necessary funding to support the projected loan growth, investment activities and expenditures for 2023.

The Bank also performs liquidity stress testing under various stress scenarios to ensure its ability to meet its funding obligations. The Bank has a Liquidity Contingency Funding Plan to anticipate and manage any funding crisis that may occur.

Events that will Trigger Direct or Contingent Financial Obligation

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees and commitments to extend credit, which are part of its lending and related businesses but due to their nature, may not be reflected in the accompanying financial statements. The Bank, however, does not anticipate significant losses as a result of these transactions.

Also, several suit and claims, in behalf or against the Bank in relation to its operations, including labor-related cases are pending before the courts and quasi-judicial bodies. In the opinion of management, these suits and claims, if decided adversely, will not involve an amount having a material effect on the financial statements.

Material Off-Balance Sheet Transactions, Arrangements and Obligations

The following is a summary of the Bank's commitments and contingent liabilities at their equivalent peso contractual amounts:

	2023	2022	2021
Trust department accounts	₱9,295,113,015	₱8,825,860,829	₱9,967,034,659

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	2023	2022	2021
Stand-by credit lines	41,100,000	122,000,000	21,100,000
Spot foreign exchange and contracts sale	27,685,000	27,877,500	25,499,500
Late deposits/payments received	290,311	3,288,413	-
Items held for safekeeping	215,511	240,348	308,743
Others	57,244	60,626	63,528

None of these off-balance sheet transactions, arising in the ordinary course, either individually or in the aggregate, are expected to have a material adverse effect on the Bank's financial condition.

Material Commitments for Capital Expenditures

The Bank's capital expenditures in 2023 included expenses for IT-related activities on systems and licenses, and upgrade of bank premises including infrastructure, furniture, fixtures and equipment. Capital expenditures were sourced from the Bank's capital.

Causes for Any Material Changes from Period to Period of Financial Statements

See previous discussion on Analysis of Statement of Condition and Discussion of Results of Operations.

Known Trends, Events or Uncertainties or Seasonal Aspects

The financial statements of the Bank have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies and Disclosures

The accounting policies adopted by the Bank are consistent with those of the previous financial year, except that it has adopted new accounting pronouncements starting January 1, 2023. These new and revised accounting standards are presented in Note 2 of the Audited Financial Statements. Please refer to Exhibit 5.

Unless otherwise indicated, these new and revised accounting standards have no impact to the Bank.

Item 7. Financial Statements

Please refer to Exhibit 4 for the Bank's Management's Responsibility for Financial Statements for the years ended December 31, 2023, 2022 and 2021 and Exhibit 5 for the Audited Financial Statements as of December 31, 2023 and 2022, respectively.

Information on Independent Accountant and Other Related Matters

SyCip Gorres Velayo & Co. (SGV & Co.), independent certified public accountants, audited the Bank's financial statements without qualification and in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of its examination, in its report to the stockholders and Board of Directors.

The following table sets out the aggregate fees billed for each of the years ended December 31, 2023 and 2022 for professional services rendered by SGV & Co for the audit of the Bank's annual financial statements.

	2023	2022
Audit and Audit-Related Fees:	₱3,077,030*	₱2,838,350*
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements		

*Exclusive of 10% out-of-pocket expenses and (OPEs) and 12% value added tax (VAT).

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Tax and All Other Fees for Services of External Auditor

The Bank has engaged the services of external auditor for compliance, advice, planning and any other form of services during the last three (3) years. The collective fees for each year ended December 31, 2023, 2022 amounted to ₱44,000 and ₱44,800 as of December 31, 2021.

In 2023, non-audit fees paid by the Bank to its external auditors did not outweigh its audit-related fees. These non-audit fees pertain to professional services rendered for PSBank Annual Stockholders Meeting while audit-related fees pertain to regular year-end financial statement audit. Nonetheless, to ensure that the existing arrangements do not compromise our external auditor's independence, separate engagement agreements and teams handled the said services.

Fees for Services of other Tax Consultant

The Bank also engaged the services of Du-Baladad and Associates for tax consultancy. From 2021 to 2023, the collective fees amounted to ₱266,112.

Audit Committee's Approval Policies and Procedures for Above Services

As Metrobank subsidiary, the Bank adopted the Parent's policies and procedures on audit engagement contract for external auditors. The same was discussed and approved by the Audit Committee.

Included in the duties and responsibilities of the Audit Committee as provided for in the Audit Committee Charter are to recommend to the Board the appointment, re-appointment and dismissal of external auditors; to review and evaluate the external auditors' qualifications, performance, independence, and objectivity; and to review the external auditors' audit plan and scope among others.

The following are the members of Bank's Audit Committee:

Audit Committee (AuditCom)

Members	Position	Attendance	%
Eduardo A. Sahagun *Independent Director*	Chairperson	15/15	100%
Samson C. Lim* *Independent Director*	Member	5/5	100%
Jose T. Pardo* *Independent Director*	Member	5/5	100%
Higinio O. Macadaeg, Jr.** *Independent Director*	Member	3/3	100%
Rufino Luis T. Manotok*** *Independent Director*	Member	10/10	100%
Ronald Luis S. Goseco**** *Independent Director*	Member	4/4	100%
Sherwin U. Lee *Chief Audit Executive*	Secretary	15/15	100%

**Terms as independent directors ended in April 2023*
***Elected as new independent director in April 2023 and replaced Mr. Pardo as AuditCom Member starting May 2023 but resigned effective July 17, 2023*
****Elected as new independent director in April 2023 and replaced Mr. Lim as AuditCom Member starting May 2023*
*****Elected as new independent director and AuditCom Member in September 2023.*

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

SGV & Co. has acted as the Bank's external auditors since 1979. Ms. Veronica Mae A. Arce has been the certifying partner from SGV and Co. since 2019, in compliance with the 7-year rotation requirement.

The Bank has no disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period.

The same group of independent public accountants has been recommended by the Audit Committee to be re-appointed as the external auditors of the company for the year 2023. The re-appointment of SGV complies with the requirement of SEC under SRC Rule 68 (3) (b) (IV).

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Representatives of SGV are expected to be present at the Annual Stockholders' Meeting and will have the opportunity to make a statement if they desire to do so and will be available to answer appropriate questions.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

A. Directors and Executive Officers

Directors

Name/ Position	Age	Citizenship	Business Experience and Present and Past Directorship with Other Companies for the last five (5) years	Relatives up to 4th Civil degree
Vicente R. Cuna, Jr. **Chairman**	62	Filipino	Present Involvements • Chairman, since 2023 / Director since 2013, Philippine Savings Bank* • Director, Metropolitan Bank and Trust Company* since 2014 • Senior Executive Vice President, Enterprise Services Sector – Metropolitan Bank and Trust Corporation* since 2018 Past Experiences/ Positions Held • Vice Chairman, Philippine Savings Bank* from 2018 to 2023 • Chairman, ORIX Metro Leasing & Finance Corporation from 2016 to 2022 • Chairman, ORIX Auto Leasing Philippines Corporation from 2016 to 2022 • Chairman, ORIX Rental Corporation from 2016 to 2022 • Chairman, OMLF International Trading Development Corp. from 2016 to 2022 • Chairman, OMLF Insurance Agency, Inc. from 2016 to 2022 • President, Philippine Savings Bank* from 2013 to 2018 • Senior Executive Vice President/Head, Metrobank* – Institutional Banking Sector from 2012 to 2013 • Executive Vice President/Head, Metrobank* – Corporate Banking Group from 2006 to 2012 • Adviser, Metropolitan Bank and Trust Company* from 2007 to 2009 • Director, FMIC from 2011 to 2015 • Chairman, Metro Remittance Center, Inc. (California) from 2010 to 2013 • Vice Chairman, Metro Remittance Center Inc. (U.S.A) from 2010 to 2013 • Chairman, Metro Remittance Inc. (Canada) from 2010 to 2013 • Vice Chairman, MB Remittance Center Ltd. (Hawaii) from 2010 to 2013 • Vice Chairman, PSBank* from 2009 to 2011 • Director, Asia Pacific Top Mgt., Int'l., Resources Corp. from 2008 to 2013 • Adviser, FMIIC-HK from 2006 to 2008 • Director, SMBC Metro Investment Corp. from 2006 to 2009 • Vice - President, Citibank Manila from 1995 to 2006	None

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Name/ Position	Age	Citizenship	Business Experience and Present and Past Directorship with Other Companies for the last five (5) years	Relatives up to 4th Civil degree
			Academic Qualifications • Pursued further studies (MBA) at the Ateneo de Manila Graduate School of Business • AB Economics, De La Salle University Manila	
Arthur V. Ty **Vice Chairman**	57	Filipino	Present Involvements • Vice Chairman, Philippine Savings Bank* since 2001 • Chairman, Metropolitan Bank & Trust Company* since 2012 • Senior Adviser, First Metro Investment Corporation since 2020 • Director, Federal Land, Inc. since 2006 • Director, Great Mark Resources Corp. since 2006 • President/ Director, Horizon Royale Holdings, Inc. since 1997 • Chairman, Metrobank Foundation, Inc. since 2019 • Director, Philippine Securities Corp. since 1996 • Director, Grand Titan Capital Holdings, Inc. since 2007 • Director, GT Capital Holdings, Inc. since 2007 • President/ Chairman, Nove Ferum Holdings, Inc. since 2009 • Chairman/President, Jam Holdings Inc. since 2022 • Chairman, Metropolitan Bank (China) Ltd. since 2009 • Chairman/Director, Ferum Cee Inc. since 2011 • Chairman, GT Foundation Inc. since 2019 • Trustee, GT Foundation Inc. since 2009 • Chairman / President, Milgen Holdings Inc. since 2016 • Trustee, Metrobank Foundation since 2006 • Trustee, Metrobanker Foundation Inc. since 2007 • Trustee, Norbertro & Tytana Ty Foundation Inc. since 1994 • Adviser, Philippine AXA Life Insurance Corporation since 2023 Past Experiences/ Positions Held • President, Philippine Savings Bank* from 2000 to 2001 • President, Metropolitan Bank & Trust Company* from 2006 to 2012 • Vice Chairman, Great Mark Resources Corp. from 2012 to 2015 • Chairman, Great Mark Resources Corp.from 2006 to 2023 • Vice Chairman, Metrobank Foundation, Inc. since 2006 to 2018 • Chairman, Manila Medical Services, Inc. from 2017 to 2019 • Vice Chairman/ Director, First Metro Investment Corporation since 2012 to 2020 • Chairman/ Director, Global Treasure Holdings Inc. since 2006 to 2019 • Vice Chairman. Charter Ping An Insurance Corp. from 2018 to 2022 • Chairman, GT Capital Holdings Inc.* from 2016 to 2022 • Vice Chairman, Philippine AXA Life Insurance from 2017 to 2023 • President, Philippine Securities Corp. from 2003 to 2023	None

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Name/ Position	Age	Citizenship	Business Experience and Present and Past Directorship with Other Companies for the last five (5) years	Relatives up to 4th Civil degree
			Academic Qualifications • MBA, Columbia University • BS Economics, University of California Los Angeles	
Jose Vicente L. Alde **Director/President**	57	Filipino	Present Involvements • President since April 2018, Philippine Savings Bank* • Director since 2016, Philippine Savings Bank* • Chairman/Director, Sumisho Motor Finance Corporation since 2016 • Director, Metropolitan Bank and Trust Corporation*since 2022 • Trustee, Chamber of Thrift Banks since 2020 Past Experiences/ Positions Held • Trustee/ Trustee-in-Charge from 2020 to 2021, ELECOM Member from 2018 to 2021, Chamber of Thrift Banks • Executive Vice President from July 2010-April 2018, Philippine Savings Bank* • Senior Vice President from 2007 – June 2010, Philippine Savings Bank* • Director, Metrobank Card Corporation from 2015 to 2016 • Vice President, ABN AMRO BANK from 1999 to 2007 • Assistant Vice President, ABN AMRO BANK from 1995 to 1999 • Business Development Manager, Household Development from 1993 to 1994 • Key Account Manager, Johnson and Johnson from 1992 to 1993 • Computer Programmer, World Health Organization from 1988 to 1990 Academic Qualifications • Bachelor of Computer Science (Cum Laude), University of the Philippines, Diliman – 1984 to1988 • Master in Business Management, Asian Institute of Management – 1990 to 1992	None
Ma. Soledad D.S. De Leon ** **Director**	65	Filipino	Present Involvements • Director, Philippine Savings Bank* since 2016 • Chairman/ Treasurer, Casa Medica Inc. since 1995 • Chairman/ Treasurer, SODEL Milling Corp. since 1995 • President/ Treasurer, SODEL Realty, Inc. since 1995 • Director, Candelaria Rural Bank since 2017 • Chairman since 2023/Director since 2002, St. Patrick College • Chairman since 2023/Director since 1993, Yaman Lahi Foundation Inc. (Emilio Aguinaldo College) • Chairman since 2023/Director since 1993, University Physician Services Inc. • Chairman since 2023/Director since 1993, Property Holdings, Inc. • Vice Chairman since 2023/Director since 1993, Hospital Management Services Inc. (Medical Center Manila) • Chairman since 2023/Director since 1993, The Pearl Manila Pearl of the Orient & Seas Hotel & Recreational Resort, Inc. • Chairman and President, Fil - Homes Realty	None

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Name/ Position	Age	Citizenship	Business Experience and Present and Past Directorship with Other Companies for the last five (5) years	Relatives up to 4th Civil degree
			Development Corp. since 2023 • President, Lipa Golden Land Development Inc. since 2023 Past Experiences/ Positions Held • Consultant, Candelaria Rural Bank from 2016 to 2017 • Vice President/ Treasurer, Candelaria Rural Bank since 1998 to 2016 Academic Qualifications • International Management Studies, University of California, Los Angeles, USA • BS in Business Administration Major in Business Management, St. Paul College of Manila	
Eduardo A. Sahagun **Independent Director**	66	Filipino	Present Involvements • Independent Director, Philippine Savings Bank* since 2017 • Chairman, Edcommerce Corporation since 2017 • President & CEO, Union Galvasteel Corporation since 2017 • Director, Union Galvasteel Corporation since 2010 • President & CEO, Phinma Solar Energy Corporation since 2017 • President & CEO, Philcement Corporation since 2017 • Board of Trustees, Phinma Foundation Inc. since 2019 • Director, Phinma Property Holdings Corporation since 2016 • Director, T-O Insurance Brokers, Inc. since 2019 • Director, Phinma Corporation since 2021 • Director, Song Lam Cement Joint Stock Company since 2021 • Director, Cagayan De Oro College, Inc. since 2021 • Director, First Batangas Hotel Corporation since 2021 Past Experiences/ Positions Held • Director, Holcim Philippines, Inc.* from 2010 to 2017 • President, Holcim Philippines, Inc.* from 2013 to 2017 • Chief Executive Officer, Holcim Philippines Inc.* from 2013 to 2016 • Senior Vice President –Sales, Marketing, Technical Services & Commercial, Holcim Philippines, Inc.* from 2007 - 2012 • Chief Financial Officer, Holcim Philippines, Inc.* from 2002 - 2007 • Chairman, Holcim Mining and Development Corporation from 2013 to 2017 • Director, Holcim Philippines Manufacturing Corporation from 2013 to 2017 • Member, Board of Trustees, Cement Manufacturers Association of the Philippines from 2013 to 2016 • Member, Board of Trustees, Philippine Business for the Environment, Inc. from 2014 to 2016 Academic Qualifications • Masters in Management Science, Arthur D. Little Management Education Institute, (now Hult International Business School) Boston, USA • Masters in Business Administration, Ateneo Graduate School of Business	None

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Name/ Position	Age	Citizenship	Business Experience and Present and Past Directorship with Other Companies for the last five (5) years	Relatives up to 4th Civil degree
			• BS Commerce , Major in Accounting, Holy Angel University • Senior Management Program, Senior Leadership Program, Managing Change Program, IMD, Switzerland	
Rosanna F. De Vera **Director**	55	Filipino	Present Involvements • Director, Philippine Savings Bank* since 2018 • First Vice President & Head of Commercial Credit Metro Manila and Countryside, Metropolitan Bank & Trust Company* since 2022 Past Experiences/ Positions Held • Credit Group Division Head, Metropolitan Bank & Trust Company* from 2008 to 2022 • Vice President – Team Head, Commercial Banking Group, Banco de Oro* from 2007 to 2008 • Vice President - Head of Small Business, Equitable PCI Bank from 2006 to 2007 • Assistant Vice President – Corporate Banking Group, Equitable PCI Bank from 2003 to 2006 Academic Qualifications • MBA (36 Units), Ateneo Graduate School of Business • BSC-Accounting , University of Sto. Tomas	Antonell S. Interino Vice President 2nd degree relative by affinity
Francisco S. Magsajo, Jr., **Independent Director**	76	Filipino	Present Involvements • Independent Director, Philippine Savings Bank* since 2021 • Director, Philippines Veterans Bank since November since 2019 • Director, Intervest Project, Inc./Intervest Insurance Agency, Inc. since 2019 Past Experiences/ Positions Held • Independent Director, First Metro Investment Corporation from 2020 to 2021 • Independent Director, Metrobank Credit Card Corporation from 2016 to 2019 • Board Chairman, RCBC Savings Bank in 2007 • President and CEO, RCBC Unibank from 2004 to 2007 • President and CEO, RCBC Savings Bank from 1999 to 2004 • President and CEO, Philippine Export-Import Credit Corporation from 2008 to 2014 Academic Qualifications • BS Economics, Lyceum of the Philippines	None
Rufino Luis T. Manotok **Independent Director**	73	Filipino	Present Involvements • Independent Director, Philippine Savings Bank* since 2023 • Independent Director, Manila Medical Services, Inc. since 2019 • Independent Director, Cebu Landmasters, Inc. since 2017 • Chairman, Manarsa Holdings Corporation since 2016 • Director, Manotok Bros., Inc. since 1997 Past Experiences/ Positions Held • Independent Director, First Metro Investment Corporation from 2014 to 2023	None

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Name/ Position	Age	Citizenship	Business Experience and Present and Past Directorship with Other Companies for the last five (5) years	Relatives up to 4th Civil degree
			• Chairman, Ayala Automotive Holdings Corporation from 2009 to 2012 • Chairman, Ayala Aviation Corporation from 1998 to 2008 • Chairman and President, Honda Cars Makati, Inc. from 1994 to 2012 • Chairman and President, Isuzu Automotive Dealership from 1996 to 2012 • Director, Family Savings Bank from 2002 to 2012 • Chief Financing Officer/Head of Strategic Planning, Ayala Corporation from 1987 to 2010 <u>Academic Qualifications</u> • ÀB Economics, Ateneo De Manila University • Master of Business Management, Asian Institute of Management • Advanced Management Program, Harvard Business School	
Ronald Luis S. Goseco, Jr. **Independent Director**	68	Filipino	<u>Present Involvements</u> • Independent Director, Philippine Savings Bank* since 2023 • Director, Automated Fare Payment Inc. since 2022 • Chairman, Guagua National Colleges since 2019 • President, South Luzon Thermal Energy, Inc. since 2022 • President, ETM Philippines Holdings Inc. since 2022 • Trustee, Finex Research and Development Foundation, Inc. since 2023 • Treasurer, Finex Academy since 2018 <u>Past Experiences/ Positions Held</u> • Independent Director, Philippine Dealing System Holdings from 2019 to 2020 • Director, Northwind Power Devt. Corporation, Ace Mariveles GP Corporation, Ace Dinginin GP Corporation and Kauswagan Power Holdings Inc. from 2013 to 2016 • Director, Northern Luzon Renewable Energy from 2013 to 2015 • COO, Iconic Dealership, Inc. from 2016 to 2018 • Treasurer, Philnewriver Corporation and Quadriver from 2011 to 2016 • Treasurer, Monte Solar from 2015 to 2016 • Treasurer, Ilocos Wind Energy Corporation from 2013 to 2016 • Treasurer, Viage Corporation from 2012 to 2016 • CFO, AC Infra from 2014 to 2016 • CFO, AC Energy Holdings, Inc, from 2011 to 2016 • CFO, South Luzon Thermal Energy Corporation from 2011 to 2012 • Division Head, Globe Telecom from 2003 to 2011 <u>Past experiences/ Positions held in Government Service</u> • Military Pilot, Armed Forces of the Philippines from 1977 to 1985 <u>Academic Qualifications</u> • Bachelor of Science, Philippine Military Academy • Masters in Business Administration, Major in International Finance, University of Southern California	None

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Name/ Position	Age	Citizenship	Business Experience and Present and Past Directorship with Other Companies for the last five (5) years	Relatives up to 4th Civil degree
			• Fellow in Finance, Netherlands Institute of Management - MAASTRICT	

**Company listed at The Philippine Stock Exchange, Inc.*
*** Director until January 31, 2024*

b) Executive Officers

Name/ Position	Age	Citizenship	Experience	Relatives up to 4th Civil degree
Jose Vicente L. Alde **President/Director**	57	Filipino	Present Involvements • President since April 2018, Philippine Savings Bank* • Director since 2016, Philippine Savings Bank* • Chairman/Director, Sumisho Motor Finance Corporation since 2016 • Director, Metropolitan Bank and Trust Corporation*since 2022 • Trustee, Chamber of Thrift Banks since 2020 Past Experiences/ Positions Held • Trustee/ Trustee-in-Charge from 2020 to 2021, ELECOM Member from 2018 to 2021, Chamber of Thrift Banks • Executive Vice President from July 2010-April 2018, Philippine Savings Bank* • Senior Vice President from 2007 – June 2010, Philippine Savings Bank* • Director, Metrobank Card Corporation from 2015 to 2016 • Vice President, ABN AMRO BANK from 1999 to 2007 • Assistant Vice President, ABN AMRO BANK from 1995 to 1999 • Business Development Manager, Household Development from 1993 to 1994 • Key Account Manager, Johnson and Johnson from 1992 to 1993 • Computer Programmer, World Health Organization from 1988 to 1990 Academic Qualifications • Bachelor of Computer Science (Cum Laude), University of the Philippines, Diliman – 1984 to1988 • Master in Business Management, Asian Institute of Management – 1990 to 1992	None

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Name/ Position	Age	Citizenship	Experience	Relatives up to 4th Civil degree
Noli S. Gomez **Executive Vice President**	58	Filipino	Present Involvements • EVP and Head at PSBank's* Office of the Executive Vice President since March 1, 2018 • Director, Sumisho Motor Finance Corporation since June 2018 Past Involvements • SVP and Head of PSBank's* Operations Group from January 2006 – September 2019 • Chief Finance Officer at PSBank* from October 2001 to December 2005 • Head of Systems and Methods and Chief Risk Officer SAVP and VP at DBS Bank Phils., Inc. from September 1998 to October 2001 • SAVP at Southeast Asia from February 1997 to August 1998 • System Management Officer of the AVP at Bank of the Philippine Islands* from August 1996 to January 1997 • Citytrust Banking Corporation from November 1992 to July 1996 Academic Qualifications • BS Civil Engineering, Mapua Institute of the Philippines – 1981 to 1986	None
Perfecto Ramon Z. Dimayuga, Jr. **Senior Vice President/Treasurer/ Corporate Secretary****	62	Filipino	Present Involvements • Corporate Secretary since January 2022 until December 31, 2023 • Treasurer since January 2017 and Head of Corporate Services Office since April 2019 until December 31, 2023 Past Involvements • Corporate Secretary, Sumisho Motor Finance Corp. from December 2009 to June 2022 • SVP, Chief Finance Officer and Finance Group Head, PSBank* from March 2008 to December 2016 • FVP, Chief Finance Officer and Finance Group Head, PSBank* from Jan 2006 – March 2008 • Treasurer, PSBank* from June 2002 to June 2004 • Held various treasury positions in Development Bank of Singapore (DBS) Phils., Inc., Bank of the Philippine Islands*, Mindanao Development Bank, Citytrust Banking Corp. and Rizal Commercial Banking Corp.* from 1988 to 2002 Academic Qualifications • Bachelor of Arts in Economics, Ateneo de Manila – 1979 to 1983 • MBA, University of the Philippines – 1986 to 1988	None

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Name/ Position	Age	Citizenship	Experience	Relatives up to 4th Civil degree
Emmanuel A. Tuazon **Senior Vice President****	60	Filipino	Present Involvement • SVP and Head of PSBank's* Marketing Group since June 2016 until December 31, 2023 Past Involvements • SVP and Head of PSBank's* Marketing and Customer Experience Group from July 2014 – June 2016 • Senior Vice President and Chief Marketing Officer, Philippine National Bank and Allied Bank Savings from January 2008 to July 2014 • Vice President for Marketing at Security Bank from 2005 – 2008 • Vice President for Marketing, Consumer Sales and Marketing at Robinsons Bank from 2002 - 2005 • Vice President for Sales Marketing at ABN AMRO Bank from 1999 to 2002 • Vice President for Marketing at Jardine Pacific Finance from 1997 to 1999 Academic Qualifications • BS Mathematics, University of the Philippines – 1980 to 1984 • With MBA Units, De La Salle Business School	None
Neil C. Estrellado **Senior Vice President**	52	Filipino	Present Involvement • SVP since 2015 and Head of PSBank's* IT Group since 2002 Past Involvements • Held various positions in the following Banks: - Project Leader, Overseas Chinese Banking Corporation (OCBC), Singapore from 2001 - 2002 - Lead IT Analyst, Development Bank of Singapore from 2000 – 2001 - Manager, DBS Philippines Inc. (formerly Bank of Southeast Asia) from 1997 - 2000 - Assistant Manager, BPI* (formerly Citytrust Banking Corporation) from 1992 - 1996 - Systems Analyst, Bank of the Philippine Islands Academic Qualifications • BS Mathematics, Ateneo De Manila University – 1988 to 1992	None
Francis C. Llanera **Senior Vice President**	52	Filipino	Present Involvement • SVP since October 2016 and Head of Branch Banking Group since October 2012 • Past Involvements • FVP and Head of PSBank Loans Operations Group from January 2011 to October 2012 Remedial Management Division Head from • December 2007 to December 2010 • Held various positions in the following Banks:	None

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Name/ Position	Age	Citizenship	Experience	Relatives up to 4th Civil degree
			- Senior Manager and Credit Card Collections Head at Union Bank from May 2001 – November 2007 - Assistant Manager, Credit Risk at AIG from May 2000 – April 2001 - Assistant Cashier, Credit Card Department at Far East Bank & Trust Co from July 1993 – April 2000 Academic Qualifications • BSC-Commerce, University of Sto. Tomas – 1993 to 2003 • MBA, Ateneo Graduate School of Business, 2016 to 2019	
Jose Jesus B. Custodio Senior Vice President* **	63	Filipino	Present Involvement • SVP since October 2013 and Head PSBank-Indirect Sales Channel Group Past Involvements • FVP and Group Head of PSBank*-Indirect Sales Channel Group from 2010 to 2013 • Vice President and Division Head of Dealer Sales from 2004 to 2010 • AVP and Department Head of Dealer Sales from 2003 to 2004 • Senior Manager and Department Head of Dealer Sales from 2001 to 2003 • Head of Auto Loans-Retail Sales at Citytrust Banking Corp. • Head of Fleet and Floor Stock Department at BPI Family Savings Bank Academic Qualifications • BS Business Management, Ateneo De Manila University – 1977 to 1981	None
Mary Jane M. Valero Senior Vice President	54	Filipino	Present Involvement • SVP since December 2020 and Head PSBank-Customer Experience and Human Resources Group Past Involvements • FVP and Group Head of PSBank- Customer Experience and Human Resources Group from September 2019 to Nov 2020 • FVP and Group Head of PSBank- Customer • Experience and People Development Group from January 2019 to September 2019 • FVP and Group Head of PSBank- Customer Experience Group from July 2017 to January 2019 • VP and Division Head of Customer Experience Division from November 2014 to July 2017 • VP and Division Head of Customer Service	None

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Name/ Position	Age	Citizenship	Experience	Relatives up to 4th Civil degree
			• Division from February 2008 to November 2014 • VP and Division Head of Service Quality Division from August 2004 to January 2008 • AVP and Division Head of Service Quality Division from August 2002 to July 2004 • Part-Time Professor of Enderun Colleges from June 2013 to June 2014 • Front Office Manager of Mandarin Oriental Manila from January 1999 to August 2002 • Duty Manager of Westin Philippine Plaza from January 1992 to January 1999. Academic Qualifications • BS Psychology, St. Scholasticas College – 1986 to 1990 • AB Guidance and Counseling, St. Scholastica's College – 1986 to 1990 • Masters in Industrial Psychology, University of Sto. Tomas – 2010 to 2013 • PHD in Clinical Psychology, University of Sto. Tomas – 2014 to 2019	
Leah M. Zamora **Senior Vice President**	50	Filipino	Present Involvement • SVP since December 2020 and Controller and Finance Group Head of PSBank-Finance Group Past Involvements • FVP and Controller and Finance Group Head of PSBank-Finance Group from January 2017 to November 2020 • FVP and Division Head of Business Information Management Services Division from April 2010 to December 2016 • Held various positions in the following Banks: - VP, FP&A Manager of GE Money Brank from May 2006 to April 2010 - Senior Manager of Banco de Oro Universal Bank from March 2000 to May 2006 - Administrative Officer of Equitable Banking Corporation from June 1993 to June 1998 Academic Qualifications • Bachelor of Science in Accountancy, De La Salle University – 1989 to 1992 • Academic Units for Masters in Business Administration, De La Salle University – 1995 to 1998	None

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Name/ Position	Age	Citizenship	Experience	Relatives up to 4th Civil degree
Dan Jose D. Duplito **Senior Vice President**	49	Filipino	Present Involvement • SVP since September 1, 2022 and Chief Information Security Officer of Information Security Division Past Involvements • FVP and Chief Information Security Officer of ISD from July 1, 2017 to August 31, 2022 • VP and Chief Information Security Officer of ISD from March 20, 2017 to June 30, 2017 • VP and Information Security Division Head from May 8, 2013 to March 19, 2017 • VP and Information Security Department Head from March 1, 2011 to May 7, 2013 • AVP and Information Security Department Head from May 1, 2007 to February 28, 2011 • Senior Manager and Information Security Department Head from March 7, 2005 to April 30, 2007 • Held various positions in the following Private Institutions: - Security Analyst Consultant of Total Information Management from October 1, 2003 to December 1, 2004 - Security Tester Consultant of Isentry Security Services from December 1, 2002 to March 1, 2003 - Webmaster and Linux Network Admin of Powerhomes Inc. from October 1, 2000 to October 1, 2003 - Lead Web Developer Consultant of Writer's Edge Inc. from October 1, 2003 to December 1, 2005 - Production Shift Supervisor of Steel Asia Mfg. Corp. from September 1, 1997 to July 1, 2000 Academic Qualifications • BS Mechanical Engineering, University of the Philippines Diliman – 1991 to 1996	None
Edeza A. Que **Senior Vice President**	51	Filipino	Present Involvement • SVP since September 1, 2022 and Chief Risk and Sustainability Officer of Risk Management Office • Director, Bankers Institute of the Phils. Inc. since July 1, 2022 Past Involvements • FVP and Chief Risk and Sustainability Officer from April 7, 2021 to August 31, 2022 • FVP and Chief Risk Officer from March 1, 2016 to April 6, 2021 • FVP and Chief Risk Manager from May 1, 2014 to February 9, 2016 • VP and Credit Risk Manager from October 17, 2005 to April 30, 2014 • Director, Bankers Institute of the Philippines from July 1, 2019 to June 30, 2022 Academic Qualifications • BS Statistics, University of the Philippines – 1990 to 1993 • MS Statistics, University of the Philippines – 1993 to 1996	None

** Company listed at The Philippine Stock Exchange, Inc.*
*** Retired effective January 1, 2024*
**** Retired effective April 1, 2024*

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None of the Bank's directors and officers works with the government. All of the above-mentioned officers have been involved in the banking industry for more than five years.

Significant Employees

Except for the above-mentioned executives, there are no other significant employees as contemplated under the Securities Regulations Code.

Nomination Procedures

1. A stockholder may submit nominations for directorial positions to the Corporate Governance Committee.

2. The nominating stockholder shall submit his proposed nomination in writing to the Corporate Governance Committee together with the biodata, acceptance and conformity by the would-be nominee. In case of a nominee for the position of an independent director, the would-be nominee is also required to submit a Certification that he/she has all the qualifications and none of the disqualifications to become an independent auditor.

3. The Corporate Governance Committee shall screen the nomination of directors prior to the submission of the Definitive Information Statement and come up with the Final List of Candidates.

4. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as director.

5. The nomination process of the Bank is incorporated in the company's amended Code of By-Laws duly approved by the Securities and Exchange Commission as early as September 27, 2006 and also in the Bank's annually updated and Board-approved Corporate Governance Manual.

The following are the members of the Bank's Corporate Governance Committee:

Name	Position
Francisco S. Magsajo, Jr., Independent Director	Chairperson
Eduardo A. Sahagun, Independent Director	Member
Rufino Luis T. Manotok, Independent Director	Member
Gilbert L. Nunag, Chief Compliance Officer	Secretary

Nominee Directors

The following have been duly nominated to become members of the Bank's 2024-2025 Board of Directors:

Incumbent Directors:*
Vicente R. Cuna, Jr.
Arthur V. Ty
Jose Vicente L. Alde
Eduardo A. Sahagun
Francisco S. Magsajo, Jr.
Rufino Luis T. Manotok
Ronald Luis S. Goseco, Jr.

*Please refer to Item 5.a Directors for brief professional background.

New Nominees:
Ferlou I. Evangelista
Frances Gail E. Male

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Name/ Position	Age	Citizenship	Experience	Relatives up to 4th Civil degree
Ferlou I. Evangelista **Director**	63	Filipino	Present Involvements • Consultant/Lecturer, Metropolitan Bank and Trust Company*, 2024 Past Experiences/ Positions Held • Senior Vice President, Commercial Banking Group Head, Metropolitan Bank and Trust Company* from 2017 to 2023 • First Vice President, Metro Manila Center Head under Commercial Banking Group, Metropolitan Bank and Trust Company* from 2015 to 2017 • Vice President, Division Head under Metro Manila Center - Commercial Banking Group, Metropolitan Bank and Trust Company* from 2011 to 2015 • Assistant Vice President, Senior Assistant Vice President and Vice President, Security Bank Corporation* from 2000 to 2011 • Senior Manager, Philippine Commercial International Bank, 2000 Academic Qualifications • Certified Public Accountant (CPA) • MBA (Undergraduate), Ateneo de Manila University • Bachelor of Science in Commerce Major in Accounting, San Beda University	None
Frances Gail E. Male **Director**	48	Filipino	Present Involvements • Senior Vice President, Head of Credit Cards, Personal Loans and Retail Digital Channels Group under Consumer Business Sector, Metropolitan Bank and Trust Company* since 2022 Past Experiences/ Positions Held • Senior Vice President, Head of Digital Strategies, Lending and Insurance Division, Metropolitan Bank and Trust Company* from 2020 to 2022 • Senior Vice President for Digital Acquisition and Partnerships, Citibank PH from 2010 to 2020 • Marketing Manager, Globe Telecom, Inc.* from 2004 to 2010 • Corporate Banking Officer, Bank of the Philippine Islands* from 1996 to 2002 • Marketing Officer, Cebu Holdings, Inc., 1995 Academic Qualifications • Master in Business Management, Asian Institute of Management • Business Management, University of the Philippines - Cebu	None

**Company listed at The Philippine Stock Exchange, Inc.*

All nominations were submitted, evaluated and approved by the Bank's Corporate Governance Committee. As such, all nominees possess the qualifications and none of the disqualifications to become directors of the Bank for 2024-2025.

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Of the above-named nominees, Messrs. Eduardo A. Sahagun, Francisco S. Magsajo, Jr., Rufino Luis T. Manotok and Ronald Luis S. Goseco, Jr. have been nominated as Independent Directors by Ms. Jeanne Frances T. Chua, Ms. Dulce D. Arcebal, Mr. Samson C. Lim and Mr. Joaquin Aligguy, respectively, with whom they are not related. Based on the Bank's Manual of Corporate Governance and as required by existing laws and regulations, the stockholders must elect at least three (3) members of the Board or such number as may constitute one-third (1/3) of the members of the Board, whichever is higher, as Independent Directors.

Messrs. Sahagun, Magsajo, Manotok and Goseco possess the qualifications and none of the disqualifications to become independent directors.

Involvement in Certain Legal Proceedings

To the knowledge and information of the Bank, none of its directors and executive officers are involved or have been involved for the past five (5) years in any legal proceeding which will have material or substantial effect to the Bank, its operation, reputation, or financial condition.

To the knowledge and information of the Bank, none of its directors and executive officers have been involved or subject of the following legal proceedings during the past five (5) years up to latest date that are material to an evaluation of their ability or integrity:

(a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(b) Any conviction by final judgment, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign;

(c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

(d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Name and Principal Position	2024 (estimate)		
	Salary	Bonus	*Others (Per Diem)
Jose Vicente L. Alde – President			
Noli S. Gomez – Executive Vice President			
Neil C. Estrellado – Senior Vice President			
Dan Jose D. Duplito – Senior Vice President			
Leah M. Zamora – Senior Vice President			
TOTAL*	₱66.85 million	₱30.44 million	
ALL OFFICERS (AVP UP)*	₱204.27 million	₱100.33 million	
Vicente R. Cuna Jr. - Chairman			
Arthur Ty - Vice Chairman			
Jose Vicente L. Alde - Director / President			
Eduardo A. Sahagun - Independent Director			
Francisco S. Magsajo - Independent Director			
Rufino Luis T. Manotok - Independent Director			
Ronald Luis S. Goseco - Independent Director			
Rosanna F. De Vera – Director			
ALL DIRECTORS			₱19.06 million

** Estimated (Increased 2024 figures by 6% except directors' fee)*

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Name and Principal Position	2023		
	Salary	Bonus	*Others (Per Diem)
Jose Vicente L. Alde – President			
Noli S. Gomez – Executive Vice President			
Jose Jesus B. Custodio – Senior Vice President**			
Perfecto Ramon Z. Dimayuga, Jr. – Senior Vice President*			
Emmanuel A. Tuazon – Senior Vice President*			
TOTAL	₱63.07 million	₱28.72 million	
ALL OFFICERS (AVP UP)	₱192.71 million	₱94.65 million	
Jose T. Pardo - Chairman / Independent Director			
Arthur Ty - Vice Chairman			
Vicente R. Cuna Jr. - Vice Chairman			
Jose Vicente L. Alde - Director / President			
Samson C. Lim - Independent Director			
Francisco S. Magsajo - Independent Director			
Eduardo A. Sahagun - Independent Director			
Ma. Soledad D.S. De Leon – Director			
Rosanna F. De Vera – Director			
ALL DIRECTORS			₱19.06 million

**Retired effective January 1, 2024*
***Retired effective April 1, 2024*

Name and Principal Position	2022		
	Salary	Bonus	*Others (Per Diem)
Jose Vicente L. Alde – President			
Noli S. Gomez – Executive Vice President			
Jose Jesus B. Custodio – Senior Vice President			
Perfecto Ramon Z. Dimayuga, Jr. – Senior Vice President			
Emmanuel A. Tuazon – Senior Vice President			
TOTAL	₱61.58 million	₱25.39 million	
ALL OFFICERS (AVP UP)	₱176.81 million	₱75.57 million	
Jose T. Pardo - Chairman / Independent Director			
Arthur Ty - Vice Chairman			
Vicente R. Cuna Jr. - Vice Chairman			
Jose Vicente L. Alde - Director / President			
Samson C. Lim - Indpendent Director			
Benedicto Jose R. Arcinas - Independent Director			
Eduardo A. Sahagun - Independent Director			
Ma. Soledad D.S. De Leon - Director			
Rosanna F. De Vera - Director			
ALL DIRECTORS			₱21.49 million

*Each director receives a monthly professional fee for attending Board and committee meetings. The total per diem paid to the directors of the Bank are as follows (in millions):

	2023	**2022**
Board Meetings	₱17.58	₱19.86
Board Committee Meetings	1.48	1.63
	₱19.06	₱21.49

The directors receive per diem, bonuses and allowances that are already included in the amounts stated above. Aside from said amounts, they have no other compensation plan or arrangement with the bank. The Directors receive a per diem of ₱150,000 for attending Board meetings and ₱27,000 for Committee meetings. The

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executive officers receive salaries, bonuses and other usual bank benefits that are also included in the amounts stated above. Aside from these, they have no other compensation plan or arrangement with the bank.

For the protection and security of its directors and officers, the Bank is unable to provide their individual compensation.

There are no warrants or options held by the Bank's officers and directors.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

Control and Compensation Information

Voting Securities and Principal Holders Thereof

a) No. of Shares outstanding as of March 31, 2024 : **426,859,416 Common Shares**
No. of votes to which each share is entitled : **one (1) vote per share**

b) Record date to determine stockholders entitled to Notice and to vote at the regular meeting : **March 1, 2024**

c) Election of Directors:

Majority vote is required for the election of directors. Security holders shall have the right to cumulative voting. Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in the name of that security holder in the books of the Bank as of the record date multiplied by the whole number of directors to be elected. There is no condition precedent to the exercise of the right to cumulative voting.

d) Arthur V. Ty is the person authorized to vote the MBTC shares in PSBank.

e) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of March 31, 2024, the following stockholder owns more than 5% of the common voting securities:

Title of Class	Name, address of Record Owner and relationship with issuer	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common Stock	Metropolitan Bank and Trust Company Metrobank Plaza, Gil Puyat Avenue, Makati City 1200 (Parent Company of PSBank)	Arthur V. Ty, Chairman of Metrobank	Filipino	377,279,068	88.38%
Common Stock	Ma. Soledad D.S. De Leon 310 Country Club Drive, Ayala Alabang Village, Alabang, Muntinlupa City	Ma. Soledad D.S. De Leon	Filipino	26,982,149	6.32%

There is no person who holds more than 5% of the Bank's securities lodged with PCD Nominee Corporation.

Security Ownership of Directors and Management

As of March 31, 2024, the following directors and management** as a group held a total of 873 common voting securities, broken down as follows:

	Name of Stockholder	Position	Citizenship	Beneficial Ownership		% of Ownership
				No. of Shares	Nature	
Common stock	Vicente R. Cuna, Jr.	Chairman	Filipino	111	Direct	0.000026%
Common stock	Arthur V. Ty*	Vice Chairman	Filipino	129	Direct	0.000030%
Common stock	Jose Vicente L. Alde	Director/President	Filipino	111	Direct	0.000026%

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	Name of Stockholder	Position	Citizenship	Beneficial Ownership		% of Ownership
				No. of Shares	Nature	
Common stock	Eduardo A. Sahagun	Independent Director	Filipino	111	Direct	0.000026%
Common stock	Francisco S. Magsajo, Jr.	Independent Director	Filipino	100	Direct	0.000023%
Common stock	Rufino Luis T. Manotok	Independent Director	Filipino	100	Direct	0.000023%
Common stock	Ronald Luis S. Goseco	Independent Director	Filipino	100	Direct	0.000023%
Common stock	Rosanna F. De Vera	Director	Filipino	111	Direct	0.000026%
Aggregate Shareholdings of Directors and Management as a Group**				**873**		**0.000203%**

** Includes 18 shares lodged with PCD Nominee Corp.*
*** Except for the above-mentioned list which included Mr. Jose Vicente L. Alde as Director and President, there are no other officers holding PSBank shares.*

Voting Trust Holders of 5% or more

There is no person who holds more than 5% of the Bank's securities under a voting trust or similar agreement.

Changes in Control

There is no arrangement that may result in a change in control of the registrant. There is no change in control that has occurred since the beginning of the last fiscal year.

Item 12. Certain Relationships and Related Transactions

As required under existing BSP rules and regulations, the Bank discloses loans and other credit accommodations granted to its DOSRI. These loans and other credit accommodations were made substantially on the same terms as with other individuals and businesses of comparable risks and were subject of prior BOD approval and entailing BSP reportorial requirements.

Existing banking regulations also limit the total amount of credit exposure to each of the Bank's DOSRIs, at least 70.00% of which must be secured, to the total of their respective deposits and book value of their respective unencumbered deposits and, if any, book value of their respective paid-in capital contribution in the Bank. In the aggregate, the Bank's total credit exposure to all its DOSRIs should not exceed its net worth or 15.00% of its total loan portfolio, whichever is lower, with any unsecured portion thereof not exceeding the lower between 30.00% of the aggregate limit or of the total actual exposure. However, loans and other credit accommodations to DOSRIs that are secured by assets considered by the BSP as non-risk are exempt from these ceilings. As of December 31, 2023, and 2022, the Bank's credit exposures to DOSRI are within the said regulatory limits.

BSP Circular No. 423 dated March 15, 2004, as amended by BSP Circular No. 914 dated June 23, 2016, provide the rules and regulations governing credit exposures to DOSRI. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to BSP Circular No. 423 and new DOSRI loans and other credit accommodations granted under said circular as of December 31, 2023 and 2022 (in thousands):

	2023		2022	
	DOSRI Loans	**Related Party Loans**	DOSRI Loans	Related Party Loans
Total outstanding loans	**₱191,082**	**₱1,146,082**	₱199,011	₱1,154,011
Percent of DOSRI/Related Party loans to total loan portfolio	**0.17%**	**1.03%**	0.18%	1.03%
Percent of unsecured DOSRI/Related Party loans to total DOSRI/Related Party loans	**98.35%**	**99.73%**	95.04%	99.15%
Percent of past-due DOSRI /Related Party loans to total DOSRI/Related Party loans	**0.00%**	**0.00%**	0.00%	0.00%
Percent of non-performing DOSRI/Related Party loans to total DOSRI /Related Party loans	**0.00%**	**0.00%**	0.00%	0.00%

Total interest income from DOSRI loans amounted to ₱3.9 million in 2023, ₱4.6 million in 2022 and ₱4.7 million in 2021.

All of the Bank's directors do not have any self-dealing/related party transactions with PSBank directly by themselves in 2023.

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Further discussion on transactions with related parties are found in Note 36 of the Audited Financial Statements.

Others

No director has resigned or declined to stand for re-election because of any disagreement with the Bank on any matter relating to the Bank's operations, policies or practices.

No director has informed the Bank in writing that he intends to oppose any action to be taken by the Bank at the Annual Stockholders' Meeting.

PART IV. CORPORATE GOVERNANCE

Item 13. Corporate Governance

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 annually 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 terms and conditions, 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 2023 to revisit/update the transaction materiality thresholds, address the BSP's recommendations per its latest examination as completed on 14 July 2023, re-align with parent-Metrobank's updated RPT Policy and incorporate other relevant updates/changes.

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"

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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 2023, 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).*

				In Millions of PhP	
Related Parties	**Relationship**	**Nature of Transaction**	**Terms & Conditions**	**Original Amount**	**Dec. 31, 2023 Balance**
INTERCOMPANY COUNTERPARTY LINES					
Metropolitan Bank & Trust Company (MBTC)	Parent-Bank	**Annual Renewal and Increase in Related Intercompany Counterparty Lines of Treasury Group**	Clean/unsecured Line is for Interbank Call Loans (IBCL) only; Secured Line is collateralized by non-risk assets i.e. Government securities (GS); and Pre-Settlement Risk Line is for Peso and US Dollar trading of Fixed Income Securities, FX trading transactions and Peso and US Dollar Repo transactions.	**Clean – 7,000; Secured -25,000; Settlement -750**	N/A
First Metro Investment Corporation (FMIC)	Affiliate	**Renewal of Existing Php85.0 Million Pre-Settlement Risk (PSR) Line**	Counterparty line to cover risks for fixed income securities (i.e., corporate bonds, government securities) and FX spot transactions for maximum of T+3 for FMIC's securities trading.	**Pre-Settlement – 85** *(same/no changes)*	
Metropolitan Bank & Trust Company (MBTC)	Parent-Bank	**Annual Renewal of Related Intercompany Lines of Trust Division**	Counterparty line for investments in Time Deposit transactions of Trust Accounts (TAs), earmarking of settlement amount of fixed income/equity transactions, settlement of fixed income/equity transactions and investments in Time Deposit transactions of Investment Management Accounts (IMAs)	**Clean – 1,000; Pre-Settlement – 5; Settlement – 50 & IMA – 100** *(same/no changes)*	N/A
First Metro Investment Corporation (FMIC)	Affiliate		Counterparty line for earmarking of settlement amount of fixed income/equity transactions and settlement of fixed income/equity transactions	**Pre-Settlement – 70 & Settlement – 700** *(same/no changes)*	N/A
First Metro Securities Brokerage Corp. (FMSBC)	Affiliate		Counterparty line for earmarking of settlement amount of fixed income/equity transactions and settlement of fixed income/equity transactions	**Pre-Settlement – 500 & Settlement – 500** *(same/no changes)*	N/A
PSBank	Bank Proper		Counterparty line for investments in Time Deposit transactions of Trust Accounts (TAs), earmarking of settlement amount of fixed income/equity transactions, settlement of fixed income/equity transactions and investments in Time Deposit transactions of Investment Management Accounts (IMAs)	**Clean – 1,000 Pre-Settlement – No Limit Settlement – No Limit IMA – 4,000** *(same/no changes)*	N/A
LOANS AND OTHER CREDIT ACCOMMODATIONS					
First Metro Investment Corporation (FMIC)	Affiliate	**Reinstatement of Php1.0 Billion Clean/ Unsecured Credit Line**	Clean/unsecured Credit Line available via PNs of up to 30 days for additional working capital purposes and to gap intraday funding requirements with interest rate upon drawdown based on current BSP's Overnight Lending Facility (OLF) rate plus 50-75 basis points (bps) spread	**1,000**	N/A
PSBank Trust Division	Trust Division	**Renewal of Existing Php1.0 Billion Domestic Bills Purchase (DBP) Clean Line for PSBank-Trust Division's Clients Under The Same Terms & Conditions**	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

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Related Parties	Relationship	Nature of Transaction	Terms & Conditions	In Millions of PhP Original Amount	Dec. 31, 2023 Balance
OTHERS					
Metropolitan Bank and Trust Company (MBTC) - Digital Banking Unit (DBU)	Parent-Bank	**Renewal of Existing Lease Agreements**	Renewal of existing lease contracts for their office spaces at the PSBank Center for which rental rates are deemed acceptable/fair and consistent with the results of market survey conducted by the Bank's Credit Appraisal Division.	**9.99**	N/A
Sumisho Motor Finance Corporation (SMFC)	Affiliate			**19.12**	N/A
Federal Land Inc. (FLI)	Affiliate	**Buy-Back of Past Due Home Loans**	Affiliate-real estate developer's buy-back of two (2) past due home loan accounts with waiver on penalties but subject to applicable additional interest if paid beyond the committed payment date as loan recovery option for the Bank.	**5.79**	N/A
Orix Metro Leasing and Finance Corporation (OMLFC)	Affiliate	**Granting of a Second Real Estate Mortgage in favor of Affiliate-Orix Metro Leasing and Finance Corporation to Secure the Loan of Superlines Transportation Co. Inc.**	The 1st REM of the Bank shall remain valid and superior than the 2nd REM of OMLFC for which annotation shall be under the control and direction of the Bank.	**35.00**	N/A
PSBank Trust Division	Trust Division	**Opening of a Trust Account with Trust Division in Compliance with the Liquidity Requirement for Outstanding E-Money Issuances per BSP Circular No. 1166**	Opening a Trust and Other Fiduciary Account (TOFA)-Custodianship and Safekeeping with its Trust Division under the standard terms & conditions applicable to such a Trust product for investment in government securities or in other liquid assets as the BSP may allow as liquidity reserve for the Bank Proper's outstanding E-money issued in compliance with BSP Circular No. 1166	**178.92**	186.16

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.

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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 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 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 2023. Directors' level of share ownership and movements throughout 2023 are summarized in the table below:

Name of Director	Position	Rollforward of Common Shares					
		Beginning		Movements		End	
		12/31/2022	%	Additions	Deductions	12/31/2023	%
Jose T. Pardo*	Chairman	2,063	0.000483	-	2,063	0	0.000000
Vicente R. Cuna, Jr.	Chairman	111	0.000026	-	-	111	0.000026
Arthur V. Ty	Vice Chairman	129	0.000030	-	-	129	0.000030
Samson C. Lim*	Independent Director	111	0.000026	-	111	0	0.000000
Rufino Luis T. Manotok**	Independent Director	-	-	100	-	100	0.000023
Higinio S. Macadaeg, Jr.***	Independent Director	-	-	100	100	0	0.000000
Ronald Luis S. Goseco****	Independent Director	-	-	100	-	100	0.000023
Francisco S. Magsajo, Jr.	Independent Director	100	0.000023	-	-	100	0.000023
Eduardo A. Sahagun	Independent Director	111	0.000026	-	-	111	0.000026
Jose Vicente L. Alde	President and Director	111	0.000026	-	-	111	0.000026
Ma. Soledad D.S. De Leon	Director	4,456,795	1.044090	-	-	4,456,795	1.044090
Rosanna F. De Vera	Director	111	0.000026	-	-	111	0.000026
Total		4,459,642	1.044756	300	2,274	4,457,668	1.044293

** The directorship of Mr. Pardo and Mr. Lim ended in April 2023 (with 2,063 shares and 111 shares outstanding as of end-December 2023, respectively).*
*** Mr. Manotok was elected as Independent Director during the Annual Stockholders' Meeting in April 2023.*

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**** Mr. Macadaeg was elected as Independent Director during the Annual Stockholders' Meeting in April 2023 but resigned in July 2023 (with 100 shares outstanding as of end-December 2023).*
***** Mr. Goseco was elected as Independent Director in September 2023 to fill in the vacancy left by Mr. Macadaeg since July 2023.*

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 the Group Head of Internal Audit, Fraud Management, or Customer Experience and Human Resources, for evaluation if it would warrant an investigation. Under the Code of Conduct, concealment or non-reporting is considered 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/proliferation 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 (MTPP).

Our MTPP, 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; and
6. Compliance with Freeze Orders, KYC requests, bank inquiries, Targeted Financial Sanctions and other AML/CFT rules and regulations of the Anti-Money Laundering Council (AMLC) and the Bangko Sentral ng Pilipinas (BSP).

Our MTPP was last updated in October 2023 to address the findings & recommendations of the most recent BSP examination as completed on 14 July 2023 and to incorporate the recent ML/TF-related regulatory issuances as well as relevant CO AML advisories recently issued and other amendments. Compliance with the requirements of this MTPP 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.

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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 2023 to include certain duties and responsibilities of the Board of Directors with respect to strategic manpower planning and employee separations under Operational Risk Management, incorporate the SEC's requirements when filing request for extension in filling up a vacant Board seat pursuant to the Revised Corporation Code of the Philippines, articulate the exemption of certain persons from attending the required Basic CG Orientation Program for first-time directors as well as those who have already attended the same course in other company(ies) of which they also sit as directors, set a deadline from date of election within which to attend the required Basic CG Orientation Program for first-time directors to align with that of parent-Metrobank, document the current practice of the respective committee secretariats' holding of a briefing for newly elected directors of their roles in the Board-level committees of which they were appointed as members and revise the schedule of the conduct of the required annual performance evaluation of directors and officers with interlocking positions to within the first quarter of the following year.

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 and BSP Circular No. 1160 re: "Regulations on Financial Consumer Protection to Implement Republic Act No. 11765, otherwise known as the Financial Products and Services Consumer Protection Act (FCPA)", our corporate governance system and culture includes a Financial Consumer Protection (FCP) Framework to ensure that financial consumers' rights are protected at all times and that consumer protection laws, rules and regulations, 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. Protection of consumer assets against fraud and misuse; and
6. Financial education and awareness.

This FCP Framework was updated in November 2023 to overhaul and re-align with the amended and new requirements set forth under BSP Circular No. 1160, especially with respect to the inclusion of a mandatory Cooling-Off Period for all applicable products and articulation of the Bank's Responsible Pricing policy, incorporate the adoption of the Standard Business Loan Application Form (SBLAF) for micro, small and medium enterprises as mandated under BSP Circular No. 1156 dated 30 September 2022 and add footnotes for clarification of or emphasis on certain items as well as points of reference to pertinent Policies & Procedures. .

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:

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(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 (BBG) 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.

• **FCPA Roundtable:** a top-level advisory and action group led by a Senior Officer who acts as a coach. The FCPA roundtable's primary objective is to create a venue for discussion of customer issues, develop and recommend actions that will lead to continuous structural improvements.

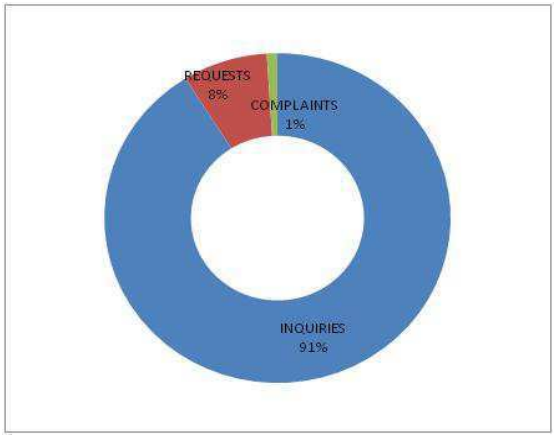
At the end of each day, all customer issues received are reported to a pool of senior officers, including the president and the executive vice president. The consolidated report is likewise submitted to the RMO on a monthly basis as part of the Key Risk Indicator (KRI) reports.

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	%
Inquiries	717,305	91%
Requests	62,513	8%
Complaints	7,735	1%
	787,553	**100%**



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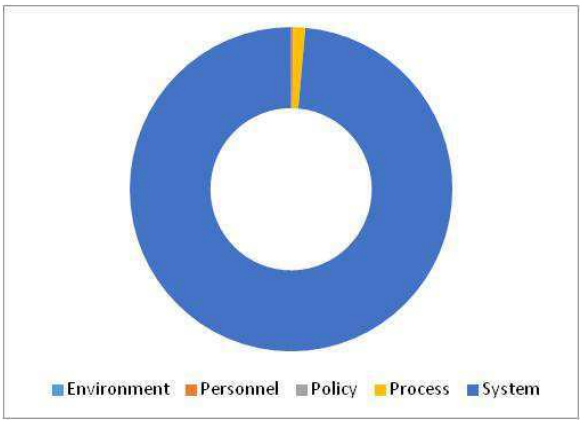
Complaints:

Nature of Complaint	TOTAL	%
Environment	1	0.01%
Personnel	16	0.21%
Policy	2	0.03%
Process	91	1.17%
System	7,625	98.58%
	7,735	**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 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 2023, 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 potential candidates, the Bank 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

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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. 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 October 2023 an annual refresher program on Corporate Governance via Zoom webinar pursuant to SEC Memorandum Circular No. 20 s2013 and as conducted by the Center for Global Best Practices (CGBP), a SEC-accredited training provider. Topics covered in said webinar are Governance of Data Privacy Management, Executive Briefing on Cybersecurity for Board and Management, Updates on Anti-Money Laundering Laws and Regulations and the Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting.

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 and/or applicable rules are given to all directors and stockholders. Regular Board meetings are also scheduled in advance which are normally set every third Thursday of the month. With the lifting of pandemic-related restrictions, directors typically attend board meetings in person or face-to-face and are given the access/option also to attend virtually whenever necessary or as applicable. This is to provide flexibility and convenience to the members of the Board.

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

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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. 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 2023 for these committees were logged as follows:

Corporate Governance Committee (CGC)

Members	Position	Attendance	%
Jose T. Pardo* *Independent Director*	Chairperson	4/4	100%
Samson C. Lim* *Independent Director*	Member	4/4	100%
Eduardo A. Sahagun *Independent Director*	Member	12/12	100%

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Members	Position	Attendance	%
Francisco S. Magsajo, Jr.** *Independent Director*	Chairperson	7/8	88%
Rufino Luis T. Manotok*** *Director*	Member	8/8	100%
Gilbert L. Nunag *Chief Compliance & Data Protection Officer*	Secretary	12/12	100%

**Terms as independent directors ended in April 2023*
***Replaced Mr. Jose T. Pardo as CGC Chairperson starting May 2023*
****Elected as new independent director in April 2023 and replaced Mr. Samson C. Lim as CGC Member starting May 2023*

Risk Oversight Committee (ROC)

Members	Position	Attendance	%
Francisco S. Magsajo, Jr.* *Independent Director*	Chairperson	4/4	100%
Higinio O. Macadaeg, Jr.** *Independent Director*	Chairperson	3/3	100%
Ronald Luis S. Goseco*** *Independent Director*	Chairperson	3/3	100%
Jose Vicente L. Alde *Director*	Member	12/12	100%
Eduardo A. Sahagun *Independent Director*	Member	12/12	100%
Edeza A. Que *Chief Risk & Sustainability Officer*	Secretary	12/12	100%

**Served as ROC chairperson until April 2023*
***Elected as new independent director in April 2023 and replaced Mr. Magsajo, Jr. as ROC Chairperson starting May 2023 but resigned effective July 17, 2023*
****Elected as new independent director and ROC Chairperson in September 2023.*

AML Oversight Committee (AMLOC)

Members	Position	Attendance	%
Vicente R. Cuna, Jr. *Non-Executive Director*	Chairperson	12/12	100%
Francisco S. Magsajo, Jr. *Independent Director*	Member	12/12	100%
Rosanna F. De Vera *Non-Executive Director*	Member	10/12	83%
Gilbert L. Nunag *Chief Compliance & Data Protection Officer*	Secretary	12/12	100%

Audit Committee (AuditCom)

Members	Position	Attendance	%
Eduardo A. Sahagun *Independent Director*	Chairperson	15/15	100%
Samson C. Lim* *Independent Director*	Member	5/5	100%
Jose T. Pardo* *Independent Director*	Member	5/5	100%
Higinio O. Macadaeg, Jr.** *Independent Director*	Member	3/3	100%
Rufino Luis T. Manotok*** *Independent Director*	Member	10/10	100%
Ronald Luis S. Goseco**** *Independent Director*	Member	4/4	100%
Sherwin U. Lee *Chief Audit Executive*	Secretary	15/15	100%

**Terms as independent directors ended in April 2023*
***Elected as new independent director in April 2023 and replaced Mr. Pardo as AuditCom Member starting May 2023 but resigned effective July 17, 2023*
****Elected as new independent director in April 2023 and replaced Mr. Lim as AuditCom Member starting May 2023*
*****Elected as new independent director and AuditCom Member in September 2023.*

Executive Committee (ExCom)

Members	Position	Attendance	%
Vicente R. Cuna, Jr.* *Non-Executive Director*	Chairman	12/12	100%

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Members	Position	Attendance	%
Arthur V. Ty *Non-Executive Director*	Member	11/12	92%
Jose Vicente L. Alde *President/Executive Director*	Member	12/12	100%
Rosanna F. De Vera *Non-Executive Director*	Member	12/12	100%
Mary Myleen M. Masanque *Credit and Collections Group Head (PSBank Representative)*	Member	12/12	100%
Jose M. Manuel, Jr. *Legal Services Division Head*	Secretary	12/12	100%
Arlyn S. Montebon *Legal Documentation Department Head*	Alternate Secretary		

**Appointed as Board and ExCom Chairman in April 2023*

Related Party Transactions Committee (RPTC)

Members	Position	Attendance	%
Samson C. Lim* *Independent Director*	Chairperson	4/4	100%
Jose T. Pardo* *Independent Director*	Member	4/4	100%
Ma. Soledad D.S. De Leon *Non-Executive Director*	Member	9/12	75%
Higinio O. Macadaeg, Jr.** *Independent Director*	Member	2/2	100%
Rufino Luis T. Manotok*** *Independent Director*	Chairperson	8/8	100%
Ronald Luis S. Goseco**** *Independent Director*	Member	3/3	100%
Sherwin U. Lee *Chief Audit Executive*	Resource Person	12/12	100%
Gilbert L. Nunag *Chief Compliance & Data Protection Officer*	Resource Person and Secretary	12/12	100%

** Terms as independent directors ended in April 2023*
***Elected as new independent director in April 2023 and replaced Mr. Pardo as RPTC Member starting May 2023 but resigned effective July 17, 2023*
****Elected as new independent director in April 2023 and replaced Mr. Lim as RPTC Chairperson starting May 2023*
*****Elected as new independent director and RPTC Member in September 2023.*

Trust Committee (TrustCom)

Members	Position	Attendance	%
Rommel Enrico C. Dionisio* Independent Professional	Chairperson	4/4	100%
Francisco S. Magsajo Jr.** Independent Director	Chairperson	4/4	100%
Jose Vicente L. Alde President	Member	4/4	100%
Ma. Soledad D.S. De Leon Non-Executive Director	Member	3/4	75%
Reuel R. Javier Trust Officer	Member	4/4	100%

**Served as Chairperson until April 2023, continues to serve as member of TrustCom*
***Succeeded Mr. Dionisio as Chairperson in April 2023*

Board Meetings. In 2023, our Board had 12 regular meetings, in addition to the annual stockholders' meeting (ASM) and organizational meeting. Directors logged a 98% attendance rate. Attendance records to Board meetings in 2023 are summarized below.

MEMBERS	ATTENDANCE	%	ASM
Jose T. Pardo* Chairman and Independent Director	3/3	100%	N/A
Vicente R. Cuna, Jr.** Chairman	12/12	100%	YES
Arthur V. Ty Vice Chairman and Non-Executive Director	11/12	92%	YES

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MEMBERS	ATTENDANCE	%	ASM
Samson C. Lim* Independent Director	3/3	100%	N/A
Rufino Luis T. Manotok*** Independent Director	9/9	100%	YES
Higinio S. Macadaeg, Jr.**** Independent Director	3/3	100%	YES
Ronald Luis S. Goseco***** Independent Director	4/4	100%	N/A
Francisco S. Magsajo, Jr. Independent Director	12/12	100%	YES
Eduardo A. Sahagun Independent Director	12/12	100%	YES
Jose Vicente L. Alde President and Executive Director	12/12	100%	YES
Ma. Soledad D.S. De Leon Non-Executive Director	11/12	92%	YES
Rosanna F. De Vera Non-Executive Director	12/12	100%	YES

** The directorship of Mr. Pardo and Mr. Lim ended in April 2023.*
*** Mr. Cuna was elected as Chairman in April 2023.*
**** Mr. Manotok was elected as Independent Director in April 2023.*
***** Mr. Macadaeg's directorship started in April 2023 and ended in July 2023.*
****** Mr. Goseco was elected as Independent Director in September 2023 to fill in the vacancy left by Mr. Macadaeg since July 2023.*

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.

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• 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 2023 to address the findings & recommendations of the most recent BSP examination as completed on 14 July 2023, incorporate other relevant updates, articulate existing processes and enhance certain processes , 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.

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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.

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The total per diem and transportation allowance paid to directors for their attendance in Board meetings for the period January to December 2023 was P19.1 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 total 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.

• **HE1GHTS: 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 2023, 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, with 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 2023, 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/or 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.

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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. 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, 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 2023 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

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chief risk officer, the chief audit executive, the chief compliance officer, directors/officers with multiple/interlocking positions and of the entire Bank.

Information Technology (IT) Training

In 2023, the PSBank Business Campus (PBC) continued to offer a mix of in-person and virtual trainings for PSBankers all year-round. These hybrid setups helped ensure that employees get the Learning and Development programs they need – whether they are joining through virtual platforms or attending the learning sessions face-to-face.

Among the teams which received customized and targeted programs is Information Technology Group (ITG), one of the biggest employee groups in the Bank. With the goal of making the Bank's IT workforce adept with Industrial Revolution 4.0 skills, they were included again in the priority learners for 2023.

The IT trainings with the most number of attendees were the following:

IT Training Program (Technical and Developmental)	Number of Participants
English Proficiency	30
Strategic Management	29
Intermediate Excel	26
Crisis Management	23
CX with Complaints Handling	23
Basic Scripting	22
Linux Operating System Installation and Administration	22
Project Management Fundamentals	20
Introduction to Banking	16
Be Kind to Your Mind: A Talk on Stress and Anger Management	15
Performance Management and Coaching	15
Discipline Management	13
Business Writing	12
Critical Thinking and Decision-Making	12
Effective Presentation	12
Basic Power BI	11
Basic SQL	11
C# Fundamentals	11
Creative Communications Workshop	11
DevOps Fundamentals	11
Introduction to Agile Project Management	11
Networking Fundamentals	11
SME Loans	11
Windows Operating System Installation and Administration	11
Operational Risk Management	10

Aside from tailor-fit technical and developmental trainings, PBC also continued to produce a pool of IT Leaders through the IT Officer Ladderized Program. Fourteen (14) top-performing staff completed their programs and levelled up to become Junior Officers. Fresh talents also became part of the flagship management program for new hires with potential to become Tech Leaders – the IT Officership Program (ITOP). Eleven (11) participants of the pioneer batch are now on developmental assignments as Systems Analysts, Network Specialists, and Systems Engineers – ready to assume various fields of specializations in IT.

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As advocates of continuous learning, the ITG personnel also looked for external trainings, short courses, and training sessions – some of which were free – which they could enroll in, based on the program's applicability to their respective functions. A total of 918 IT trainings were delivered in 2023 – 80 of these were internal and 838 were online, self-paced external sessions.

HR-Learning & Development (L&D) also continued working with ITG in enhancing the Bank's Cloud-based Learning Management System – Modular Object-Oriented Dynamic Learning Environment or MOODLE in 2023. Since the platform is already accessible through personal gadgets such as smart phones or laptops, the HR and IT teams are working on uploading more learning materials via MOODLE to deliver an #EffortlessLearningExperience to PSBankers.

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PART V. EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Reports on SEC Form 17-C

Refer to Exhibit 3 for the reports filed during the year to the date of filing the SEC Form 17-A.

(b) Exhibits

1	Schedule of Bank/Branch Sites Owned by the Bank
2	Schedule of Bank/Branch Sites Under Lease Agreements
3	SEC Form 17-C
4	Statement of Management's Responsibility for Financial Statements
5	Audited Financial Statements as of December 31, 2023 and 2022 and for the Years Ended December 31, 2023, 2022 and 2021 and Independent Auditor's Report
6	Independent Auditors' Report on Supplementary Schedules
7	Independent Auditors' Report on Components of Financial Soundness Indicators
8	Index to the Financial Statements and Supplementary Schedules
Annex 1	• Reconciliation of retained earnings available for dividend declaration
Annex 2	• Map showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates, wherever located or registered
Annex 3	• Supplementary schedules as required by Revised SRC Rule 68 - Annex 68- J
Annex 4	• Schedule of financial soundness indicators
9	Sustainability Report
10	List of Stockholders as of 01 March 2024 (Record Date)

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SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on April 12, 2024.

JOSE VICENTE L. ALDE
President

NOLI S. GOMEZ
Principal Operating Officer

ELMER K. MERCADO
Treasurer

LEAH M. ZAMORA
Controller and Corporate Secretary

NOEL C. ANG
Principal Accounting Officer

APR 12 2024

SUBSCRIBED AND SWORN to before me at Makati City this_____, affiants exhibiting to me their passports/social security as follow:

Name	Passport/SSS/UMID No.	Date of Issue	Place of Issue
Jose Vicente L. Alde		-	-
Noli S. Gomez			
Elmer K. Mercado			
Leah M. Zamora			
Noel C. Ang		-	-

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Page No. 53
Book No. 12
Series of 2024

ATTY. ROMEO S. MASANGYA, JR.
ROLL NO. 45164
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M-028 UNTIL DECEMBER 31, 2024
MCLE COMPLIANCE NO. VII-0005549 APRIL 14, 2025
IBP LIFETIME NO. 018683, 01/03/2013 MAKATI CITY
PTR NO. 10073915, 01/03/2024 MAKATI CITY
MEZZANINE FLR. PSBANK CENTER NO. 777 PASEO DE ROXAS
COR. SEDENO ST. MAKATI CITY
TEL NO. (02)8511-6042

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Exhibit 1

PHILIPPINE SAVINGS BANK
SCHEDULE OF BANK/BRANCH SITES OWNED BY THE BANK
As of December 31, 2023

NO.	BRANCH NAME	LOCATION
1	Head Office	G/F PSBank Center, 777 Paseo De Roxas cor. Sedeno St., Makati City
2	Angeles	Miranda Ext. cor. Sadie St. San Nicolas, Angeles City
3	Baguio	35 G Perfecto St., Malcolm Square, Baguio City, Benguet
4	Binakayan	PSBank Bldg., Tirona Highway, National Rd. Binakayan, Kawit, Cavite
5	Blumentritt	PSBank Bldg., 1680 Blumentritt cor. Oroquieta Sts., Sta. Cruz Manila
6	Camiling	Arellano St., Poblacion Camiling, Tarlac
7	Candelaria	Argao St., cor. Rizal Ave. Candelaria, Quezon
8	Cebu-Jones	Osmena Blvd. cor. Sanciangko St., Cebu City
9	Dasmarinas	PSBank Bldg., E. Aguinaldo Highway cor. Mangubat St., Dasmarinas, Cavite
10	Gil J. Puyat - Tindalo	G/F Skyland Plaza Condominium, Sen. Gil Puyat Ave. cor. Tindalo St., Makati City
11	J.P. Rizal	PSBank Bldg., J.P. Rizal, cor. Legaspi Sts., Makati City
12	Laoag	F.R. Castro St., Laoag City, Ilocos Norte
13	Las Pinas - Almanza	G/F PSBank Bldg. Alabang Zapote Rd., Brgy. Almanza Las Pinas Metro Manila
14	Lemery	Ilustre Avenue cor. J.P. Rizal St., Lemery, Batangas
15	Lipa	C.M. Recto Ave cor. Soliman St., Lipa City
16	Los Banos	PSBank Bldg., Lopez Ave., Batong Malake, Los Banos, Laguna
17	Lucena	Quezon Ave. cor. Evangelista St. Lucena City, Quezon
18	Marikina - Concepcion	20 Bayan-Bayanan Avenue, Concepcion, Marikina City
19	Maypajo	132 A. Mabini St. near cor. Dimasalang, Maypajo, Caloocan City
20	Meycauayan	PSBank Bldg., McArthur Highway, Calvario, Meycauayan, Bulacan
21	Paniqui	Paniqui Commercial Complex, McArthur Highway Ext., Poblacion Norte, Paniqui, Tarlac
22	Pasay Taft	2336 Taft Ave., near cor. Villareal St., Pasay City
23	Quezon Boulevard	358 Quezon Blvd. cor. Arlegui Sts., Quiapo, Manila.
24	Roosevelt	PSBank Bldg. 348 Roosevelt Ave., San Francisco Del Monte, Quezon City
25	San Juan	No. 5 F. Blumentritt cor. N. Domingo Sts., San Juan City
26	Tanauan	J.P. Laurel Highway, Tanauan City, Batangas
27	Tarlac	PSBank Bldg., F. Tanedo St., Tarlac, Tarlac
28	Valenzuela	ARTY Subdivision, Mc Arthur Highway cor. J.P. Rizal St., Karuhatan, Valenzuela City

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Exhibit 2

PHILIPPINE SAVINGS BANK
SCHEDULE OF BANK/BRANCH SITES UNDER LEASE AGREEMENTS
As of December 31, 2023

NO	BRANCH	LOCATION / ADDRESS	RENTAL RATE PER MONTH	TERM	CONTRACT PERIOD FROM	TO
1	ACROPOLIS (formerly Libis)	G/F The Spa Bldg. No. 80 E. Rodriguez Jr. Avenue Bagumbayan Quezon City	345,438.50	5 Years	1-Mar-23	29-Feb-28
2	AKLAN - KALIBO	19 Martyr's corner G. Pastrana St. Kalibo, Aklan	97,978.62	2 Years	16-Jan-22	15-Jan-24
3	ALABANG	Estrellita Bldg. 236 Montillano St. Alabang Muntinlupa City	330,736.57	20 Years	1-Sep-05	31-Aug-25
4	ALABANG - ACACIA	Kingston Tower, Blk 2 Lot 1, Acacia Ave., Madrigal Business Park, Ayala Alabang Muntinlupa City	204,208.98	5 Years	15-Oct-21	14-Oct-26
5	ALABANG - MADRIGAL PARK	Admiralty Bldg., 1101 Alabang Zapote Rd., Madrigal Business Park, Ayala Alabang, Muntinlupa City	280,158.24	5 Years	1-Sep-21	31-Aug-26
6	ALABANG - ZAPOTE	Sycamore Arcade Building, Alabang-Zapote Road, Alabang, Muntinlupa City 1770 PH	257,030.76	5 Years	16-Dec-21	15-Dec-26
7	ALBAY - TABACO	Unit A to D, VICAR Bldg., Ziga Ave., Brgy Basud, Tabaco City, Albay	140,710.04	10 Years	15-Oct-15	14-Oct-25
8	AMORANTO	157, N.S. Amoranto corner Retiro St., Maharlika, Quezon City	168,294.18	10 Years	1-Feb-18	31-Jan-28
9	ANGELES - BALIBAGO	G/F Fields Plaza Condominium, McArthur Hi-way, Balibago,Angeles City	136,500.00	5 Years	1-Aug-21	31-Jul-26
10	ANTIPOLO	75 Claveria Bldg., Circumferential Road, Brgy. San Roque, Antipolo City	133,674.43	5 Years	1-Nov-22	31-Oct-27
11	ANTIPOLO - M.L. QUEZON	World Citi Colleges Bldg. M.L Quezon St. Brgy. San Roque, Antipolo City, Rizal	140,250.00	5 Years	1-Nov-23	31-Oct-28
12	ANTIPOLO - MASINAG	G/F Tripolee Bldg., Marcos Highway, Brgy. Mayamot, Antipolo City, Rizal	170,850.00	5 Years	1-Jun-22	31-May-27
13	ANTIQUE - SAN JOSE	GF, D123C Bldng., Moscoso St. cor. Tobias Fornier St. San Jose De Buenavista, Antique	81,033.75	10 Years	1-Jun-14	31-May-24
14	ARNAIZ AVENUE	824 Ginbo Bldg., Arnaiz Ave., San Lorenzo, Makati City	345,600.00	5 Years	1-Apr-23	31-Mar-28
15	BACLARAN	2935 Bagvpi Trade Center, FB Harrison St., cor. Ortigas St., Pasay City	214,503.97	6 Years	1-Jan-21	31-Dec-26
16	BACOLOD	G/F A. Yu Bldg. Locsin St. (between Gonzaga and Luzurriga Sts.) Bacolod City	118,795.90	5 Years	1-Jul-20	30-Jun-25
17	BACOLOD - NORTH DRIVE	Del Rio 2 Building, BS Aquino Drive, Bacolod City (G/F Riverside Pharmacy Bldg., BS Aquino Drive, Bacolod City)	55,285.85	5 Years	16-Oct-19	15-Oct-24
18	BALANGA	G/F SHP Building II, Don Manuel Banzon Avenue, Balanga, Bataan	130,277.28	20 Years	1-Oct-08	30-Sep-28
19	BALIC-BALIC	PSBANK Bldg., G Tuazon Cor Calabash A, Balic Balic, Brgy. 549, Sampaloc, Metro Manila	281,427.63	3 Years	15-Nov-22	14-Nov-25
20	BALINTAWAK	1238 GO SOC Bldg. Edsa Balintawak Q.C.	165,827.69	5 Years	1-Sep-22	31-Aug-27
21	BANAWE	245 PPSTA BLDG 3, 245 Banawe Street, Quezon City.	121,495.33	5 Years	1-Nov-23	31-Oct-28
22	BATANGAS	P. Burgos St., Brgy. 16, Batangas City,	119,166.75	5 Years	1-Dec-22	30-Nov-27
23	BATANGAS - BALAYAN	GF, Commercial Bldg, Plaza Rizal St. corner Fe St., Balayan, Batangas	107,868.32	10 Years	15-Aug-14	14-Aug-24
24	BATANGAS - BAUAN	Era Building, Kapitan Ponso St. corner Ylagan St. Poblacion IV, Bauan, Batangas	167,511.96	1 Year	1-Oct-23	30-Sep-24
25	BATANGAS - STO. TOMAS	GF, New Bldng Maharlika Hway, Brgy. San Antonio, Sto. Tomas, Batangas	156,172.21	10 Years	21-Jul-14	20-Jul-24
26	BENGUET - LA TRINIDAD	GF, Ramon Bldng., JB-25 Km 4, Brgy. Pico, La Trinidad, Benguet	103,318.03	15 Years	1-Jul-14	30-Jun-29
27	BF HOMES	#11 President Ave.corner Elizalde St., BF Homes Paranaque City	300,102.43	5 Years	1-Sep-21	31-Aug-26
28	BF RESORT DRIVE	#1 Alice Crisostomo cor. BF Resort Drive, BF Resort Village, Las Pinas City 1740	53,977.07	10 Years	1-Apr-14	31-Mar-24
29	BICUTAN	#40 Doña Soledad Ave., Better Living Subd., Paranaque City 1711	224,471.72	5 Years	8-Oct-22	7-Oct-27
30	BINAN	PSBank Bldg, A.Bonifacio St. Brgy Canlalay, Binan, Laguna	199,650.00	10 Years	1-Jan-20	31-Dec-29
31	BONI AVENUE	641 Cifra Bldg. Boni Avenue, Mandaluyong City	178,560.00	5 Years	8-Oct-23	7-Oct-28

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NO	BRANCH	LOCATION / ADDRESS	RENTAL RATE PER MONTH	TERM	CONTRACT PERIOD	
					FROM	TO
32	BONI SERRANO (St. Ignatius)	G/F PSMBFI Building, Boni Serrano Avenue, corner 1st and 2nd Streets, West Crame, San Juan City	87,716.09	5 Years	1-Jun-19	31-May-24
33	BONIFACIO GLOBAL CITY	Unit 1 G/F Bonifacio Technology Center, 31st St cor 2nd St Bonifacio Global City, Taguig	210,700.00	1 Year	1-Jan-23	31-Mar-24
34	BUKIDNON - MALAYBALAY	Ramos Bldg, Fortich Street, Malaybalay City, Bukidnon 8700F	97,776.77	5 Years	1-Oct-20	30-Sep-25
35	BUKIDNON - VALENCIA	G/F Tamay Lang Arcade, Alkuino St. Cor. Manuel A. Roxas St., Valencia City Bukidnon	130,109.77	5 Years	1-Jul-20	30-Jun-25
36	BULACAN - BALAGTAS	BAGS building Mc Arthur Highway San Juan Balagtas Bulacan	134,009.56	15 Years	1-Oct-11	30-Sep-26
37	BULACAN - BALIUAG	B.S. Aquino Ave. cor Lopez Jaena St. Bagong Nayon, Baliwag, Bulacan	80,682.40	15 Years	1-Aug-11	31-Jul-26
38	BULACAN - MARILAO	GF, RCH Bldg., Mc Arthur Highway corner Magalang St., Brgy. Ibayo, Marilao, Bulacan	82,162.44	10 Years	1-Oct-14	30-Sep-24
39	BULACAN - PLARIDEL	GF Javier Building, Pan Philippine Highway, Banga 1st, Plaridel Bulacan	134,169.15	10 Years	1-Mar-14	28-Feb-24
40	BULACAN - PULILAN	Doña Remedios Trinidad Highway, Sto Cristo, Pulilan, Bulacan	105,242.60	5 Years	1-Dec-22	31-Dec-27
41	BULACAN - SAN JOSE DEL MONTE	G/F FLB Building Provincial Road Brgy. Tungkong Mangga San Jose Del Monte Bulacan	128,184.02	5 Years	15-Nov-22	14-Nov-27
42	BUSTILLOS - LEGARDA	GF, #415 EEC Bldg. J. Figueras St., Sampaloc, Manila	243,101.25	10 Years	31-Jul-15	30-Jul-25
43	BUTUAN	J.C. Aquino Avenue corner Ochua Avenue, Butuan City, Agusan Del Norte	75,033.72	20 Years	1-Nov-08	31-Oct-28
44	CABANATUAN	782 – 784 Century Ent. Bldg., Melencio St. cor. Paco Roman St., Dimasalang, Cabanatuan City 3100	150,000.00	5 Years	1-Jan-22	31-Dec-26
45	CAGAYAN DE ORO	BJS Building Don A Velez corner A. Mabini Sts. Cagayan de Oro, Misamis Oriental	148,981.19	5 Years	1-Apr-21	31-Mar-26
46	CAGAYAN DE ORO - LAPASAN	Unit 11-12, Puregold CDO, Claro M. Recto Ave., Lapasan, Cagayan de Oro City, Misamis Oriental	120,937.12	10 Years	4-Nov-15	3-Nov-25
47	CAINTA	G/F Ortigas Royale Condominium, Ortigas Avenue Extension, Brgy. San Juan, Cainta, Rizal	113,190.00	5 Years	1-Mar-22	28-Feb-27
48	CAINTA - FELIX AVENUE	Cainta Business Center Building, Felix Ave., Cor Vista Verde Ext., Gate 2, Cainta, Rizal	134,726.34	5 Years	15-May-21	14-May-26
49	CALAMBA	Ground Floor Andenson Building I, Parian, National Highway, Calamba City	133,908.82	10 Years	1-Jan-17	31-Dec-26
50	CALOOCAN - EDSA	#382 Galauran compound Edsa Caloocan City	154,966.11	5 Years	1-Sep-23	31-Aug-28
51	CALOOCAN - SAMSON ROAD	G/F Erlinda Go Bldg. Samson Road corner Torres St. Caloocan City	196,469.66	5 Years	1-Sep-21	31-Aug-26
52	CAMARIN	G/F Zabarte Town Center 588 Camarin Road, Kalookan City	163,366.41	11 Years	1-Jan-14	31-Dec-24
53	CAMARINES NORTE - DAET	GF, New Bldng., F. Pimentel Ave. corner V. Basit St. Brgy. 8, Daet, Camarines Norte	97,240.50	10 Years	1-Jul-14	30-Jun-24
54	CAPITOL HILLS DRIVE	G/F Bellevue Commercial Building, Capitol Hills Drive, Quezon City	106,376.79	10 Years	1-Jul-14	30-Jun-24
55	CAVITE - BACOOR	G/F Heritage Bldg. KM 16 Aguinaldo Hiway Niog Bacoor, Cavite	103,127.90	5 Years	1-Apr-21	31-Mar-26
56	CAVITE - CARMONA	GF, 88 Bldg., Gov. Drive, Brgy. Maduya, Carmona, Cavite	84,510.45	10 Years	30-Aug-14	29-Aug-24
57	CAVITE - GEN. TRIAS	Florida Sun Estates, Governor's Drive, Brgy. Manggahan, Gen. Trias, Cavite	202,622.40	1 Year	1-Jan-24	31-Dec-24
58	CAVITE - GMA	Gov. Drive, Gen. Mariano Alvarez, Cavite	80,447.45	15 Years	16-Jan-12	15-Jan-27
59	CAVITE - IMUS ANABU	Kingsway Commercial Complex No. 9040 E. Aguinaldo Highway, Anabu, Imus, Cavite	126,000.00	1 Year	2-May-23	1-May-24
60	CAVITE - IMUS LANCASTER	The Square, Retail 2 Unit 101, Advincula Ave., Lancaster New City, Brgy. Alapan 2, Imus City, Cavite	93,381.75	5 Years	1-Apr-22	31-Mar-27
61	CAVITE - IMUS TANZANG LUMA	G/F VCV Bldg. Aguinaldo Highway Brgy. Tanzang Luma Imus City, Cavite	154,781.05	10 Years	1-Jan-15	31-Dec-24
62	CAVITE - MOLINO	G/F golden Oasys Bldg.,Molino 4, Bacoor Cavite	194,842.32	5 Years	1-Jan-23	31-Dec-27

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63	CAVITE - TAGAYTAY	Rotonda Star Plaza, Brgy. Silang Junction, Tagaytay City, Cavite	201,014.35	5 Years	1-May-23	30-Apr-28
64	CAVITE - TANZA	G/F Annie's Plaza A. Soriano Highway, Daang Amay, Tanza Cavite	107,206.50	5 Years	16-Sep-20	15-Sep-25
65	CAVITE - TRECE MARTIRES	GF, New Bldg., Governors Drive, Trece Martires, Cavite	140,749.79	10 Years	22-Sep-14	21-Sep-24
66	CAVITE - SILANG	G/F, O.C. Building, M.H. Del Pilar cor. Kiamzon Sts., Silang, Cavite	94,500.00	5 Years	1-Jun-22	31-May-27
67	CEBU - AYALA BUSINESS PARK	G/F Insular Life Cebu Business Centre, Mindanao Avenue corner Biliran Road, Cebu Business Center, Cebu City, Cebu 6000	284,493.32	5 Years	16-May-21	15-May-26
68	CEBU - CAPITOL	The Strip, Osmena Blvd., Capitol Site, Cebu City	214,876.19	1 Year	1-Sep-23	31-Aug-24
69	CEBU - COLON	Pelaez corner Colon Sts., Cebu City	115,762.50	15 Years	3-Apr-11	2-Apr-26
70	CEBU - IT PARK	GF, Stall 101, eBlock 4, Jose Maria Del Mar St., Cebu IT Park, Cebu City	84,696.12	1 Year	1-Nov-22	31-Oct-23
71	CEBU - LAPU-LAPU	Gaisano Mactan Island Mall, Lapu Lapu City, Cebu	114,916.83	5 Years	1-Sep-22	31-Aug-27
72	CEBU - MANDAUE A.C. CORTEZ	N & N Cortes Arcade, A.C. Cortes ave., Mandaue City Cebu	83,157.13	10 Years	1-Aug-14	31-Jul-24
73	CEBU - CONSOLACION	G/F Orosia Building, Highway Cansaga, Consolacion Cebu	170,841.16	5 Years	1-Aug-18	31-Jul-23
74	CEBU - BANILAD	G/F Gaisano Country Mall, Banilad, Cebu City	198,414.83	5 Years	1-Apr-19	31-Mar-24
75	CEBU - CARBON	Plaridel cor. Progreso Sts. Cebu City, 6000	234,095.90	2 Years	1-Jan-23	31-Dec-24
76	CENTRAL MARKET	1633 Fugoso St., cor M. Natividad St., Sta Cruz Manila	85,085.44	10 Years	1-Feb-19	31-Jan-29
77	CHINO ROCES AVENUE	G/F ENCM Bldg., 1099 Chino Roces Ave., cor. Mascardo St., Sta. Cruz, Makati City	179,461.35	5 Years	26-Sep-23	25-Sep-28
78	COMMONWEALTH	2211 F&L Centre Commonwealth Avenue, Quezon City	429,484.36	10 Years	1-Jun-16	31-May-26
79	CONGRESSIONAL AVE. (Visayas)	45 Congressional Avenue Extension,Quezon City	140,000.00	2 Years	1-Nov-22	31-Oct-24
80	DAGUPAN	43 Burgos Street Dagupan City, Pangasinan 2400	242,105.26	10 Years	1-Jul-18	30-Jun-28
81	DAVAO - BAJADA	88 building, J.P. Laurel Street, Bajada Davao City	182,923.05	10 Years	1-Oct-15	30-Sep-25
82	DAVAO - DIGOS	Door 1 & 2 USPD Arita Commercial Complex Rizal Ave Zone 3 Digos City Davao Del Sur	81,802.77	5 Years	15-Apr-21	14-Apr-26
83	DAVAO - MADRAZO	PSBank Bldg. Quirino St. corner Cayetano Bangoy St. (formerly Ponciano Reyes) Davao City, Davao Del Sur	195,567.05	30 Years	1-Dec-07	30-Nov-37
84	DAVAO - MATINA	G/F Saito Building, McArthur Highway, Matina, Davao City	198,217.64	9 Years	15-Mar-20	14-Mar-29
85	DAVAO - MONTEVERDE	88 T. Monteverde Avenue, Davao City	207,892.81	10 Years	1-Jun-17	31-May-27
86	DAVAO - TAGUM	PSBank Bldg. National Highway corner Pioneer Ave. Tagum City, Davao Del Norte	50,000.00	20 Years	1-Jun-04	31-May-24
87	DEL MONTE	182 A Del Monte Avenue, Barangay St. Peter, Quezon City.	377,271.63	10 Years	1-Oct-14	30-Sep-24
88	DIPOLOG	Lopez Skyroom, Corner Rizal Avenue and C.P. Garcia St., Dipolog City	109,395.56	5 Years	1-May-19	30-Apr-24
89	DOWNTOWN CENTER	628 Wellington Bldg. Plaza Lorenzo Ruiz Binondo Manila, Philippines	631,471.10	10 Years	1-Jan-16	31-Dec-25
90	DUMAGUETE	G/F Hotel Palwa, Dr. V. Locsin St., Dumaguete City, Negros Oriental	114,339.45	10 Years	5-Nov-14	4-Nov-24
91	E. RODRIGUEZ	Seneca Plaza Building, 1152 E. Rodriguez Sr. Ave. New Manila, Quezon City	150,796.80	5 Years	7-Oct-21	7-Oct-26
92	EDSA EXTENSION - MACAPAGAL	G/F Met Live, EDSA Extension cor. Macapagal Ave., Pasay City	223,690.05	5 Years	1-Jun-23	31-May-28
93	ESPAÑA	Unit G, G/F España Tower, 2203 España Blvd. Manila	139,900.14	10 Years	1-Jan-14	31-Dec-23
94	FAIRVIEW	GF, No 71 Commonwealth Ave., Brgy. East Fairview, Quezon City	164,630.75	10 Years	15-Jul-16	14-Jul-26
95	G. ARANETA AVENUE	314 G. Araneta Avenue, Brgy. Dona Imelda, Quezon City 1113	206,629.98	10 Years	8-Dec-18	8-Dec-28
96	GENERAL SANTOS	Santiago Boulevard, Corner Naranjita St., General Santos City, South Cotabato	165,536.08	5 Years	1-Aug-21	31-Jul-26
97	GIL PUYAT - N. GARCIA	Unit 101-A. ITC Bldg., Sen. Gil Puyat Ave., Makati City 1200 PH	162,612.40	5 Years	1-Mar-19	28-Feb-24
98	GILMORE HEIGHTS	G/F Gilmore Heights Condominium, #18 Granada cor Castilla St., Brgy Valencia Quezon City	185,779.47	5 Years	1-Jan-23	31-Dec-27
99	TAGUIG - GLOBAL CITY- 4TH AVE	Shop 4 The Luxe Residence 28th St., cor. 4th Avenue, Global City, Taguig City, 1634 PH	661,746.96	3 Years	1-Sep-22	31-Aug-25

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NO	BRANCH	LOCATION / ADDRESS	RENTAL RATE PER MONTH	TERM	CONTRACT PERIOD FROM	TO
100	GRACE PARK	647 Rizal Avenue Ext., 10th Avenue, Grace Park, Kalookan City	226,614.93	5 Years	15-Jan-21	14-Jan-26
101	GREENHILLS	#3 Missouri cor Nevada Sts. Greenhills, San Juan	417,319.93	20 Years	8-Sep-04	7-Sep-24
102	ROXAS BOULEVARD - VITO CRUZ	G/F Legaspi Towers 300 Inc. Roxas Blvd. Cor Vito Cruz Malate Manila	271,982.84	5 Years	1-Dec-20	30-Nov-25
103	HOLY SPIRIT DRIVE	Unit L1, Lot 7,8,10, Blk 7, Holy Spirit Drive, Isidora Hills Subd., Quezon City	205,366.31	10 Years	29-Nov-15	28-Nov-25
104	ILOCOS SUR - CANDON	G/F, Imperial Building, National Highway, Poblacion, Brgy San Jose, Candon City, Ilocos Sur	223,217.00	1 Year	1-Aug-23	31-Jul-24
105	ILOILO - IZNART	533 Iznart St., Brgy Ed Ganzon, Iloilo City	104,989.49	15 Years	1-Jan-2011	31-Dec-2025
106	ILOILO - JARO	E. Lopez corner Jalandoni St. Jaro, Iloilo City	69,965.16	25 Years	1-Jun-12	31-May-37
107	ILOILO - QUEZON	23 C Quezon Street, Iloilo City	179,055.67	5 Years	15-Feb-22	14-Feb-27
108	ISABELA - CAUAYAN	#135 National Highway, San Fermin, Cauayan City, Isabela	187,613.39	8 Years	14-Sep-16	13-Jan-25
109	J. ABAD SANTOS	1939 Jose Abad Santos Avenue Tondo, Manila 1012 PH	156,601.27	5 Years	1-Oct-20	30-Sep-25
110	JABONEROS	467 Jaboneros Corner Ilang-Ilang Sts., Binondo Manila	166,966.07	6 Years	14-Jul-20	31-Oct-26
111	KALENTONG	55 Shaw Blvd. near corner Kalentong St. Mandaluyong City	174,233.87	20 Years	15-Oct-07	14-Oct-27
112	KAMIAS	PHA Building,14 Kamias Road Quezon City	157,161.60	5 Years	1-Aug-21	31-Jul-26
113	KATIPUNAN	GF, Palodoma Bldg. 313 Katipunan Ave., Loyola Heights, Quezon City.	390,542.16	3 Years	1-Aug-21	31-Dec-24
114	LA UNION	G/F Nisce Building Quezon Ave. San Fernando, La Union	76,626.17	5 Years	1-Jul-22	30-Jun-27
115	LAGRO	Lot 5 Blk 2 Sacred Heart Village, Quirino Highway, Lagro, Quezon City	108,896.21	2 Years	1-Nov-22	31-Oct-24
116	LAGUNA - CABUYAO	GF, New Bldg, JP Rizal St. corner A. Bonifacio St. Brgy. 2, Cabuyao, Laguna	186,159.39	10 Years	15-Sep-14	14-Sep-24
117	LAGUNA - CALAMBA	GF, The Calamba Executive Center, Brgy. Uno, Crossing, Calamba City, Laguna	165,475.01	10 Years	1-Jul-14	30-Jun-24
118	LAGUNA - PASEO DE STA. ROSA	Paseo De Sta. Rosa, Arcadia Bldng, Unit 1, Upper Ground Floor, San Bruno Drive corner Tagaytay-Balibago Road, Sta. Rosa City, Laguna	283,714.20	5 Years	1-Sep-22	31-Aug-27
119	LAGUNA - SAN PABLO MAHARLIKA HWAY	GF, Acosta Bldg. II Km. 80, Maharlika Hway, Brgy. San Rafael San Pablo City, Laguna	127,309.09	10 Years	15-Oct-15	14-Oct-25
120	LAGUNA - SAN PEDRO NATIONAL HWAY	GF, Sunshine Square Bldg., National Hway, Brgy. Landayan, San Pedro City, Laguna	127,309.09	10 Years	8-Jan-16	7-Jan-26
121	LAS PINAS	G/F Fairland Bldg., Alabang-Zapote Road Cor V. Guinto St., Pamplona, Las Pinas City	311,201.35	5 Years	11-Sep-20	10-Sep-25
122	LAS PINAS - PAMPLONA	Alabang Zapote Road, Pamplona 2, Las Pinas City	289,843.38	5 Years	1-Nov-21	31-Oct-26
123	LEGASPI – PALANCA	Doña Angela Garden Condominium, 110 C. Palanca St., Legaspi Vill., Makati City	194,530.69	5 Years	14-Jan-24	13-Jan-29
124	LEGASPI – SALCEDO	G/F 195 Casmer Bldg Salcedo St, Legaspi Vill Makati City	225,443.65	2 Years	1-Dec-22	30-Nov-24
125	LEGAZPI	Ground Floor, Tower Bldg. II, Landco Business Park, Legazpi City, Albay 4500	125,984.80	5 Years	1-Jun-19	31-May-24
126	LIPA - J.P. LAUREL HIGHWAY	Autoplex building JP laurel Highway Sabang, Lipa City	92,599.50	3 Years	1-Jan-24	31-Dec-26
127	LUCENA - ENRIQUEZ	G/F, AQC Building, Enriquez St. corner San Fernando St. Brgy. 6, Lucena City	120,000.00	5 Years	1-Apr-22	31-Mar-27
128	MAGALLANES	1052 MPI Building, EDSA cor Lapu-lapu Avenue, Magallanes Village Makati City	276,740.26	10 Years	1-Jun-14	31-May-24
129	MAKATI AVENUE	690 Makati Avenue cor. Jupiter St., Bel-Air Village, Makati	240,081.94	5 Years	1-Jun-22	31-May-27
130	MALABON	685 Rizal Ave. ext. San Agustin St.,Malabon City	136,277.98	5 Years	1-Nov-22	31-Oct-27
131	MALABON - GOV. PASCUAL	Gov. Pascual corner Maria Clara St. Acacia, Malabon City	75,234.46	20 Years	1-May-11	30-Apr-31
132	MALOLOS	Paseo Del Congreso, Barangay Liang, Malolos City, Bulacan	335,023.91	10 Years	1-Dec-17	30-Nov-27
133	MALOLOS - MCARTHUR	Units 2, 3 & 4, Twins Plaza Complex, McArthur Highway, Bulihan, Malolos, Bulacan	120,788.25	10 Years	1-Jun-14	31-May-24
134	MANDALUYONG WACK WACK	Unit 1-A Ground Floor , Lee Gardens Condominium, Shaw Blvd ., Wack Wack, Mandaluyong City	303,815.79	5 Years	1-May-19	30-Apr-24

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135	CEBU - MANDAUE SUBANGDAKU	Unit 101-102 G/F KRC Bldg., National Highway , Subangdaku, Mandaue City , Cebu 6014	149,118.84	1 Year	16-Sep-23	15-Sep-24
136	MANGGAHAN	454 Amang Rodriguez Avenue, Manggahan, Pasig City	168,976.43	5 Years	16-Sep-20	15-Sep-25
137	MARIKINA - BLUE WAVE	Bluewave Strip Mall, Sumulong Highway cor. Fernando Ave., Marikina City	180,241.91	3 Years	1-May-22	30-Apr-25
138	MARIKINA - MARCOS HIGHWAY	Unit 13 G/F M&R Complex Marcos Highway corner Gil Fernando Avenue and Marcos Highway, San Roque, Marikina	263,768.60	5 Years	1-Feb-22	31-Jan-27
139	MARIKINA - PARANG	76 B.G. Molina corner E. Rodriguez Streets., Parang, Marikina City 1809	83,771.73	20 Years	1-Jan-09	31-Dec-28
140	MARIKINA - SUMULONG	G/F Algers Bldg. Sumulong Highway Cor. E. Jacinto St. Brgy. Sto. Nino, Marikina City	340,016.06	10 Years	1-Aug-21	31-Jul-31
141	MARIKINA - RIVERBANKS	A1-24 Riverbanks Arcade, Riverbanks Center, 84 A. Bonifacio Avenue, Marikina City	227,305.65	5 Years	16-Aug-20	15-Aug-25
142	MINDANAO AVENUE	Unit A & B, L Bldg., 4 Mindanao Ave. cor. Congressional Ave., Bahay Toro, Proj. 8, QC.	125,303.56	5 Years	5-Nov-23	4-Nov-28
143	MINDORO - CALAPAN	GF HM Home Mark Building, JP Rizal St., Brgy. Camilmil, Calapan City, Oriental Mindoro	155,132.82	5 Years	1-Mar-24	28-Feb-29
144	MUNTINLUPA	DLA BLDG., Ground fl National Road Bgy Putatan Muntinlupa	138,320.27	5 Years	15-Feb-21	14-Feb-26
145	N DOMINGO	Joyce Appartelle 128 N. Domingo St., San Juan City	232,630.20	5 Years	16-Dec-22	15-Dec-27
146	NAGA	G/F DECA Centro Bldg., cor dinaga street Panganiban drive Naga City Camarines Sur	171,168.29	10 Years	17-Jan-16	16-Jan-26
147	NAVOTAS	873 M. Naval St. ,Sipac-Almacen, Navotas City	132,970.99	17 Years	1-Jan-08	31-Dec-24
148	NOVALICHES	877 G/F Gatmaitan Building, Quirino Highway, Gulod, Novaliches, Quezon City	186,625.96	10 Years	3-Nov-15	2-Nov-25
149	NUEVA ECIJA - GAPAN	GF, Planters Bldng., Tinio St., Bucana, Gapan City, Nueva Ecija	157,372.11	10 Years	1-Aug-14	31-Jul-24
150	NUEVA ECIJA - SAN JOSE	GF, Mario O. Salvador Bldg., Maharlika Highway, Brgy. Malasin, San Jose City, Nueva Ecija	125,242.58	10 Years	1-Oct-14	30-Sep-24
151	NUEVA VIZCAYA - SOLANO	GF, Ongtao Bldng., Maharlika Highway Burgos St., Brgy. Quirino, National Hway, Solano, Nueva Vizcaya	132,970.99	10 Years	15-Jul-14	14-Jul-24
152	OLONGAPO	KT Tower, 18th St., East Bajac Bajac, Olongapo City, Zambales	180,000.00	10 Years	28-Jul-23	27-Jul-33
153	ONGPIN	G/F Ongpin Commercial Center Cor. Gonzalo St. Ongpin Sta. Cruz Manila	320,568.00	5 Years	1-Jun-22	31-May-27
154	ORMOC	Units 1 & 2 G/F Ormoc Centrum Aviles cor. San Pedro St., Ormoc City, Leyte	132,970.99	10 Years	29-Sep-15	28-Sep-25
155	ORTIGAS	Unit 110 Parc Chateau Condominium, Onyx cor. Sapphire & Garnet Road, Ortigas Center, Pasig City	135,000.00	5 Years	1-Nov-22	31-Oct-27
156	ORTIGAS - SAN MIGUEL	Ground level, The Crescent Bldg., 21 San Miguel Ave., Ortigas Center, Pasig City	206,636.06	5 Years	1-Nov-22	31-Oct-27
157	OZAMIZ	Rizal Ave. corner Capistrano St. 50th District, Ozamiz City, Misamis Occidental	120,421.52	5 Years	16-Apr-19	15-Apr-24
158	P. TUAZON	247 P. Tuazon Blvd.., cor. 15th Ave.., Brgy. Socorro, Cubao, Quezon City	264,000.00	3 Years	1-Jun-23	31-May-26
159	P. TUAZON - 7TH AVENUE	G/F Universal Aquarius Building, 158 P. Tuazon corner 7th Avenue, Cubao, Quezon City	321,865.32	5 Years	15-Sep-19	15-Sep-24
160	PACO	G/F Unit 14 & 15, JCS Building, 1521 Paz Street, Paco, Manila	206,000.00	5 Years	1-Jan-22	31-Dec-26
161	PADRE FAURA	G/F Padre Faura Wing, Robinsons Place Manila, Padre Faura St., Ermita, Manila	545,927.80	5 Years	11-Nov-22	30-Nov-27
162	PAGADIAN BRANCH	G/F Mendoza Building, J.P. Rizal Avenue , corner B. Aquino Street, Brgy. Gatas, Pagadian City	107,751.39	10 Years	16-Jan-16	15-Jan-26
163	PALLOCAN WEST	G/f CS Rayos Bldg. Pallocan West, Batangas City	177,617.80	15 Years	1-Jun-10	31-May-25
164	PAMPANGA - APALIT	G/F ABCDEQQ Bldg., McArthur Highway San Vicente, Apalit, Pampanga	73,872.77	10 Years	15-Oct-15	14-Oct-25
165	PAMPANGA - GUAGUA	G/F, MPS Plaza, Plaza Burgos, Guagua, Pampanga	136,664.63	5 Years	15-Oct-23	14-Oct-28

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166	PAMPANGA - SAN FERNANDO SINDALAN	GF, Pinmara Square Bldg., Mc Arthur Hway, Sindalan, San Fernando City, Pampanga	105,251.11	10 Years	1-Jul-15	30-Jun-25
167	PANGASINAN - ALAMINOS	# 24 Quezon Ave. Brgy. Poblacion, Alaminos City, Pangasinan.	73,598.13	10 Years	1-Oct-22	30-Sep-32
168	PANGASINAN - URDANETA	Poblacion, Mc- Arthur Hi-way, Urdaneta City, Pangasinan	81,444.73	20 Years	1-Sep-12	31-Aug-32
169	PARANAQUE	8387 Dr. A. Santos Ave., San Antonio Parañaque City	209,223.00	5 Years	1-Dec-21	30-Nov-26
170	PARANAQUE - LA HUERTA	Quirino Avenue Corner M. Rodriguez St., La Huerta, Paranaque 1700	268,057.56	5 Years	22-Dec-20	20-Jun-26
171	PASIG - C. RAYMUNDO AVENUE	#1 C. Raymundo Ave. Cor. Mercedes Ave., Caniogan, Pasig City	208,372.50	5 Years	1-Dec-18	30-Nov-23
172	PASIG BOULEVARD	G/F 162 Vision Building, Pasig Blvd, Bagong Ilog Pasig City	194,481.00	5 Years	1-Nov-18	31-Oct-23
173	PASIG MUTYA	Mariposa Bldg. Caruncho Ave., Corner Suarez Ave. Palatiw, Pasig City 1600	198,450.00	5 Years	1-Oct-21	30-Sep-26
174	PATEROS	G/F Sanz Building, 506 M. Almeda St., San Roque, Pateros, Metro Manila	146,600.47	10 Years	1-Jul-20	30-Jun-30
175	PLAZA BONIFACIO	A. Mabini Street corner Alcalde Jose St., Kapasigan Pasig City	517,109.41	5 Years	1-Feb-23	31-Jan-28
176	PUERTO PRINCESA	248 Rizal Avenue, Manggahan, Puerto Princesa City, Palawan	257,401.39	10 Years	25-Aug-14	24-Aug-24
177	QUEZON AVENUE	GF, Coher Center, 1424 Quezon Ave., South Triangle, Quezon City	110,691.90	10 Years	15-Jun-16	14-Jun-26
178	MATALINO - Q.C.	G/F Sir Thomas Square Bldg. 18 Matalino cor Matatag Sts., Brgy. Central, Quezon City	481,065.43	4 Years	1-Nov-20	31-Oct-24
179	QUIAPO PALANCA	202 Carlos Palanca St. cor. Villalobos St. Quiapo Manila 1001	229,965.94	20 Years	30-Oct-04	31-Oct-24
180	QUIRINO HWAY (FORMERLY CUBAO - ARANETA CENTER)	484 Quirino Highway, Novaliches Quezon City	212,159.13	10 Years	8-Nov-18	8-Nov-28
181	RIZAL - ANGONO	G/F ARC One Bldg., Quezon Ave., Sunstrip, Angono, Rizal	135,514.05	5 Years	1-Apr-22	1-Apr-27
182	RIZAL - MONTALBAN	Imelda Nocon Bldg., #240 E. Rodriguez Highway, Montalban, Rizal	108,592.98	5 Years	1-Oct-22	30-Sep-27
183	RIZAL - SAN MATEO	GF, Saint Claire Bldg., Gen Luna St., Brgy Ampid 1, San Mateo, Rizal	97,733.68	10 Years	15-Sep-14	15-Sep-24
184	RIZAL - TANAY	GF, Tanay Market Center, Market Road, Brgy. Plaza Aldea, Tanay Rizal	147,745.54	10 Years	1-Aug-14	30-Jul-24
185	RIZAL AVENUE	552-554 Rizal Avenue Sta. Cruz, Manila	215,500.00	10 Years	1-Aug-14	31-Jul-24
186	ROXAS	G/F Tan Bldg., Arnaldo Boulevard cor Datiles St., Brgy Tanque, Roxas City, Capiz	89,157.89	5 Years	16-Apr-19	15-Apr-24
187	SAN ANDRES ADRIATICO	Unit 1E, 1535 M. Adriatico St. Ermita Manila	248,310.00	5 Years	1-Jan-23	31-Dec-27
188	SAN FERNANDO	HPT Building Mc Arthur Highway, Dolores, City of San Fernando, Pampanga.	191,250.00	3 Years	1-Jun-23	31-May-26
189	SAN PABLO	PSBank San Pablo, Rizal Avenue, San Pablo City, Laguna	227,034.86	25 Years	1-Aug-03	31-Jul-28
190	SAN PEDRO	No 21 A. Mabini Street, Poblacion San Pedro, Laguna	182,782.91	10 Years	1-Feb-20	31-Jan-30
191	SANTIAGO	G/F Insular Life Bldg., Maharlika Highway Brgy. Villasis , Santiago City, Isabela	105,650.00	1 Year	1-Nov-23	31-Oct-24
192	SOLER	Athena Tower, 1258 Soler St. Cor Benavidez St, Binondo, Manila	309,331.93	5 Years	1-Mar-22	1-Mar-27
193	SORSOGON	UGF, Sorsogon Shopping Center, Magsaysay St., Sorsogon City, Sorsogon	224,617.55	10 Years	15-Jan-15	14-Jan-25
194	STA. MARIA	Corazon de Jesus St. Poblacion, Sta. Maria , Bulacan	123,684.21	5 Years	1-May-23	30-Apr-28
195	STA. ROSA - BALIBAGO	Dragon Arcade Balibago- Tagaytay National Road Brgy Don Jose Sta. Rosa Laguna	189,991.74	20 Years	1-Jun-04	31-May-24
196	TABORA	817-819 Tabora St.. Binondo, Manila	290,369.70	20 Years	16-Feb-08	15-Feb-28
197	TACLOBAN	Ground Floor Tacloban Plaza Bldg., Justice Romualdez St., Tacloban City, Leyte	237,847.49	1 Year	11-Jan-23	10-Jan-24
198	TAGBILARAN	#152 Ideal Cinema Bldg., CPG Avenue, Tagbilaran City, Bohol	310,704.41	5 Years	1-Jan-23	31-Dec-27
199	TAGUIG - GEN. LUNA	G/F Paulina Bldg. # 8 Gen. Luna Ave., Tuktukan, Taguig City	154,533.63	10 Years	1-Sep-21	31-Aug-31
200	TAGUIG - KALAYAAN	Shop 10 Philplans Corporate Center, 1012 North Triangle Drive, Bonifacio Global City, Taguig	453,390.70	5 Years	1-Apr-19	31-Mar-24
201	TAGUIG - MCKINLEY HILL	GF, Morgan Suites Executive Residences, Taguig City	216,680.10	1 Year	1-Aug-22	31-Jul-23
202	TANDANG SORA	R Syjuco Building Kalaw Hills New Era Tandang Sora Quezon City	111,132.00	10 Years	1-Jan-19	1-Jan-29
203	TARLAC - CAPAS	Ground Floor Puregold Supermarket Sto. Domingo 1st, Capas, Tarlac	105,532.53	15 Years	1-Oct-10	30-Sep-25
204	TARLAC - MCARTHUR HIGHWAY	GF, Conrado Bldg., Mc Arthur Hway, San Sebastian Village, Tarlac City	96,878.86	10 Years	12-Oct-15	11-Oct-25

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205	TAYTAY	Ison Bldg. JP Rizal Ave., corner Ison St. Brgy Dolores,Taytay Rizal	162,336.47	10 Years	1-Jan-15	31-Dec-24
206	TAYTAY - MANILA EAST	Manila East Road corner Ignacio St Brgy San Juan Taytay	118,576.35	20 Years	15-Feb-12	14-Feb-32
207	TIMOG	#58 Castro Bldg. Barangay Laging Handa, Timog Ave. Quezon City	380,000.00	5 Years	1-Apr-23	31-Mar-28
208	T.M. KALAW	G/F Sunview Palace Condominium T.M. Kalaw cor M.H. del Pilar Sts. Ermita, Manila	285,891.76	10 Years	1-May-14	30-Apr-24
209	TUGUEGARAO	Luna cor Del Rosario Streets, Centro 7, Tuguegarao City, Cagayan	153,306.59	5 Years	14-Sep-20	13-Sep-25
210	U.N. AVENUE	G/F Linsangan Admiralty Bldg. 1225 UN Avenue Paco, Manila.	131,995.43	5 Years	31-Oct-23	30-Oct-28
211	VALENZUELA - MALANDAY	G/F One Centrum Place, #618 Mc Arthur Highway, Malanday, Valenzuela City	158,268.72	5 Years	1-Sep-21	31-Aug-26
212	VALENZUELA - PASO DE BLAS	141 Paso De Blas St., Valenzuela City	92,097.95	20 Years	1-Jul-10	30-Jun-30
213	VIGAN	G/F PM Prime Bldg. Florentino cor Jacinto St., Brgy 1, Vigan City, Ilocos Sur	105,263.16	7 Years	1-Oct-22	30-Sep-29
214	VITO CRUZ	G/F Burgundy Westbay Tower, 820 Pablo Ocampo Street, Malate Manila	181,022.32	6 Months	1-Jan-24	30-Jun-24
215	WEST AVENUE	49 West Avenue, Brgy. Paltok, Quezon City	220,473.44	5 Years	1-Mar-20	28-Feb-25
216	WILSON	#1 Barasoain cor. Wilson St., Little Baguio, San Juan City	159,563.48	5 Years	1-Dec-22	30-Nov-27
217	YLAYA	999 – 1003 Ylaya Street Tondo, Brgy 3 Zone 001, Manila 1012	175,339.61	20 Years	21-Apr-04	20-Apr-24
218	ZAMBALES - IBA	GF, Iba Town Center, National Road Zone 1, Poblacion, Iba Zambales	183,367.60	5 Years	15-Aug-19	14-Aug-24
219	ZAMBALES - SUBIC TOWN	GF, Unity Developers Corp Bldg., National Highway, Baraca - Camachile, Subic, Zambales	132,970.99	10 Years	21-Nov-15	20-Nov-25
220	ZAMBOANGA	Mayor Vitaliano Agan Avenue, Camino Nuevo, Zamboanga City	94,339.46	20 Years	14-Jul-04	14-Jul-24
221	ZAMBOANGA - GUIWAN	MCLL Highway, Guiwan, Zamboanga City	66,000.00	5 Years	1-Apr-21	31-Mar-26
222	ZAMBOANGA - PILAR	G/F Martha Bldg. Pilar Street, Zone 4, Zamboanga City	125,583.71	5 Years	1-Sep-20	31-Aug-25

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Exhibit 3

PHILIPPINE SAVINGS BANK
EVENTS REPORTED UNDER FORM 17-C
(Reports filed during the year 2023)

No.	Particulars	Date Reported
1	PSBank reported the following information as of December 31, 2022: 1. Top 20 Stockholders 2. Top 100 Stockholders 3. Statement of Beneficial Ownership 4. Summary Report on Distribution of Stockholdings by Nationality 5. List of Major PSBank Stockholders Owning 5% or more 6. List of Stockholders and their Stockholdings 7. Changes in Stockholdings of Stockholders	January 18, 2023
2	PSBank reported that the Board of Directors, in its meeting held on 26 January 2023, passed a resolution declaring a 7.5% Regular Cash Dividend for the fourth quarter of 2021 amounting to Php 320.14 million equivalent to Php 0.75 per share. This will be payable to all common stockholders of record as of the Record Date of 10 February 2023 and will be paid no later than the Payment Date of 27 February 2023.	January 27, 2023
3	PSBank reported that the Board of Directors, in its meeting held on 26 January 2023, passed a resolution on the following: 1) Scheduling of the Annual Stockholders Meeting on April 27, 2023 at Three o˘clock in the afternoon (3:00 PM); 2) Conduct of meeting will be via CISCO WEBEX, a secure online/virtual meeting application platform and shall be pursuant to all applicable SEC regulations; 3) Setting March 10, 2023 as the Record Date for determining stockholders entitled to notice and to vote in the Meeting; and 4) Granting of authority to Mr. Jose Vicente L. Alde, PSBank President, to change the date, time, place and/or mode of conduct of the Meeting as well as the record date and to decide on such other related matters as may be required by the regulators and other exigencies; and to sign, execute and deliver any and all documents and to do and perform any and all acts as may be necessary to carry into effect the intents and purposes of the foregoing.	January 27, 2023
4	PSBank reported the attendance of the Board of Directors with a corresponding certification issued by our Corporate Secretary, Mr. Perfecto Ramon Z. Dimayuga, Jr. and also the attendance of the Principal / Key Officers of Philippine Savings Bank in the Corporate Governance Seminars / Webinars held for the year 2022.	January 27, 2023
5	PSBank reported its financial results for year-end 2022.	March 1, 2023
6	In compliance with the SEC Notice dated March 13, 2023 on the alternative mode for distributing and providing copies of the Notice of Meeting, Information Statement, and other documents in connection with the holding of Annual Stockholders˘ Meeting (`ASM_) for 2023, PSBank reported that the 2023 Notice of Annual Stockholders˘ Meeting was published in two (2) newspapers of general circulation (print and online) on March 30 and 31, 2023. Accordingly, the same had been disclosed to the Philippine Stock Exchange (PSE) pursuant to applicable PSE regulations.	April 3, 2023
7	PSBank reported the following information as of March 31, 2023: 1. Top 20 Stockholders 2. Top 100 Stockholders 3. Statement of Beneficial Ownership 4. Summary Report on Distribution of Stockholdings by Nationality 5. List of Major PSBank Stockholders Owning 5% or more 6. List of Stockholders and their Stockholdings 7. Changes in Stockholdings of Stockholders	April 24, 2023
8	PSBank reported that the Board of Directors, in its meeting held on 27 April 2023, passed a resolution declaring a 7.5% Regular Cash Dividend for the first quarter of 2023 amounting to Php 320.14 million equivalent to Php 0.75 per share. This will be payable to all common stockholders as of the Record Date of 15 May 2023 and will be paid no later than the Payment Date of 29 May 2023.	April 28, 2023
9	PSBank reported the results of its Annual Stockholders˘ Meeting held on 27 April 2023.	April 28, 2023
10	PSBank reported the results of its Organizational Meeting held on 27 April 2023.	April 28, 2023
11	PSBank reported its financial results for the first quarter of 2023.	May 8, 2023
12	PSBank reported the resignation of Mr. Higinio O. Macadaeg, Jr. as independent director due to personal reasons effective immediately.	July 17, 2023

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No.	Particulars	Date Reported
13	PSBank reported the following information as of June 30, 2023: 1. Top 20 Stockholders 2. Top 100 Stockholders 3. Statement of Beneficial Ownership 4. Summary Report on Distribution of Stockholdings by Nationality 5. List of Major PSBank Stockholders Owning 5% or more 6. List of Stockholders and their Stockholdings 7. Changes in Stockholdings of Stockholders	July 18, 2023
14	PSBank reported that the Board of Directors, in its meeting held on 20 July 2023, passed a resolution declaring a 7.5% Regular Cash Dividend for the second quarter of 2023 amounting to Php 320.14 million equivalent to Php 0.75 per share. This will be payable to all common stockholders as of the Record Date of 04 August 2023 and will be paid no later than the Payment Date of 22 August 2023.	July 25, 2023
15	PSBank reported its financial results for the first half of 2023.	August 7, 2023
16	PSBank reported the information regarding Philippine Savings Bank˘s (PSBank) Issuer Rating with Philippine Rating Services Corporation (Philratings)	August 14, 2023
17	PSBank reported that the Board of Directors, in its meeting held on August 24, 2023, passed a resolution approving the appointment, via secondment, for a maximum period of five (5) years from 01 September 2023 to 31 August 2028, of parent-Metrobank˘s First Vice President (FVP) Elmer K. Mercado as the Bank˘s Deputy Treasurer from 01 September 2023 to 31 December 2023 and Treasurer/Treasury Group Head from 01 January 2024 to 31 August 2028.	August 29, 2023
18	PSBank reported that the Board of Directors, in its meeting held on September 21, 2023, passed a resolution approving the following matters as endorsed by the Bank˘s Corporate Governance Committee (CGC): 1. Election of Mr. Ronald Luis S. Goseco as Independent Director, subject to the required confirmation by the Bangko Sentral ng Pilipinas with his existing interlocking positions; and, 2. Appointment of Mr. Goseco as Chairman of the Bank's Risk Oversight Committee and Member of the Audit and Related Party Transactions Committees. Mr. Goseco will serve the remaining unexpired term and fill in the vacant committee seats left by former Independent Director Higinio O. Macadaeg, Jr.	September 22, 2023
19	PSBank reported the following information as of September 30, 2023: 1. Top 20 Stockholders 2. Top 100 Stockholders 3. Statement of Beneficial Ownership 4. Summary Report on Distribution of Stockholdings by Nationality 5. List of Major PSBank Stockholders Owning 5% or more 6. List of Stockholders and their Stockholdings 7. Changes in Stockholdings of Stockholders	October 17, 2023
20	PSBank reported that the Board of Directors, in its meeting held on 19 October 2023, passed a resolution declaring a 7.5% Regular Cash Dividend for the third quarter of 2023 amounting to Php 320.14 million equivalent to Php 0.75 per share. This will be payable to all common stockholders as of the Record Date of 08 November 2023 and will be paid no later than the Payment Date of 20 November 2023.	October 20, 2023
21	PSBank reported its financial results for third quarter of 2023.	November 6, 2023
22	PSBank reported that the Board of Directors, in its regular Board meeting on December 14, 2023, approved the appointment of Senior Vice President & Controller/Finance Group Head Leah M. Zamora concurrently as the Bank˘s new Corporate Secretary effective 01 January 2024. She will serve the remaining unexpired term of incumbent Senior Vice President & Corporate Secretary Perfecto Ramon Z. Dimayuga, Jr., who will be retiring by 31 December 2023.	December 18, 2023
23	PSBank reported the retirement of Senior Vice President and Marketing Group Head Emmanuel A. Tuazon effective 1 January 2024.	December 27, 2023

PSBank
PHILIPPINE SAVINGS BANK
Metrobank Group

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Exhibit 4

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Philippine Savings Bank** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

VICENTE R. CUNA, JR.	JOSE VICENTE L. ALDE	LEAH M. ZAMORA
Chairman of the Board	President	Controller

Signed this day of FEB 22 2024.

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REPUBLIC OF THE PHILIPPINES
CITY OF MAKATI) S.S.

FEB _ _ 2024

SUBSCRIBED AND SWORN TO before me this _____ affiants exhibiting to me their government-issued identification cards as follows:

Name	Passport/SSS	Date of Issue	Place of Issue
Vicente R. Cuna, Jr.			
Jose Vicente L. Alde			
Leah M. Zamora			

Doc. No. 25
Page No. 6
Book No. VI
Series of 2024.

MYRA SJ. SAN BUENAVENTURA
Notary Public for Makati until 12.31.2024 (M-005)
Roll No. 81202
PTR 0073919 1.02.24/Makati
IBP 375400/12.27.23 (2024) /Cam. Sur
Unit 403B, MG Bldg., 150 Amorsolo St.
Legaspi Village, 1229 Makati (Tel. 09228365212)
MCLE VIII-0001111 Issued 12.12.22 v/u 4 14 28

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From: eafs@bir.gov.ph [mailto:eafs@bir.gov.ph]
Sent: Monday, March 25, 2024 5:17 PM
Subject: Your BIR AFS eSubmission uploads were received

Hi PHILIPPINE SAVINGS BANK,

Valid files

- EAFS000663983OTHTY122023.pdf
- EAFS000663983TCRTY122023-03.pdf
- EAFS000663983RPTTY122023.pdf
- EAFS000663983ITRTY122023.pdf
- EAFS000663983TCRTY122023-01.pdf
- EAFS000663983TCRTY122023-02.pdf
- EAFS000663983AFSTY122023.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-N2PSXW4X06EC99EL6M41QX2VS0NVVXY12X**
Submission Date/Time: **Mar 25, 2024 05:17 PM**
Company TIN: **000-663-983**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: 1 5 5 5 2

COMPANY NAME

PHILIPPINE SAVINGS BANK

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
	8885-8208	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,438	04/25	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Leah M. Zamora	LMZamora@psbank.com.ph	(632) 8845-8816	

CONTACT PERSON's ADDRESS

777 Paseo de Roxas corner Sedeño St., Makati City, Philippines

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

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SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Philippine Savings Bank
PSBank Center
777 Paseo de Roxas corner Sedeño Street
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Philippine Savings Bank ("the Bank"), which comprise the statements of condition as at December 31, 2023 and 2022 and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Adequacy of allowance for credit losses on loans and receivables

The Bank's application of the expected credit loss (ECL) model in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Bank's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset and expected recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays) in calculating ECL.

Allowance for credit losses on loans and receivables as of December 31, 2023 amounted to ₱6.2 billion. Provision for credit losses of the Bank in 2023 amounted to ₱1.5 billion.

The disclosures related to the allowance for credit losses on loans and receivables are included in Note 15 to the financial statements.

Audit response

We obtained an understanding of the board-approved ECL methodologies and models used for the Bank's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Bank's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts and credit risk management policies and practices in place; (c) tested the Bank's application of internal credit risk rating system by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Bank's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries including the timing, related direct costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Bank's lending portfolios and broader industry knowledge; and (h) tested the effective interest rate used in discounting the expected loss.

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Further, we compared the data used in the ECL models from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We recalculated impairment provisions on a sample basis. We involved our internal specialists in the performance of the above procedures. We reviewed the completeness of the disclosures made in the financial statements.

Recognition of deferred tax assets

The recognition of deferred tax assets is significant to our audit because the assessment process is complex and judgmental and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of the Bank.

As of December 31, 2023, the net deferred tax assets amounted to ₱1.3 billion. The disclosures in relation to deferred income taxes are included in Note 27 to the financial statements.

Audit response

We involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by the Bank and the applicable tax rates. We also re-performed the calculation of the deferred tax assets. We evaluated the management's assessment on the availability of future taxable income in reference to financial forecast and tax strategies. We evaluated management's forecast by comparing the loan portfolio and deposit growth rates to the historical performance of the Bank and the industry. We also assessed the timing of the reversal of future taxable and deductible temporary differences.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A, SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2023 but does not include the financial statements and our auditor's report thereon. The SEC Form 17-A, SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reports on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) and Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 174 of the Manual of Regulations for Banks (MORB) in Note 36 and Revenue Regulations No. 15-2010 in Note 37 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Philippine Savings Bank. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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The engagement partner on the audit resulting in this independent auditor's report is Veronica Mae A. Arce.

SYCIP GORRES VELAYO & CO.

Veronica Mae A. Arce
Partner
CPA Certificate No. 0117208
Tax Identification No. 234-282-413
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-135-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10079902, January 5, 2024, Makati City

February 22, 2024

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PHILIPPINE SAVINGS BANK
STATEMENTS OF CONDITION

	December 31	
	2023	2022
ASSETS		
Cash and Other Cash Items	**₱1,653,554,961**	₱1,930,720,274
Due from Bangko Sentral ng Pilipinas (Notes 7 and 16)	**9,745,633,911**	37,553,243,574
Due from Other Banks (Note 29)	**1,764,229,676**	2,910,493,038
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (Note 7)	**6,989,635,680**	2,669,609,031
Fair Value Through Profit or Loss (FVTPL) Investments (Note 8)	**414,298,313**	35,875
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (Note 8)	**54,359,693,631**	69,660,715,882
Investment Securities at Amortized Cost (Note 8)	**29,893,168,043**	30,422,284,704
Loans and Receivables (Note 9)	**122,764,412,226**	109,697,304,552
Investment in a Joint Venture (Notes 10 and 29)	**870,178,530**	816,284,853
Property and Equipment (Note 11)	**3,141,957,377**	3,126,723,127
Investment Properties (Note 12)	**3,934,950,184**	4,031,471,065
Deferred Tax Assets (Note 27)	**1,257,607,610**	280,113,544
Intangible Assets and Goodwill (Note 13)	**298,197,196**	333,890,899
Other Assets (Note 14)	**1,345,778,616**	988,118,816
	₱238,433,295,954	₱264,421,009,234
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities (Note 16)		
Demand	**₱25,325,912,039**	₱26,602,133,863
Savings	**46,463,448,245**	46,933,474,339
Time	**112,749,125,906**	135,158,982,248
Long-term Negotiable Certificates of Deposits	**5,084,217,598**	5,077,602,528
	189,622,703,788	213,772,192,978
Bills Payable	**271,896,461**	1,185,944,975
Bonds Payable (Note 17)	**–**	4,648,449,939
Treasurer's, Cashier's and Manager's Checks	**1,514,065,655**	1,014,225,796
Accrued Taxes, Interest and Other Expenses (Note 18)	**2,663,537,503**	2,506,216,736
Other Liabilities (Note 19)	**4,206,934,631**	4,154,367,586
	198,279,138,038	227,281,398,010
Equity		
Common Stock (Note 21)	**4,268,594,160**	4,268,594,160
Capital Paid in Excess of Par Value (Note 21)	**11,418,563,257**	11,418,563,257
Surplus Reserves (Note 30)	**1,046,398,969**	1,043,979,211
Surplus (Note 21)	**24,455,554,572**	21,207,490,714
Fair Value Reserves on Financial Assets at FVOCI (Note 8)	**70,794,457**	(48,782,635)
Remeasurement Losses on Retirement Plan (Note 24)	**(1,129,174,728)**	(748,523,773)
Equity in Remeasurement Gains on Retirement Plan of a Joint Venture (Note 10)	**6,178,352**	2,877,392
Equity in Hedge Reserves of a Joint Venture (Note 10)	**9,707,213**	(12,144,581)
Cumulative Translation Adjustment	**7,541,664**	7,557,479
	40,154,157,916	37,139,611,224
	₱238,433,295,954	₱264,421,009,234

See accompanying Notes to Financial Statements.

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PHILIPPINE SAVINGS BANK
STATEMENTS OF INCOME

	Years Ended December 31		
	2023	2022	2021
INTEREST INCOME			
Loans and receivables (Note 9)	**₱11,479,459,384**	₱10,159,518,037	₱12,148,774,170
Financial assets at FVOCI and investment securities at amortized cost (Note 8)	**4,307,661,938**	2,574,256,913	1,486,019,162
Due from Bangko Sentral ng Pilipinas (Note 7)	**1,397,792,663**	1,254,216,130	648,063,197
Interbank loans receivable and securities purchased under resale agreements (Note 7)	**419,381,106**	195,778,577	70,592,184
Due from other banks	**16,474,592**	4,101,643	47,132
FVTPL investments (Note 8)	**3,495,728**	2,152	11,272,985
	17,624,265,411	14,187,873,452	14,364,768,830
INTEREST EXPENSE			
Deposit liabilities (Note 16)	**5,663,176,485**	2,811,393,495	1,637,233,919
Lease liabilities (Note 25)	**78,902,394**	79,873,386	85,201,992
Bills payable (Note 17)	**35,278,313**	21,919,260	41,972
Bonds payable (Note 17)	**20,731,311**	224,036,617	437,530,261
	5,798,088,503	3,137,222,758	2,160,008,144
NET INTEREST INCOME	**11,826,176,908**	11,050,650,694	12,204,760,686
Service fees and commission income (Note 22)	**1,792,742,915**	1,732,841,894	1,581,126,848
Service fees and commission expense (Note 22)	**65,583,938**	51,309,070	47,816,732
NET SERVICE FEES AND COMMISSION INCOME	**1,727,158,977**	1,681,532,824	1,533,310,116
OTHER OPERATING INCOME (CHARGES)			
Gain on foreclosure and sale of chattel mortgage properties - net (Note 14)	**619,971,252**	700,214,707	142,185,112
Gain on foreclosure and sale of investment properties - net (Note 12)	**361,931,299**	801,738,724	571,276,769
Foreign exchange gain (loss) - net	**17,627,813**	(6,075,489)	(8,168,185)
Trading and securities gains - net (Note 8)	**5,293,898**	2,455,186	2,733,476
Gain on sale of property and equipment (Note 11)	**3,895,058**	12,079,779	2,042,084
Gain on disposal of investment securities at amortized cost (Notes 3 and 8)	**–**	–	11,711,129
Miscellaneous (Notes 12, 23 and 25)	**582,860,969**	777,775,337	700,430,805
	1,591,580,289	2,288,188,244	1,422,211,190
TOTAL OPERATING INCOME	**15,144,916,174**	15,020,371,762	15,160,281,992
OTHER EXPENSES			
Compensation and fringe benefits (Notes 24 and 29)	**3,811,715,458**	3,640,553,887	3,545,335,550
Taxes and licenses	**1,672,526,981**	1,612,926,317	1,586,134,257
Provision for credit and impairment losses (Note 15)	**1,451,089,796**	1,306,242,436	3,070,678,224
Depreciation (Note 11)	**840,135,760**	755,952,721	836,327,579
Security, messengerial and janitorial services	**431,238,658**	413,011,422	349,532,682
Occupancy and equipment-related costs (Note 25)	**338,465,479**	344,568,484	352,588,645
Amortization of intangible assets (Note 13)	**106,212,859**	102,850,715	113,649,164
Miscellaneous (Notes 12 and 26)	**1,690,846,708**	2,130,720,607	2,082,202,992
	10,342,231,699	10,306,826,589	11,936,449,093

(Forward)

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	Years Ended December 31		
	2023	2022	2021
INCOME BEFORE SHARE IN NET INCOME OF A JOINT VENTURE AND INCOME TAX	**₱4,802,684,475**	₱4,713,545,173	₱3,223,832,899
SHARE IN NET INCOME OF A JOINT VENTURE (Notes 10 and 29)	**86,340,894**	83,418,474	41,914,529
INCOME BEFORE INCOME TAX	**4,889,025,369**	4,796,963,647	3,265,747,428
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 27)			
Current	**1,208,573,920**	783,316,316	312,183,551
Deferred	**(850,610,415)**	335,219,072	1,414,071,157
	357,963,505	1,118,535,388	1,726,254,708
NET INCOME	**₱4,531,061,864**	₱3,678,428,259	₱1,539,492,720
Basic/Diluted Earnings Per Share (Note 28)	**₱10.61**	₱8.62	₱3.61

See accompanying Notes to Financial Statements.

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PHILIPPINE SAVINGS BANK
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱4,531,061,864**	₱3,678,428,259	₱1,539,492,720
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that recycle to profit or loss in subsequent periods:			
Equity in hedge reserves of a joint venture (Note 10)	**21,851,794**	–	22,952,699
Fair value reserves on debt securities at FVOCI (Note 8)	**112,803,154**	(58,258,709)	(13,993,219)
Cumulative translation adjustment	**(15,815)**	14,514,893	14,614,438
	134,639,133	(43,743,816)	23,573,918
Items that do not recycle to profit or loss in subsequent periods:			
Remeasurement gains (losses) on retirement plan (Note 24)	**(507,534,607)**	(154,184,385)	193,636,016
Equity in remeasurement gains (losses) on retirement plan of a joint venture (Note 10)	**3,300,960**	–	4,162,568
Fair value reserves on equity securities at FVOCI (Note 8)	**6,773,938**	7,066,184	3,344,929
Income tax effect (Note 27)	**126,883,652**	38,546,096	(100,283,171)
	(370,576,057)	(108,572,105)	100,860,342
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**(235,936,924)**	(152,315,921)	124,434,260
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**₱4,295,124,940**	₱3,526,112,338	₱1,663,926,980

See accompanying Notes to Financial Statements.

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PHILIPPINE SAVINGS BANK
STATEMENTS OF CHANGES IN EQUITY

	Common Stock (Note 21)	Capital Paid in Excess of Par Value (Note 21)	Surplus Reserves (Note 30)	Surplus (Note 21)	Fair Value Reserves on Financial Assets at FVOCI (Note 8)	Remeasurement Losses on Retirement Plan (Note 24)	Equity in Remeasurement Gains on Retirement Plan of a Joint Venture (Note 10)	Equity in Hedge Reserves of a Joint Venture (Note 10)	Cumulative Translation Adjustment	Total
Balance at January 1, 2023	**₱4,268,594,160**	**₱11,418,563,257**	**₱1,043,979,211**	**₱21,207,490,714**	**(₱48,782,635)**	**(₱748,523,773)**	**₱2,877,392**	**(₱12,144,581)**	**₱7,557,479**	**₱37,139,611,224**
Total comprehensive income (loss) for the year	–	–	–	**4,531,061,864**	**119,577,092**	**(380,650,955)**	**3,300,960**	**21,851,794**	**(15,815)**	**4,295,124,940**
Cash dividends (Note 21)	–	–	–	**(1,280,578,248)**	–	–	–	–	–	**(1,280,578,248)**
Appropriation of surplus to trust business (Note 30)	–	–	**2,419,758**	**(2,419,758)**	–	–	–	–	–	–
Balance at December 31, 2023	**₱4,268,594,160**	**₱11,418,563,257**	**₱1,046,398,969**	**₱24,455,554,572**	**₱70,794,457**	**(₱1,129,174,728)**	**₱6,178,352**	**₱9,707,213**	**₱7,541,664**	**₱40,154,157,916**
Balance at January 1, 2022	₱4,268,594,160	₱11,418,563,257	₱1,041,471,464	₱18,812,148,450	₱2,409,890	(₱632,885,484)	₱2,877,392	(₱12,144,581)	(₱6,957,414)	₱34,894,077,134
Total comprehensive income (loss) for the year	–	–	–	3,678,428,259	(51,192,525)	(115,638,289)	–	–	14,514,893	3,526,112,338
Cash dividends (Note 21)	–	–	–	(1,280,578,248)	–	–	–	–	–	(1,280,578,248)
Appropriation of surplus to trust business (Note 30)	–	–	2,507,747	(2,507,747)	–	–	–	–	–	–
Balance at December 31, 2022	₱4,268,594,160	₱11,418,563,257	₱1,043,979,211	₱21,207,490,714	(₱48,782,635)	(₱748,523,773)	₱2,877,392	(₱12,144,581)	₱7,557,479	₱37,139,611,224
Balance at January 1, 2021	₱4,268,594,160	₱11,418,563,257	₱1,039,166,094	₱18,555,539,349	₱13,058,180	(₱726,238,329)	(₱1,285,176)	(₱35,097,280)	(₱21,571,852)	₱34,510,728,403
Total comprehensive income (loss) for the year	–	–	–	1,539,492,720	(10,648,290)	93,352,845	4,162,568	22,952,699	14,614,438	1,663,926,980
Cash dividends (Note 21)	–	–	–	(1,280,578,249)	–	–	–	–	–	(1,280,578,249)
Appropriation of surplus to trust business (Note 30)	–	–	2,305,370	(2,305,370)	–	–	–	–	–	–
Balance at December 31, 2021	₱4,268,594,160	₱11,418,563,257	₱1,041,471,464	₱18,812,148,450	₱2,409,890	(₱632,885,484)	₱2,877,392	(₱12,144,581)	(₱6,957,414)	₱34,894,077,134

See accompanying Notes to Financial Statements.

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PHILIPPINE SAVINGS BANK
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱4,889,025,369**	₱4,796,963,647	₱3,265,747,428
Adjustments to reconcile income before income tax to net cash provided by operations:			
Provision for credit and impairment losses (Note 15)	**1,451,089,796**	1,306,242,436	3,070,678,224
Amortization of premium (discount) on financial assets at fair value through other comprehensive income and investment securities at amortized cost	**(2,448,385,863)**	(2,414,610,975)	(1,283,775,979)
Depreciation (Note 11)	**840,135,760**	755,952,721	836,327,579
Loss (gain) on foreclosure and sale of:			
Investment properties (Note 12)	**(361,931,299)**	(801,738,724)	(571,276,769)
Chattel mortgage properties (Note 14)	**(619,971,252)**	(700,214,707)	(142,185,112)
Accretion of modified loans (Notes 9 and 23)	**(70,125,024)**	(107,007,086)	(134,649,231)
Amortization of:			
Intangible assets (Note 13)	**106,212,859**	102,850,715	113,649,164
Debt issuance costs (Note 17)	**1,550,061**	14,836,617	31,156,411
Accretion of lease liabilities (Note 25)	**78,902,394**	79,873,386	85,201,992
Share in net income of a joint venture (Note 10)	**(86,340,894)**	(83,418,474)	(41,914,529)
Realized loss (gain) on sale of financial assets at fair value through other comprehensive income (FVOCI) and amortized cost (Note 8)	**(677,047)**	2,499,021	(15,711,131)
Gain on sale of property and equipment (Note 11)	**(3,895,058)**	(12,079,779)	(2,042,084)
Fair value loss (gain) on fair value through profit or loss investments (Note 8)	**(1,763,136)**	8,826	5,488
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Fair value through profit or loss investments	**(412,499,302)**	–	–
Loans and receivables	**(16,690,866,036)**	(2,904,935,501)	25,570,222,978
Other assets	**(25,085,315)**	127,575,882	(193,933,191)
Increase (decrease) in:			
Deposit liabilities	**(24,149,496,905)**	(3,016,581,657)	49,338,695,929
Treasurer's, cashier's and manager's checks	**499,839,859**	420,594,802	62,312,575
Accrued taxes, interest and other expenses	**157,320,735**	821,474,754	(98,156,780)
Other liabilities	**(313,236,832)**	751,987,887	(498,574,337)
Cash generated from (used in) operations	**(37,160,197,130)**	(859,726,209)	79,391,778,625
Income taxes paid	**(1,208,573,920)**	(783,396,863)	(634,121,985)
Dividends received from joint venture investment (Note 10)	**57,599,971**	30,059,985	11,579,995
Net cash provided by (used in) operating activities	**(38,311,171,079)**	(1,613,063,087)	78,769,236,635
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of:			
Financial assets at FVOCI	**(522,049,795,033)**	(596,433,148,029)	(486,598,968,817)
Investment securities at amortized cost	**(890,227,702)**	(8,626,650,004)	(7,842,285,003)
Property and equipment (Note 11)	**(388,426,720)**	(332,839,077)	(118,057,916)
Other intangible assets (Note 13)	**(70,519,156)**	(75,548,530)	(33,699,129)
Proceeds from sale/maturities of:			
Financial assets at FVOCI (Note 8)	**540,298,330,000**	588,538,027,651	437,165,080,000
Chattel mortgage properties (Note 14)	**2,006,025,248**	2,073,485,973	4,152,276,913
Investment securities at amortized cost	**1,027,002,760**	47,454,850	1,128,720,734
Investment properties (Note 12)	**780,498,824**	923,283,316	986,515,245
Property and equipment (Note 11)	**51,992,160**	99,482,403	28,485,973
Net cash provided by (used in) investing activities	**20,764,880,381**	(13,786,451,447)	(51,131,932,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Settlement of bonds payable	**(4,650,000,000)**	–	(6,300,000,000)
Dividends paid (Note 21)	**(1,280,578,248)**	(1,280,578,248)	(1,280,578,249)
Payment of lease liabilities (Notes 25 and 32)	**(533,555,296)**	(558,996,040)	(479,330,246)
Settlement of bills payable (Note 32)	**(5,981,745,057)**	(8,664,527,168)	(413,930,000)
Availments of bills payable (Note 32)	**5,067,696,543**	9,850,472,143	413,930,000
Net cash provided by (used in) financing activities	**(7,378,182,058)**	(653,629,313)	(8,059,908,495)
Effect of exchange rate differences	**(399)**	756,081	485,670

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	Years Ended December 31		
	2023	2022	2021
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(₱24,924,473,155)**	(₱16,052,387,766)	₱19,577,881,810
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
Cash and other cash items	**1,930,720,274**	2,801,335,279	2,841,851,535
Due from Bangko Sentral ng Pilipinas - gross (Notes 7 and 16)	**37,553,243,574**	52,428,888,060	31,689,964,554
Due from other banks - gross	**2,925,163,812**	1,368,023,210	1,575,447,188
Interbank loans receivable and securities purchased under resale agreements (Note 7)	**2,669,609,031**	4,532,877,908	5,445,979,370
	45,078,736,691	61,131,124,457	41,553,242,647
CASH AND CASH EQUIVALENTS AT END OF YEAR			
Cash and other cash items	**1,653,554,961**	1,930,720,274	2,801,335,279
Due from Bangko Sentral ng Pilipinas - gross (Notes 7 and 16)	**9,745,633,911**	37,553,243,574	52,428,888,060
Due from other banks - gross	**1,765,438,984**	2,925,163,812	1,368,023,210
Interbank loans receivable and securities purchased under resale agreements (Note 7)	**6,989,635,680**	2,669,609,031	4,532,877,908
	₱20,154,263,536	₱45,078,736,691	₱61,131,124,457
OPERATIONAL CASH FLOWS FROM INTEREST			
Interest paid	**₱5,786,661,627**	₱2,820,995,599	₱2,188,101,637
Interest received	**15,417,117,332**	12,782,470,531	14,065,718,328

See accompanying Notes to Financial Statements.

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PHILIPPINE SAVINGS BANK
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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, 2023 and 2022, the Bank had 250 branches. In 2023, the Bank had 271 Automated Teller Machines (ATMs) in the branches (on-site) and 285 in other locations (off-site) bringing its total number of ATMs to 556 as of December 31, 2023 and 557 as of December 31, 2022.

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.

As of December 31, 2023 and 2022, Metropolitan Bank & Trust Company (MBTC), the Bank's ultimate parent, owned 88.38% of the Bank.

2. Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. All values are rounded to the nearest peso unless otherwise stated.

The financial statements of the Bank include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of RBU and FCDU is Philippine Peso (PHP) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine peso (see accounting policy on Foreign Currency Translation). The financial statements of these units are combined after eliminating inter-unit accounts.

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The financial statements provide comparative information in respect of the previous period. In addition, the Bank presents an additional statement of condition at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

Statement of Compliance

The financial statements of the Bank have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Presentation of Financial Statements

The Bank presents its statements of condition in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within twelve (12) months after the statement of condition date (current) and more than 12 months after the statement of condition date (non-current) is presented in Note 20.

Financial assets and financial liabilities are offset and the net amount is reported in the statements of condition only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. The Bank assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of solvency or bankruptcy of the Bank and all of the counterparties.

Income and expenses are not offset in the statements of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2023. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Bank.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to the Practice Statement provide non-mandatory guidance.

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- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

Summary of Material Accounting Policies

Foreign Currency Translation
The financial statements are presented in PHP, which is the Bank's functional and presentation currency.

The books of accounts of the RBU are maintained in PHP, while those of the FCDU are maintained in USD.

RBU
As at reporting date, foreign currency monetary assets and liabilities of the RBU are translated in PHP based on the Bankers Association of the Philippines (BAP) closing rate prevailing at the statement of condition date, and foreign currency-denominated income and expenses, at the exchange rates as at the dates of the transactions. Foreign exchange differences arising from restatements of

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foreign currency-denominated assets and liabilities in the RBU are credited to or charged against profit or loss in the year in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

FCDU

As at reporting date, the assets and liabilities of the FCDU are translated to the Bank's presentation currency (PHP) at the BAP closing rate prevailing at the statement of condition date, and its income and expenses are translated using the exchange rates as at the dates of the transactions. Exchange differences arising on translation to the presentation currency are taken to the statements of comprehensive income under 'Cumulative translation adjustment'. Upon disposal of the FCDU or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statements of comprehensive income is recognized in the statements of income.

Fair Value Measurement

The Bank measures financial instruments, such as FVTPL investments, financial assets at FVOCI and derivative financial instruments, at fair value at each statement of condition date. Also, fair values of financial instruments measured at amortized cost and non-financial assets such as investment properties are disclosed in Note 4.

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and an ask price (e.g., an input from a dealer market), the price between the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, due from BSP and other banks, interbank loans receivable and securities purchased under resale agreements (SPURA) that are convertible to known amounts of cash which have original maturities of three months or less from date of placements and that are subject to an insignificant risk of changes in value. Due from BSP includes the statutory reserves required by the BSP which the Bank considers as cash equivalents as withdrawals can be made to meet the Bank's cash requirements as allowed by the BSP.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Purchases or sales of financial assets, except for derivatives, that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivative financial instruments are recognized on a trade date basis. Deposits, amounts due to banks and loans and receivables are recognized when cash is received by the Bank or advanced to the borrowers.

Initial recognition of financial instruments

All financial instruments are initially measured at fair value. Except for financial assets and financial liabilities at FVTPL, the initial measurement of financial instruments includes transaction costs.

Day 1' difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Bank recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Bank determines the appropriate method of recognizing the 'Day 1' difference amount.

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Financial Instruments – Classification and Subsequent Measurement
Financial assets are measured at FVTPL unless these are measured at FVOCI or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Bank may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (SPPI test).

Investments at FVTPL
Financial assets or financial liabilities at FVTPL
Financial assets and financial liabilities at FVTPL include financial assets and financial liabilities held for trading purposes and derivative instruments.

Financial instruments held-for-trading
Financial assets or financial liabilities held for trading (HFT) are recorded in the statements of condition at fair value. Included in this classification are debt securities which have been acquired principally for the purpose of selling in the near term. Changes in fair value relating to the HFT positions are recognized in 'Trading and securities gains (losses) - net'. Interest earned or incurred is recorded as interest income or expense, respectively, while dividend income is recorded in other operating income under 'Miscellaneous' when the right to receive payment has been established.

Derivatives recorded at FVTPL
Derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently re-measured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those accounted for as cash flow hedges) are taken directly to the statements of income and are included in 'Foreign exchange gain - net'. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. As of December 31, 2023 and 2022, derivatives consist of Republic of the Philippines (ROP) paired warrants acquired to manage the Bank's foreign currency risk, lower the risk-weighted assets and improve the capital adequacy ratio of the Bank.

Financial assets at FVOCI
Financial assets at FVOCI include debt and equity securities. After initial measurement, investment securities at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of financial assets at FVOCI are excluded, net of tax as applicable, from the reported earnings and are included in the statements of comprehensive income as 'Fair value reserves on financial assets at FVOCI'.

Debt securities at FVOCI are those that meet both of the following conditions: (i) the asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. The effective yield component of debt securities at FVOCI, as well as the impact of restatements on foreign currency-denominated debt securities at FVOCI, is reported in the statements of income. Interest earned on holding debt securities at FVOCI are reported as 'Interest income' using the effective interest method. When the debt securities at FVOCI are disposed of, the cumulative gain or

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loss previously recognized in the statements of comprehensive income is recognized as 'Trading and securities gain (loss) - net' in the statements of income. The ECL arising from impairment of such investments are recognized in OCI with a corresponding charge to 'Provision for credit and impairment losses' in the statements of income.

Equity securities designated at FVOCI are those that the Bank made an irrevocable election to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the statements of income as 'Dividends' when the right to receive payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the statements of comprehensive income is reclassified to 'Surplus' or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

Financial assets at amortized cost
Financial assets at amortized cost are debt financial assets that meet both of the following conditions: (i) these are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and (ii) the contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount. This accounting policy relates to the statements of condition captions 'Due from BSP', 'Due from other banks', 'Interbank loans receivable and SPURA', 'Investment securities at amortized cost' and 'Loans and receivables'.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate (EIR). The amortization is included in 'Interest income' in the statements of income. Gains and losses are recognized in statements of income when these investments are derecognized or impaired, as well as through the amortization process. The ECL are recognized in the statements of income under 'Provision for credit and impairment losses'. The effects of revaluation on foreign currency denominated investments are recognized in the statements of income.

Other financial liabilities carried at amortized cost
This category represents issued financial instruments or their components, which are not designated at FVTPL and comprises deposit liabilities, bills payable, subordinated notes, treasurer's, cashier's and manager's checks, accrued interest payable, accrued other expenses payable, accounts payable, bills purchased-contra, other credits, dividends payable, deposits for keys-safety deposit boxes (SDB), and overages, where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, financial liabilities not qualified and not designated as FVTPL are subsequently measured at amortized cost using the effective interest amortization method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. A portion of the net proceeds of the instrument is allocated to the debt component on the date of issue based on its fair value (which is generally determined based on quoted market prices for similar debt instruments). The residual amount determined after deducting the fair value of the debt component is assigned to the equity component. The value of any derivative

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features (such as a call option) embedded in the compound financial instrument other than the equity component is included in the debt component.

Financial Guarantees and Undrawn Loan Commitments
The Bank issues financial guarantees and loan commitments. Financial guarantees are those issued by the Bank to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract/agreement. Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. These contracts are in the scope of the ECL requirements where the Bank estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to financial guarantees and undrawn loan commitments is recognized in 'Miscellaneous liabilities' under 'Other liabilities'.

Derecognition of Financial Assets and Liabilities
Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expires;
- the Bank retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through 'arrangement;
- the Bank has transferred its rights to receive cash flows from the asset and either:
  a. the Bank has transferred substantially all the risks and rewards of the asset or
  b. the Bank has neither transferred nor retained the risks and rewards of the asset but has transferred control over the asset.

Where the Bank has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor is transferred control over the asset, the asset recognized to the extent of the Bank's continuing involvement in the asset. In this case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If a write-off is later recovered, any amounts formerly charged are credited to 'Recovery on charged-off assets' under 'Miscellaneous income' in the statements of income.

Modification of financial assets
The Bank derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

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The Bank considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Bank considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered "solely payment for principal and interest"

The Bank also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Bank considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Bank recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Financial liabilities
A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Repurchase and Reverse Repurchase Agreements
Securities sold under agreements to repurchase (SSURA) at a specified future date ('repos') are not derecognized from the statements of condition as the Bank retains substantially all the risks and rewards of ownership. The corresponding cash received, including accrued interest, is recognized in the statements of condition as a loan to the Bank under 'Bills payable', reflecting the economic substance of such transaction.

Conversely, SPURA at a specified future date ('reverse repos') are not recognized in the statements of condition. The consideration paid, including accrued interest, is recognized in the statements of condition as SPURA, and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the effective interest amortization method.

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Reclassification of Financial Assets
The Bank reclassifies its financial assets when there is a change in its business model for managing financial assets. A change in business model occurs when the Bank either begins or ceases to perform an activity that is significant to its operations. The Bank applies the reclassification prospectively from the reclassification date and does not restate any previously recognized gains, losses or interest.

Impairment of Financial Assets
PFRS 9 requires the Bank to record ECL for all loans and other debt financial assets not classified as at FVTPL, together with loan commitments and financial guarantee contracts.

Expected credit loss methodology
ECL represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The objective is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances are now measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that result from all possible default events over the expected life of a financial instrument. In comparison, the previous incurred loss model recognizes lifetime credit losses only when there is objective evidence of impairment.

In select circumstances, accounts are individually assessed to ensure that provisions are appropriate and adequate. Manual loan classification reviews additional qualitative factors and prescribes much higher provisions that is based on portfolio historical experience.

Staging assessment
For non-credit-impaired financial instruments:
- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. The Bank recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Bank recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:
- Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires that lifetime ECL be recognized for impaired financial instruments.

Definition of "default" and "cure"
As a part of a qualitative assessment of whether a customer is in default, the Bank considers a variety of instances that may indicate unlikeliness to pay. The Bank's definition of default is aligned with the non-performing loan criteria as prescribed in BSP Circular No. 941. Defaults refer to loans, investments, receivables, or any financial asset, even without any missed contractual payments, that satisfy any of the following conditions (1) impaired under existing accounting standards, (2) classified as doubtful or loss, (3) in litigation, (4) and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid

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for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Defaults are characterized by financial assets that have objective evidence of impairment at the reporting date and as such classified under Stage 3 ECL treatment.

An instrument is considered to be no longer in default, i.e., to have cured, when it no longer meets any of the default criteria above and there is sufficient evidence to support full collection thru payments received for at least 6 months. Cured accounts are classified under Stage 1 ECL treatment.

Significant increase in credit risk (SICR)
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative models, the borrower or counterparty's credit rating has deteriorated by at least 2 notches. On the other hand, if based on the Bank's internal credit assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses, then credit risk may have significantly increased as well. Moreover, if contractual payments are more than 30 days past due threshold, the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which amortized payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Bank shall revert to recognizing a 12-month ECL.

ECL parameters and methodologies
ECL is a function of the probability of default (PD), exposure at default (EAD) and loss given default (LGD) with each of the parameter independently modelled.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Bank segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

EAD is modelled on historical data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts, EAD includes an estimate of any further amounts to be drawn at the time of default. LGD is the amount that may not be recovered in the event of default and is modelled based on historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. LGD takes into consideration the amount and quality of any collateral held.

Economic overlays and multiple economic scenarios
The Bank incorporates economic overlays into the measurement of ECL to add a forward-looking risk measure parallel to multiple future macroeconomic atmosphere expectations. A broad range of economic indicators were considered for the economic inputs, such as GDP, GIR change, CPI change, PSE indices, foreign exchange rates and other BSP statistical indicators. The inputs and

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models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To address this, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The Bank's loans and receivables consist of different portfolios, such as consumption, real estate, commercial and personal loans, as well as other receivables (e.g., sales contract receivables). In compliance with PFRS 9, the Bank developed ECL parameters and methodologies for each portfolio, using historical data as well as forward-looking inputs and assumptions.

Restructured loans
In certain circumstances, the Bank modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, changes in maturity date, principal amount from capitalization of accrued interest, terms and conditions from conversion/consolidation or interest rates/repricing cycle that results in an extension in the loan maturity. Distressed restructuring with indications of unlikeliness to pay are categorized as impaired accounts and are initially moved to Stage 3.

The Bank implements a curing policy for restructured accounts compliant with BSP Circular No. 1011. Restructured accounts that have exhibited improvements in creditworthiness may be moved from Stage 3 after a total of one-year probation period. These accounts are transferred to Stage 2 after six months of full payments and consequently transferred to Stage 1 after making the next six months of full payments.

Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subjected to an individual or collective impairment assessment, calculated using the loan's original EIR if the original loan has a fixed interest rate and the current repriced rate if the original loan is repriceable. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the applicable interest rate, is recognized in 'Provision for credit and impairment losses' in the statements of income.

Investment in a Joint Venture
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Bank's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Bank's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The statement of income reflects the Bank's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Bank's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Bank recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses

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resulting from transactions between the Bank and joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Bank's share of profit or loss of a joint venture is shown on the face of the statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of a joint venture are prepared for the same reporting period as the Bank. The length of the reporting period is the same from period to period. When necessary, adjustments are made to bring the accounting policies in line with those of the Bank.

After application of the equity method, the Bank determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each statement of condition date, the Bank determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Bank calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognizes the loss as 'Share in net income of a joint venture' in the statements of income.

Upon loss of joint control over the joint venture, the Bank measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Property and Equipment

Land is stated at cost less any impairment in value, while depreciable properties, including building, furniture, fixtures and equipment, and leasehold improvements, are stated at cost less accumulated depreciation and any accumulated impairment losses. The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged against profit or loss in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation is calculated using the straight-line method to write down the cost of the property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are as follows:

Buildings	25-50 years
Furniture, fixtures and equipment	3-5 years, depending on the type of assets
Leasehold improvements	5 years or the term of the related lease, whichever is shorter

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end to ensure that these are consistent with the expected pattern of economic benefits from the items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

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The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the asset is written down to its recoverable amount.

Leases

Bank as lessee

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Bank recognizes right-of-use assets (included in 'Property and Equipment') at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and estimated useful lives of the assets as follows:

Office space and warehouses	1 to 20 years
ATM space	1 to 3 years

ii. Lease liabilities

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Bank recognizes right-of-use assets and lease liabilities, except for short-term leases and leases of low-value assets. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

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Determining the lease term of contracts with renewal options
The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that are within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Bank's lease liabilities are included in 'Other Liabilities'.

iii. Short-term leases and leases of low-value assets
The Bank applies the short-term lease recognition exemption to its short-term leases of office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of ATMs and office equipment that are considered of low value (i.e., ₱250,000 and below). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Investment Properties
Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at the fair value of the asset acquired unless the fair value of such asset cannot be measured, in which case the investment property acquired is measured at the carrying amount of the asset given up. The difference between the fair value of the asset received and the carrying amount of the asset given up is recorded as 'Gain on foreclosure of real assets and other properties acquired' under 'Gain on foreclosure and sale of investment properties'. Foreclosed properties are classified under investment properties from foreclosure date. Expenditures incurred after the investment properties are recognized, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and impairment in value, except for land which is stated at cost less impairment in value. Depreciation is calculated using the straight-line method over the remaining useful lives from the time of acquisition of the investment properties. The estimated useful life of building and condominium units ranges from 10 to 40 years.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in 'Gain on foreclosure and sale of investment properties - net' in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

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Chattel Mortgage Properties

Chattel mortgage properties comprise of repossessed vehicles. Chattel mortgage properties are stated at cost less accumulated depreciation and impairment in value. Chattel mortgage properties acquired are initially recognized at fair value. Depreciation is calculated using the straight-line method over the remaining useful lives from the time of acquisition of the vehicles. The useful lives of chattel mortgage properties are estimated to be five years.

Chattel mortgage properties are derecognized when they have either been disposed of or when the chattel mortgage property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on disposal of chattel mortgage properties are recognized in the statements of income under 'Gain (loss) on foreclosure and sale of chattel mortgage properties- net' in the year of disposal.

Intangible Assets

The Bank's intangible assets include branch licenses and computer software. An intangible asset is recognized only when the cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statements of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statements of income under 'Amortization of intangible assets'.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit (CGU) level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statements of income when the asset is derecognized.

Branch licenses

Branch licenses arise from the acquisition of branches from local banks and licenses to operate new branches from the BSP. Branch licenses have indefinite useful lives and are tested for impairment on an annual basis.

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Software costs
Software costs are carried at cost less accumulated amortization and any impairment in value. Given the history of rapid changes in technology, computer software are susceptible to technological obsolescence. Therefore, it is likely that their useful life is short. Software costs are amortized on a straight-line basis over five years but maybe shorter depending on the period over which the Bank expects to use the asset.

Impairment of Non-financial Assets
Property and equipment, investment properties and chattel mortgage properties
At each statement of condition date, the Bank assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Bank makes a formal estimate of the recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

An impairment loss is charged to operations in the year in which it arises.

An assessment is made at each statement of condition date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been previously recognized. Such reversal is recognized in the statement of income. After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Goodwill
Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGU) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGU) is less than the carrying amount of the CGU (or group of CGU) to which goodwill has been allocated, an impairment loss is recognized immediately in the statements of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Bank performs its annual impairment test of goodwill as at December 31 of each year.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually as at December 31 of each year, either individually or at the CGU level, as appropriate.

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Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Investment in a joint venture
After application of the equity method, the Bank determines whether it is necessary to recognize an impairment loss on the Bank's investment in a joint venture. The Bank determines at each statement of condition date whether there is any objective evidence that the investment a joint venture is impaired. If this is the case, the Bank calculates the amount of impairment as being the difference between the fair value of the investment in the joint venture and the carrying amount and recognizes such amount in the statements of income.

Common Stock
Common stocks are recorded at par. Proceeds in excess of par value are recognized under equity as 'Capital paid in excess of par value' in the statements of condition. Incremental costs incurred which are directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Revenue Recognition
Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for those services.

The Bank assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Bank concluded that it is acting as a principal in all of its revenue arrangements.

Service fees and commission income
Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. These fees include remittance fees, commissions, deposit-related and other credit-related fees.

Income from sale of property and equipment, investment property and chattel mortgage properties
Income from sale of property and equipment, investment property and chattel mortgage properties is included in the profit or loss when the property is derecognized. The gain or loss arising from the derecognition of the property is determined as the difference between the net disposal proceeds and its carrying amount on the date of the transaction.

Revenue outside the scope of PFRS 15
Interest income
For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as financial assets at FVOCI investments, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income'.

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Under PFRS 9, when a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3 (as discussed in "Impairment of Financial Assets" above), the Bank calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Recovery on charged-off assets
Income arising from collections on accounts or recoveries from impairment of items previously written off are recognized in the year of recovery.

Trading and securities gains (losses) - net
Trading and securities gain (loss) represents results arising from trading activities, including all gains and losses from changes in the fair values of FVTPL investments. It also includes gains and losses realized from sale of debt securities at FVOCI.

Realized gains and losses on disposals of FVTPL investments are calculated using weighted average method. It represents the difference between an instrument's initial carrying amount and disposal amount.

Gain on disposal of investments securities at amortized cost
Gain on disposal of investment securities at amortized cost represents gain realized from sale of peso-denominated debt securities measured at amortized cost.

Rental income
Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms of ongoing leases and is recorded in the statements of income under 'Miscellaneous' in other operating income.

Expense Recognition
Expenses are recognized when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase in liability has occurred and the decrease in economic benefits can be measured reliably. Revenues and expenses that relate to the same transaction or other event are recognized simultaneously.

Interest expense
Interest expense for all interest-bearing financial liabilities are recognized in 'Interest expense' in the statements of income using the EIR of the financial liabilities to which they relate.

Other expense
Expenses encompass losses as well as those expenses that arise in the ordinary course of business of the Bank. Expenses are recognized when incurred.

Goodwill
Goodwill acquired in a business combination is initially measured at cost being the excess of the acquisition cost over the share in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities. The Bank's goodwill arose from past purchases of branch business/offices from the Parent Company. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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Retirement Cost

Defined benefit plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the statement of condition date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The present value of the defined benefit obligation is calculated annually by an independent actuary. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

a. service cost;
b. net interest on the net defined benefit liability or asset; and
c. remeasurements of net defined benefit liability or asset.

Service costs, which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on Philippine government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Bank, nor can they be paid directly to the Bank. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Bank's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

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Termination benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Provisions
Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense'.

Contingent Liabilities and Contingent Assets
Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Debt Issue Costs
Issuance, underwriting and other related expenses incurred in connection with the issuance of debt instruments are included in the measurement basis of the underlying debt instruments and are amortized as an adjustment to the interest on the underlying debt instruments using the effective interest method.

Income Taxes
Income tax on profit or loss for the year comprises current and deferred tax. Income tax is determined in accordance with Philippine tax law. Income tax is recognized in the statement of income, except to the extent that it relates to OCI items recognized directly in the statements of comprehensive income.

Current tax
Current income tax is the expected tax payable on the taxable income for the period, using the tax rates enacted at the statement of condition date, together with adjustments to tax payable in respect to prior years.

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Deferred tax
Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the statement of condition date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused tax losses and MCIT can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of condition date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each statement of condition date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of condition date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority.

Current income tax and deferred income tax relating to items recognized directly in OCI is also recognized in OCI and not in the statements of income.

Earnings Per Share
Basic earnings per share (EPS) is computed by dividing net income for the year by the weighted average number of common shares issued and outstanding during the year, after giving retroactive effect to stock dividends declared, stock rights exercised and stock splits, if any, declared during the year.

Dividends on Common Shares
Dividends on common shares are recognized as a liability and deducted from equity when approved by the BOD of the Bank. Dividends for the year that are approved after the statements of condition date are dealt with as subsequent events.

Segment Reporting
The Bank's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 6. The Bank's assets generating revenues are all located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Fiduciary Activities
Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements, where the Bank acts in a fiduciary capacity such as nominee, trustee or agent.

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Subsequent Events

Post year-end events that provide additional information about the Bank's position at the statement of condition date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Bank does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Bank intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

  The amendments are not expected to have a material impact on the Bank.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

  The amendments are not expected to have a material impact on the Bank.

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Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

  The amendments are not expected to have a material impact on the Bank.

- Amendments to PAS 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

  The amendments are not expected to have a material impact on the Bank.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

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On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The amendments are not expected to have a material impact on the Bank.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent assets and contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The effects of any change in judgments, estimates and assumptions are reflected in the financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Bank's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

(a) Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of condition or disclosed in the notes to financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility for longer-dated derivatives and discount rates, prepayments and default rates assumptions. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of the Bank's financial instruments are disclosed in Note 4.

(b) Classification of financial assets

The Bank classifies its financial assets depending on the business model for managing those financial assets and whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

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The Bank performs the business model assessment based on observable factors such as:

- Performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel
- Risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- Compensation of business units whether based on the fair value of the assets managed or on the contractual cash flows collected
- Expected frequency, value and timing of sales

In performing the SPPI test, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, the period for which the interest rate is set, contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms and other features that may modify the consideration for the time value of money.

(c) Leases

Bank as lessor

The Bank has entered into commercial property leases on its investment properties portfolio and over various items of furniture, fixtures and equipment. The Bank has determined, based on an evaluation of the terms and conditions of the arrangements (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Bank as lessee

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Extension and termination options

The Bank has several lease contracts that include extension and termination options. The Bank applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors such as leasehold improvements and location that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Bank reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the IBR for lease liabilities

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR for lease liabilities is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Bank estimates the IBR for lease liabilities using observable inputs (by reference to prevailing risk-free rates) adjusted to take into account the entity's credit risk (i.e., credit spread).

The carrying values of the Bank's right-of-use assets and lease liabilities are disclosed in Notes 11, 19 and 25, respectively.

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(d) Evaluation of business model in managing financial assets

The Bank manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

In determining the classification of a financial instrument under PFRS 9, the Bank developed business models which reflect how it manages its portfolio of financial instruments. The Bank's business models need not be assessed at entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Bank) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument). The Bank evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Bank.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Bank considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect (HTC) business model if the Bank can explain the reasons for those sales and why those sales do not reflect a change in the Bank's objective for the business model.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of condition date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period, are described below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

(a) Credit losses on financial assets

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Significant factors affecting the estimates on the ECL model include:

- Segmentation of the portfolio, where the appropriate model or ECL approach is used
- The criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment. The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs. In 2022, the Bank redeveloped its ECL models covering the pandemic period data to ensure long-run effectivity of the ECL parameters.
- Determination of associations between macroeconomic scenarios and economic inputs and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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The ECL model performance is reviewed periodically, and appropriate measures are taken to ensure provisions for credit losses are adequate.

The gross carrying amounts of financial assets subject to ECL as of December 31, 2023 and the related allowance for credit losses are disclosed in Notes 5 and 15, respectively.

(b) *Impairment of investment properties and chattel mortgage properties*
The Bank assesses impairment on its non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the fair value less costs to sell for property and equipment, investment properties and chattel mortgage properties. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The carrying values of the Bank's investment properties and chattel mortgage properties are disclosed in Notes 12 and 14, respectively.

(c) *Present value of retirement obligation*
The cost of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each statement of condition date.

In determining the appropriate discount rate, management considers the interest rates of Philippine government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The details of assumptions used in the actuarial valuation and carrying value of the net pension liability are disclosed in Note 24.

(d) *Recognition of deferred tax assets*
Deferred tax assets are recognized for all unused tax and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that certain temporary differences will be realized in the future. The recognized net deferred assets and unrecognized deferred tax assets for the Bank are disclosed in Note 27.

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(e) Contingent liabilities
The Bank is a defendant in legal actions arising from its normal business activities. Management believes that the ultimate liability, if any, resulting from these cases will not have a material effect on the Bank's financial statements are disclosed in Note 31.

4. Fair Value Measurement

Financial Instruments
The following describes the methodologies and assumptions used to determine the fair values of financial instruments:

Cash and other cash items, due from BSP, due from other banks, interbank loans receivable and SPURA, accounts receivable, accrued interest receivable, bills purchased, RCOCI, shortages, and petty cash fund - Carrying amounts approximate fair values due to the relatively short-term maturities of these assets.

Debt investments - Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology, using rates currently available for debt on similar terms, credit risk and remaining maturities.

Equity investments - Fair values are based on quoted prices published in markets.

Receivable from customers, sales contract receivables and security deposits - Fair values are estimated using the discounted cash flow methodology, using the Bank's current lending rates for similar types of loans. The discount rates used range from 3.00% to 41.52% and 4.83% to 36.22% in 2023 and 2022, respectively.

Demand deposits, savings deposits, treasurer's, cashier's and manager's checks, accrued interest payable, accounts payable, bills purchased-contra, other credits, deposits for keys-SDB, payment orders payable and overages - Carrying amounts approximate fair values due to either the demand nature or the relatively short-term maturities of these liabilities.

Bonds payable and time deposits - Fair values are estimated using the discounted cash flow methodology using the Bank's borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used are the following:

	Discount Rates	
	2023	2022
Bonds payable	**4.50%**	4.50%
Time deposits	**0.25% to 6.25%**	0.13% to 6.00%

The inputs used in the fair value measurement based on Level 2 are as follows:

Government securities - interpolated rates based on market rates of benchmark securities as of statement of condition date.

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The inputs used in estimating fair values of financial instruments carried at amortized cost and categorized under Level 3 include risk-free rates and applicable risk premium.

Non-financial Assets

Investment properties - Fair values of the investment properties have been determined based on valuations performed by independent external and in-house appraisers using valuation technique with significant inputs that are not based on observable market data (Level 3). The valuation of investment properties was based on the Sales Comparison Approach and considered recent sales of similar or substitute properties in the same areas where the investment properties are located, taking into account the economic conditions prevailing at the time of the valuation. Other factors considered were the location and shape of the properties, environmental issues, development controls such as the height restriction, building coverage and floor area ratio restrictions among others. Other significant unobservable inputs include shape, location, time element, discount and corner influence. The fair value of investment properties is based on its highest and best use, which is its current use.

The following tables summarize the carrying amount and fair values of the Bank's financial instruments and investment properties, analyzed based on the hierarchy described in Note 2 (in thousands):

	December 31, 2023				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets measured at fair value:					
Financial Assets					
FVTPL investments					
HFT - government securities	**₱414,298**	**₱414,298**	**₱–**	**₱–**	**₱414,298**
Financial assets at FVOCI					
Government debt securities	**52,699,129**	**50,889,402**	**1,809,727**	**-**	**52,699,129**
Private debt securities	**1,633,147**	**1,633,147**	**-**	**-**	**1,633,147**
Equity securities	**27,418**	**21,199**	**6,219**	**-**	**27,418**
	₱54,773,992	**₱52,958,046**	**₱1,815,946**	**₱-**	**₱54,773,992**
Assets for which fair values are disclosed:					
Financial Assets					
Investment securities at amortized cost					
Government	**₱27,875,963**	**₱18,767,093**	**₱8,088,712**	**₱–**	**₱26,855,805**
Private	**2,017,205**	**1,984,906**	**–**	**–**	**1,984,906**
Loans and receivables					
Receivables from customers					
Consumption loans	**71,139,977**	**–**	**–**	**81,231,497**	**81,231,497**
Real estate loans	**40,214,290**	**–**	**–**	**61,703,987**	**61,703,987**
Commercial loans	**6,521,064**	**–**	**–**	**87,431,028**	**87,431,028**
Personal loans	**1,629,939**	**–**	**–**	**2,247,444**	**2,247,444**
Sales contract receivable	**6,380**	**–**	**–**	**6,764**	**6,764**
Security deposits	**198,884**	**–**	**–**	**285,800**	**285,800**
Non-Financial Assets					
Investment properties	**3,934,950**	**–**	**–**	**6,617,966**	**6,617,966**
	₱153,538,652	**₱20,751,999**	**₱8,088,712**	**₱239,524,486**	**₱268,365,197**
Liabilities for which fair values are disclosed:					
Deposit liabilities - time	**₱112,749,126**	**₱–**	**₱–**	**₱116,153,413**	**₱116,153,413**
Deposit liabilities - LTNCD	**5,084,218**	**–**	**–**	**5,111,755**	**5,111,755**
Bonds payable	**-**	**–**	**–**	**-**	**-**
Bills payable	**271,896**	**–**	**–**	**310,561**	**310,561**
	₱118,105,240	**₱–**	**₱–**	**₱121,575,729**	**₱121,575,729**

	December 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
FVTPL investments					
HFT - government securities	₱36	₱–	₱36	₱–	₱36
Financial assets at FVOCI					
Government debt securities	68,039,301	67,856,881	182,420	–	68,039,301
Private debt securities	1,600,772	1,600,772	–	–	1,600,772
Equity securities	20,643	17,074	3,569	–	20,643
	₱69,660,752	₱69,474,727	₱186,025	₱–	₱69,660,752

(Forward)

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	December 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets for which fair values are disclosed:					
Financial Assets					
Investment securities at amortized cost					
Government	₱27,917,962	₱12,945,470	₱12,937,711	₱–	₱25,883,181
Private	2,504,322	2,424,488	–	–	2,424,488
Loans and receivables					
Receivables from customers					
Consumption loans	57,405,346	–	–	67,601,062	67,601,062
Real estate loans	40,973,925	–	–	65,680,291	65,680,291
Commercial loans	6,211,280	–	–	6,179,603	6,179,603
Personal loans	1,645,314	–	–	2,373,727	2,373,727
Sales contract receivable	10,746	–	–	9,196	9,196
Security deposits	190,888	–	–	264,196	264,196
Non-Financial Assets					
Investment properties	4,031,471	–	–	6,494,927	6,494,927
	₱140,891,254	₱15,369,958	₱12,937,711	₱148,603,002	₱176,910,671
Liabilities for which fair values are disclosed:					
Deposit liabilities - time	₱135,158,982	₱–	₱–	₱137,465,614	₱137,465,614
Deposit liabilities - LTNCD	5,077,603	–	–	5,354,666	5,354,666
Bonds payable	4,648,450	–	–	4,631,342	4,631,342
Bills payable	1,185,945	–	–	1,382,584	1,382,584
	₱146,070,980	₱–	₱–	₱148,834,206	₱148,834,206

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations, without any adjustments for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models. Instruments included in Level 3 include those for which there is currently no active market.

As of December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

As of December 31, 2023 and 2022, the Bank determined the market value of its warrants to be zero due to the absence of an active market for the Bank's ROP warrants, as evidenced by the unavailability of quoted market prices.

5. Financial Risk Management Policies and Objectives

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

Organization risk management structure continues to be a top-down organization, with the BOD at the helm of all major initiatives.

Discussed below are the relevant sections on roles and responsibilities from the Risk Oversight Committee (ROC) Charter:

Board of Directors (BOD)
The corporate powers of the Bank are vested in and are exercised by the BOD, who conducts its business and controls its property. The BOD approves broad risk management strategies and policies

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and ensures that risk management initiatives and activities are consistent with the Bank's overall objectives. The BOD appoints the members of the ROC.

Risk Oversight Committee (ROC)
The ROC is composed of at least three members of the Board, the majority of whom are independent directors including its Chairperson. The ROC Chairperson is not the Chairperson of the Board or of any other committee. Members of the ROC possess a range of expertise and adequate knowledge of the Bank's risk exposures to be able to develop appropriate strategies for preventing losses and minimizing the impact of losses when they occur.

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

The ROC oversees the system of limits to discretionary authority that the BOD delegates to the management and ensures that the system remains effective, the limits are observed, and that immediate corrective actions are taken whenever limits are breached.

The ROC meets on a monthly basis and is supported by the Risk Management Office (RMO). In the absence of the ROC Chairman, another Independent Director shall preside. ROC resolutions, which require the concurrence of the majority of its voting members, are presented to the BOD for confirmation.

Risk Management Office (RMO)
The RMO, headed by the Chief Risk and Sustainability Officer, is a function that is independent from executive functions and business line responsibilities, operations and revenue-generating functions. It reports directly to the BOD, through the ROC. The RMO assists the ROC in carrying out its responsibilities by:

- analyzing, communicating, implementing, and maintaining the risk management policies approved by the ROC and the BOD;
- spearheading the regular review of the Bank's risk management policy manual and making or elevating recommendations that enhance the risk management process to the ROC and the BOD, for their approval; and
- ensuring that the risks arising from the Bank's activities are identified, measured, analyzed, reported to and understood by risk takers, management, and the board. The RMO analyzes limit exceptions and recommends enhancements to the limits structure.

The RMO does not assume risk-taking accountability nor does it have approving authority. The RMO's role is to act as liaison and to provide support to the BOD, ROC, the President, management committees, risk takers and other support and control functions on risk-related matters.

The Risk Management Function is responsible for:

- identifying the key risk exposures and assessing and measuring the extent of risk exposures of the Bank and its trust operations;
- monitoring the risk exposures and determining the corresponding capital requirement in accordance with the Basel capital adequacy framework and based on the Bank's internal capital adequacy assessment on an on-going basis;

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- monitoring and assessing decisions to accept particular risks whether these are consistent with BOD-approved policies on risk tolerance and the effectiveness of the corresponding risk mitigation measures; and
- reporting on a regular basis to Senior Management and the BOD the results of assessment and monitoring.

President
The President is the Chief Executive Officer of the Bank and has the primary responsibility of carrying out the policies and objectives of the BOD. The President exercises the authorities delegated to him by the BOD and may recommend such policies and objectives he deems necessary for the continuing progress of the Bank.

Risk management
The risk management framework aims to maintain a balance between the nature of the Bank's businesses and the risk appetite of the BOD. Accordingly, policies and procedures are reviewed regularly and revised as the organization grows and as financial markets evolve. New policies or proposed changes in current policies are presented to the ROC and the BOD for approval.

a. Credit risk and concentration of assets and liabilities and off-balance sheet items

Credit risk is the risk that a counterparty will not settle its obligations in accordance with the agreed terms.

The Bank's lending business follows credit policy guidelines set by the BOD, ROC and RMO. These policies serve as minimum standards for extending credit. The people engaged in the credit process are required to understand and adhere to these policies.

Product manuals are in place for all loans and deposit products that actually or potentially expose the Bank to all types of risks that may result in financial or reputational losses. They define the product and the risks associated with the product plus the corresponding risk-mitigating controls. They embody the business plans and define the business parameters within which the product or activity is to be performed.

The system of checks around extension of credit includes approval by at least two credit approvers through the Credit Committee (CreCom), Executive Committee (ExCom) or BOD. The ROC reviews the business strategies and ensures that revenue-generating activities are consistent with the risk tolerance and standards of the Bank. The Internal Audit Group conducts regular audit across all functional units. The BOD, through the ExCom, CreCom and ROC, ensure that sound credit policies and practices are followed through all the business segments.

<u>Credit Approval</u>
Credit approval is the documented acceptance of credit risk in the credit proposal or application.

The Bank's credit decision-making for consumer loans utilizes the recommendation of the credit scoring and is performed at the CreCom level appropriate to the size and risk of each transaction, in conformity with corporate policies and procedures in regulating credit risk activities. The Bank's ExCom may approve deviations or exceptions, while the BOD approves material exceptions such as large exposures, loans to directors, officers, stockholders and other related interests (DOSRI) and related party transactions, and loan restructuring.

Credit delegation limits are identified, tracked and reviewed at least annually by the Bank's Head of Credit and Collections together with the Credit Risk Manager.

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Borrower Eligibility

The Bank's credit processing commences when a customer expresses his intention to borrow through a credit application. The Bank gathers data on the customer; ensures they are accurate, up-to-date and adequate to meet the minimum regulatory requirements and to render credit decision. These data are used for the intended purpose only and are managed in adherence to the customer information secrecy law.

The customer's credit worthiness, repayment ability and cash flow are established before credit is extended. The Bank independently verifies critical data from the customer, ensuring compliance with Know Your Customer requirements under the anti-money laundering laws. The Bank requires that customer income be derived from legitimate sources and supported with government-accepted statements of income, assets and liabilities.

The Bank ascertains whether the customer is legally capable of entering a credit contract and of providing a charge over any asset presented as collateral for a loan. Guarantors or sureties may be accepted, provided they are a relative, partner, and have financial interest in the transaction, and they pass all credit acceptance criteria applied to the borrower.

Loan Structure

The Bank structures loans for its customers based on the customer's capability to pay, the purpose of the loan, and for a collateralized loan, the collateral's economic life and liquidation value over time.

The Bank establishes debt burden guidelines and minimum income requirements to assess the customer's capacity to pay.

The Bank utilizes credit bureau data, both external and internal, to obtain information on a customer's current commitments and credit history.

The Bank takes into account environmental and social issues when reviewing credit proposals of small businesses and commercial mortgage customers. The Bank ensures that all qualified securities pass through the BOD for approval. Assignments of securities are confirmed and insurance are properly secured.

The Bank uses credit scoring models and decision systems for consumer loans as approved by the BOD. Borrower risk rating model and facility risk rating model, on the other hand, are available for SME loans, and supported with qualitative evaluation. Regular monitoring of all these tools and their performance is carried out to ensure that they remain effective.

Initial loan limits are recommended by the CreCom and ExCom and approved by the BOD. The Bank ensures that secured loans are within ceilings set by local regulators. Succeeding loan availments are based on account performance and customer's credit worthiness.

Credit Management

The Bank maintains credit records and documents on all borrowings and captures transaction details in its loan systems. The credit risk policies and system infrastructure ensure that loans are monitored and managed at all times.

The Bank's Management Information System provides statistics that its business units need to identify opportunities for improving rewards without necessarily sacrificing risk. Statistical data on product, productivity, portfolio, profitability, performance and projection are made available regularly.

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The Bank conducts regular loan review through the ROC, with the support of the RMO. The Bank examines its exposures, credit risk ratios, provisions and customer segments. The Bank's unique customer identification and unique group identification methodology enables it to aggregate credit exposures by customer or group of borrowers. Aggregate exposures of at least ₱100.0 million are put on a special monitoring.

The ROC assesses the adequacy of provisions for credit losses regularly. The Bank's automated loan grading system enables the Bank to set up provision per account. The Bank also performs impairment analyses on loans and receivables, whether on an individual or collective basis, in accordance with PFRS 9.

The Bank carries out stress testing analyses using Board-approved statistical models relating the default trends to macroeconomic indicators.

In February 2022, Russia launched a full-scale invasion of Ukraine. The United Nations reacted imposing sanctions to Russia. This caused a major disruption in the value chain and kicked start a significant rise in inflation in the year. The war dragged-on much longer than anticipated. This prompted the US Treasury to increase its interest rates to combat rising inflation. The Philippine economic outlook was unclear as the government now has to manage a careful balancing act of increasing interest rates to dampen the velocity of inflation and combat the weakening peso without hurting the economy. Despite these troubling signals globally, the Bank's asset quality improved compared to 2021 due to the Bank's portfolio management initiatives. Provisioning models for the bank's consumer loan portfolio were adjusted to account for economic uncertainty. To optimize the Bank's credit taking activities, the consumer credit scoring models for Mortgage and Personal loans were redeveloped. These are expected to increase the Bank's loan portfolio without increasing the Bank's risk profile.

In 2023, the Philippine economy exhibited resilience and growth despite global challenges. Steady expansion in GDP was observed but inflation and external uncertainties persisted necessitating government's careful economic management. The Bank reviewed and recalibrated its expected credit loss models to ensure the sufficiency of its calculated provisions and appropriateness of the models in light of the changing economic landscape.

Maximum Exposure to Credit Risk

The tables below show the analysis of the maximum exposure to credit risk of the Bank's financial instruments, excluding those where the carrying values as reflected in the statement of condition and related notes already represent the financial instrument's maximum exposure to credit risk, after taking into account collateral held or other credit enhancements (in thousands):

	2023			
	Carrying Amount	**Fair Value of Collateral**	**Maximum Exposure to Credit Risk**	**Financial Effect of Collateral or Credit Enhancement**
Due from other banks	**₱1,764,230**	**₱3,258,145**	**₱469,833**	**₱1,294,397**
Receivables from customers				
Consumption loans	**71,139,977**	**83,233,369**	**1,339,115**	**69,800,862**
Real estate loans	**40,214,290**	**65,152,648**	**9,945,343**	**30,268,947**
Commercial loans	**6,521,064**	**10,749,329**	**3,482,338**	**3,038,726**
Other receivables				
Accrued interest receivable	**2,326,463**	**1,022,105**	**1,304,460**	**1,022,003**
Sales contract receivable	**6,380**	**20,340**	**180**	**6,200**
Total credit exposure	**₱121,972,404**	**₱163,435,936**	**₱16,541,269**	**₱105,431,135**

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	2022			
	Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial Effect of Collateral or Credit Enhancement
Due from other banks	₱2,910	₱3,126	₱1,333	₱1,577
Receivables from customers				
Consumption loans	57,405,346	67,970,467	2,231,688	55,173,658
Real estate loans	40,973,925	66,866,090	9,942,017	31,031,908
Commercial loans	6,211,280	7,379,602	4,447,266	1,764,014
Other receivables				
Accrued interest receivable	2,548,212	763,890	1,784,322	763,890
Sales contract receivable	10,746	30,945	373	10,373
Total credit exposure	₱107,152,419	₱143,014,120	₱18,406,999	₱88,745,420

An analysis of the maximum credit risk exposure relating to financial assets under Stage 3 as of December 31, 2023 and 2022 is shown below:

	2023			
	Carrying Amount	**Fair Value of Collateral**	**Maximum Exposure to Credit Risk**	**Financial Effect of Collateral or Credit Enhancement**
Receivables from customers				
Consumption loans	**₱1,298,961**	**₱1,972,796**	**₱73,741**	**₱1,225,220**
Real estate loans	**1,106,037**	**1,693,222**	**349,437**	**756,600**
Commercial loans	**119,247**	**546,727**	**10,226**	**109,021**
Other receivables				
Accrued interest receivable	**99,606**	**63,094**	**36,512**	**63,094**
Sales contract receivable	**5,756**	**12,243**	**–**	**5,756**
Total credit exposure	**₱2,629,607**	**₱4,288,082**	**₱469,916**	**₱2,159,691**

	2022			
	Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial Effect of Collateral or Credit Enhancement
Receivables from customers				
Consumption loans	₱972,919	₱1,345,019	₱102,326	₱870,593
Real estate loans	1,215,207	2,021,570	373,439	841,768
Commercial loans	175,718	435,799	110,434	65,284
Other receivables				
Accrued interest receivable	87,668	35,440	52,228	35,440
Sales contract receivable	8,081	16,556	–	8,081
Total credit exposure	₱2,459,593	₱3,854,384	₱638,427	₱1,821,166

Collateral and Other Credit Enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding acceptability of types of collateral and valuation parameters.

The main types of collaterals obtained are as follows:

- For Due from other banks: investment securities
- For SPURA: investment securities
- For commercial lending: mortgages over real estate properties, deposit accounts and securities
- For consumer lending: mortgages over real estate and chattel

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for credit and impairment losses.

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It is the Bank's policy to dispose of repossessed properties in an orderly fashion and proceeds are used to repay or reduce the outstanding claim. In general, the Bank does not occupy repossessed properties for business use.

The Bank holds collateral against loans and receivables in the form of real estate and chattel mortgages, guarantees, and other registered securities over assets. Estimates of fair value are based on the value of the collateral assessed at the time of borrowing and generally are updated every two years and when a loan is assessed to be impaired, whenever applicable. The Bank is not allowed to sell or re-pledge collateral held under SPURA in the absence of default by the counterparty. Collateral is usually not held against holdings in investment securities, and no such collateral was held as of December 31, 2023 and 2022.

Concentration of risk is managed by borrower, by group of borrowers, by geographical region and by industry sector. As of December 31, 2023 and 2022, the maximum credit exposure to any borrower, before taking into account any collateral or other credit enhancement amounted to ₱1.0 billion.

The distribution of the Bank's financial assets before taking into account any collateral held or other credit enhancements can be analyzed by the following geographical regions (in thousands):

	2023				
	Loans and Receivables	**Loans and Advances to Banks***	**Investment Securities****	**Others*****	**Total**
Luzon	**₱107,777,116**	**₱18,500,708**	**₱84,681,046**	**₱254,841**	**₱211,213,711**
Visayas	**10,675,617**	**–**	**–**	**–**	**10,675,617**
Mindanao	**10,475,215**	**–**	**–**	**–**	**10,475,215**
	128,927,948	**18,500,708**	**84,681,046**	**254,841**	**232,364,543**
Less allowance for credit losses	**6,163,536**	**1,209**	**13,886**	**–**	**6,178,631**
Total	**₱122,764,412**	**₱18,499,499**	**₱84,667,160**	**₱254,841**	**₱226,185,912**

* Composed of due from BSP and due from other banks, interbank loans receivable and SPURA
** Composed of FVTPL investments, financial assets at FVOCI (excluding equity securities not exposed to credit risk) and investment securities at amortized cost
*** Composed of financial assets classified under other assets (such as RCOCI, security deposits, other investments, and shortages) and stand-by credit lines amounting to ₱41.1 million

	2022				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
Luzon	₱98,102,943	₱43,148,016	₱100,101,609	₱325,350	₱241,677,918
Visayas	8,264,719	–	–	–	8,264,719
Mindanao	9,109,783	–	–	–	9,109,783
	115,477,445	43,148,016	100,101,609	325,350	259,052,420
Less allowance for credit losses	5,780,140	14,671	18,573	–	5,813,384
Total	₱109,697,305	₱43,133,345	₱100,083,036	₱325,350	₱253,239,036

* Composed of due from BSP and due from other banks, interbank loans receivable and SPURA
** Composed of FVTPL investments, financial assets at FVOCI (excluding equity securities not exposed to credit risk) and investment securities at amortized cost
*** Composed of financial assets classified under other assets (such as RCOCI, security deposits, other investments, and shortages) and stand-by credit lines amounting to ₱122.0 million

Additionally, the tables below show the distribution of the Bank's financial assets and off-balance sheet items before taking into account any collateral or other credit enhancements analyzed by industry sector as of December 31, 2023, and 2022 (in thousands):

	2023				
	Loans and Receivables	**Loans and Advances to Banks***	**Investment Securities****	**Others*****	**Total**
Financial and insurance activities	**₱2,037,250**	**₱18,500,708**	**₱84,681,046**	**₱213,741**	**₱105,432,745**
Activities of private households as employers and undifferentiated goods and services and producing activities of households for own use	**77,672,482**	**–**	**–**	**–**	**77,672,482**
Real estate activities	**37,060,347**	**–**	**–**	**–**	**37,060,347**
Wholesale and retail trade; repair of motor vehicles and motorcycles	**2,364,545**	**–**	**–**	**–**	**2,364,545**
Electricity, gas, steam and air-conditioning supply	**1,034,433**	**–**	**–**	**–**	**1,034,433**

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	2023				
	Loans and Receivables	**Loans and Advances to Banks***	**Investment Securities****	**Others*****	**Total**
Transportation and storage	**₱918,610**	**₱–**	**₱–**	**₱–**	**₱918,610**
Construction	**611,870**	**–**	**–**	**41,100**	**652,970**
Manufacturing	**569,671**	**–**	**–**	**–**	**569,671**
Administrative and support service activities	**316,974**	**–**	**–**	**–**	**316,974**
Accommodation and food service activities	**196,318**	**–**	**–**	**–**	**196,318**
Professional, scientific and technical services	**151,628**	**–**	**–**	**–**	**151,628**
Education	**131,299**	**–**	**–**	**–**	**131,299**
Human health and social work activities	**93,008**	**–**	**–**	**–**	**93,008**
Information and communication	**96,509**	**–**	**–**	**–**	**96,509**
Arts, entertainment and recreation	**79,617**	**–**	**–**	**–**	**79,617**
Agricultural, forestry and fishing	**76,654**	**–**	**–**	**–**	**76,654**
Water supply, sewage, waste management and remediation activities	**66,064**	**–**	**–**	**–**	**66,064**
Mining and quarrying	**5,725**	**–**	**–**	**–**	**5,725**
Other service activities	**5,444,944**	**–**	**–**	**–**	**5,444,944**
	128,927,948	**18,500,708**	**84,681,046**	**254,841**	**232,364,543**
Less allowance for credit losses	**6,163,536**	**1,209**	**13,886**	**–**	**6,178,631**
Total	**₱122,764,412**	**₱18,499,499**	**₱84,667,160**	**₱254,841**	**₱226,185,912**

* Composed of due from BSP and due from other banks, interbank loans receivable and SPURA
** Composed of FVTPL investments, financial assets at FVOCI (excluding equity securities not exposed to credit risk) and investment securities at amortized cost
*** Composed of financial assets classified under other assets (such as RCOCI, security deposits and shortages) and stand-by credit lines amounting to ₱41.1 million

	2022				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
Financial and insurance activities	₱1,812,133	₱43,148,016	₱100,101,609	₱203,350	₱145,265,108
Activities of private households as employers and undifferentiated goods and services and producing activities of households for own use	65,158,520	–	–	–	65,158,520
Real estate activities	37,931,267	–	–	–	37,931,267
Wholesale and retail trade; repair of motor vehicles and motorcycles	2,040,122	–	–	–	2,040,122
Electricity, gas, steam and air-conditioning supply	1,363,927	–	–	–	1,363,927
Transportation and storage	926,381	–	–		926,381
Construction	616,325	–	–	122,000	738,325
Manufacturing	573,213	–	–	–	573,213
Administrative and support service activities	333,497	–	–	–	333,497
Accommodation and food service activities	191,686	–	–	–	191,686
Professional, scientific and technical services	133,147	–	–	–	133,147
Education	119,977	–	–	–	119,977
Human health and social work activities	115,274	–	–	–	115,274
Information and communication	76,092	–	–	–	76,092
Arts, entertainment and recreation	73,371	–	–	–	73,371
Agricultural, forestry and fishing	71,649	–	–	–	71,649
Water supply, sewage, waste management and remediation activities	44,661	–	–	–	44,661
Mining and quarrying	4,779	–	–	–	4,779
Other service activities	3,891,424	–	–	–	3,891,424
	115,477,445	43,148,016	100,101,609	325,350	259,052,420
Less allowance for credit losses	5,780,140	14,671	18,573	–	5,813,384
Total	₱109,697,305	₱43,133,345	₱100,083,036	₱325,350	₱253,239,036

* Composed of due from BSP and due from other banks, interbank loans receivable and SPURA
** Composed of FVTPL investments, financial assets at FVOCI (excluding equity securities not exposed to credit risk) and investment securities at amortized cost
*** Composed of financial assets classified under other assets (such as RCOCI, security deposits and shortages) and stand-by credit lines amounting to ₱122.0 million

Credit Quality

The Bank uses the standard below in defining credit quality.

High Grade exposures show low levels of expected loss. For loans, these accounts should neither be past due nor impaired. The Bank classifies those accounts under current or 1 to 30 days past due status and are not impaired (Stage 1 & 2).

Standard Grade exposures show moderate levels of expected loss. For loans, these accounts should neither be past due nor impaired.

Sub Standard Grade requires a special degree of attention given the increased risk of default. For loans, these accounts should neither be past due nor impaired.

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Past Due but Not Credit Impaired are applicable to loan accounts which are classified as delinquent (31-90 days past due) but are not subject to impairment (Stage 2) as of statement of condition date.

Past Due and Credit Impaired. These include loan accounts considered to be delinquent (91+ days past due), non-performing as defined by BSP Circular No. 941.

Description of the internal credit rating system for loans, receivables and stand-by credit lines:

Internal Credit Rating System (ICRS)
The Bank rates accounts on a scale of 1 to 10, with 1 being the best, based on the Board-approved credit ratings which utilize the expected credit loss and qualitative assessments. ICRS rating assessment considers both borrower and facility features.

High Grade (ICRS Rating 1 - 4)
1 - Excellent
An excellent rating is given to a borrower with a very low probability of going into default and/or low loss given default. The Bank's internal rating system has given an outstanding rating to the borrower, indicative of excellent ability to meet credit obligation in full and consistently meet payment commitments. Accounts with excellent rating may have collateral, further diminishing any losses in case of a default.

2 - Strong
This rating is given to borrowers with low probability of going into default in the coming year with low to moderate loss given default. The Bank's internal rating system has given a high rating to the borrower. The borrower has the ability to meet credit obligation in full, except that the borrower may have a history of missing a payment.

3 - Good
This rating is given to borrowers with low to moderate probability of going into default in the coming year with moderate loss given default. These are largely characterized by borrowers with good rating and have historically missed several payments.

4 - Satisfactory
A 'satisfactory' rating is given to a borrower where clear risk elements exist and probability of default is somewhat greater with moderate to high loss given default. These are characterized by borrowers with good rating with a history of default.

Standard Grade (ICRS Rating 5)
5 - Acceptable
An 'acceptable' rating is given to a borrower whose risk elements are sufficiently pronounced although borrower should still be expected to meet their credit obligations in full. These are characterized by borrowers with moderate rating.

Substandard Grade (ICRS Rating 6-8)
6 or 7 - Loan Especially Mentioned
An account assessed to have potential weaknesses which when left uncorrected, may affect the repayment of the account and thus increase credit risk to the Bank, will be assigned this rating.

8 - Substandard
These accounts or portion thereof involves a substantial and an unreasonable degree of risk to the Bank because of unfavorable record or unsatisfactory characteristics. These accounts show possibility of future loss to the Bank unless given closer supervision and well-defined weaknesses that jeopardize the account liquidation.

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Past Due but Not Credit Impaired
Otherwise known as under-performing loans, these accounts are characterized as showing signs of deterioration. These include loans that are delinquent by 31-90 days and are not subject to impairment (Stage 2) regardless of ICRS rating.

Past Due and Credit Impaired
Otherwise known as non-performing loans, these accounts are already impaired. These include accounts under Stage 3 ECL, delinquent by 91+ days and considered non-performing as defined by BSP Circular No. 941 regardless of ICRS rating. The following credit ratings will always be classified as credit impaired:

9 - Doubtful
Given to an account assessed to have characteristics where collection and liquidation in full is highly improbable and in which substantial loss is probable.

10 - Loss
Given to an account assessed to loans or portions thereof are considered uncollectible or worthless and of such little value that their continuance as bankable assets are not warranted.

The credit quality of receivables from customers, gross of allowance for credit losses, as of December 31, 2023 and 2022 follows (in thousands):

	2023						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Consumption Loans:							
High Grade	₱–	₱64,577,623	₱–	₱–	₱–	₱–	₱64,577,623
Standard Grade	–	2,288,492	–	–	–	–	2,288,492
Sub-standard Grade	–	–	–	2,220,334	–	–	2,220,334
Past Due but Not Impaired	–	–	–	3,382,343	–	–	3,382,343
Non-performing Individually Impaired	–	–	–	–	2,588,654	–	2,588,654
	–	66,866,115	–	5,602,677	2,588,654	–	75,057,446
Real Estate Loans:							
High Grade	–	21,175,066	–	13,471,061	–	–	34,646,127
Standard Grade	–	–	–	–	–	–	–
Sub-standard Grade	–	–	–	3,961,224	–	–	3,961,224
Past Due but Not Impaired	–	–	–	1,268,311	–	–	1,268,311
Non-performing Individually Impaired	–	–	–	–	1,301,558	–	1,301,558
	–	21,175,066	–	18,700,596	1,301,558	–	41,177,220
Commercial Loans:							
High Grade	–	6,097,560	–	–	–	–	6,097,560
Standard Grade		151,542			–	–	151,542
Sub-standard Grade	–	–	–	58,169	–	–	58,169
Past Due but Not Impaired	–	–	–	137,882	–	–	137,882
Non-performing Individually Impaired	–	–	–		304,086	–	304,086
	–	6,249,102	–	196,051	304,086	–	6,749,239
Personal Loans:							
High Grade	–	937,607	–	–	–	–	937,607
Standard Grade		–	–	–	–	–	–
Sub-standard Grade	–	–	–	790,383	–	–	790,383
Past Due but Not Impaired	–	–	–	176,386	–	–	176,386
Non-performing Individually Impaired	–	–	–	–	198,723	–	198,723
	–	937,607	–	966,769	198,723	–	2,103,099
Total Receivables from Customer:							
High Grade	–	92,787,856	–	13,471,061	–	–	106,258,917
Standard Grade		2,440,034			–	–	2,440,034
Sub-standard Grade	–	–	–	7,030,110	–	–	7,030,110
Past Due but Not Impaired	–	–	–	4,964,922	–	–	4,964,922
Non-performing Individually Impaired	–	–	–	–	4,393,021	–	4,393,021
	₱–	₱95,227,890	–	₱25,466,093	₱4,393,021	–	₱125,087,004

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	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Consumption Loans:							
High Grade	₱–	₱52,004,129	₱–	₱–	₱–	₱–	₱52,004,129
Standard Grade	–	1,113,067	–	–	–	–	1,113,067
Sub-standard Grade	–	–	–	3,536,376	–	–	3,536,376
Past Due but Not Impaired	–	–	–	2,055,207	–	–	2,055,207
Non-performing Individually Impaired	–	–	–	–	1,911,793	–	1,911,793
	–	53,117,196	–	5,591,583	1,911,793	–	60,620,572
Real Estate Loans:							
High Grade	–	22,511,454	–	12,299,289	–	–	34,810,743
Standard Grade	–	–	–	–	–	–	–
Sub-standard Grade	–	–	–	4,477,362	–	–	4,477,362
Past Due but Not Impaired	–	–	–	1,265,122	–	–	1,265,122
Non-performing Individually Impaired	–	–	–	–	1,527,167	–	1,527,167
	–	22,511,454		18,041,773	1,527,167	–	42,080,394
Commercial Loans:							
High Grade	–	5,502,455	–	–	–	–	5,502,455
Standard Grade	–	56,913	–	–	–	–	56,913
Sub-standard Grade	–	118,130	–	403,688	–	–	521,818
Past Due but Not Impaired	–	–	–	45,454	–	–	45,454
Non-performing Individually Impaired	–	–	–	–	352,472	–	352,472
	–	5,677,498	–	449,142	352,472	–	6,479,112
Personal Loans:							
High Grade	–	950,393	–	–	–	–	950,393
Standard Grade	–	4,085	–	–	–	–	4,085
Sub-standard Grade	–	–	–	990,700	–	–	990,700
Past Due but Not Impaired	–	–	–	31,948	–	–	31,948
Non-performing Individually Impaired	–	–	–	–	246,014	–	246,014
	–	954,478	–	1,022,648	246,014	–	2,223,140
Total Receivables from Customer:							
High Grade	–	80,968,431	–	12,299,289	–	–	93,267,720
Standard Grade	–	1,174,065	–	–	–	–	1,174,065
Sub-standard Grade	–	118,130	–	9,408,126	–	–	9,526,256
Past Due but Not Impaired	–	–	–	3,397,731	–	–	3,397,731
Non-performing Individually Impaired	–	–	–	–	4,037,446	–	4,037,446
	₱–	₱ 82,260,626	₱–	₱ 25,105,146	₱ 4,037,446	₱–	₱111,403,218

The credit quality of other receivables, gross of allowance for credit losses, as of December 31, 2023 and 2022 follows (in thousands):

	2023						
	Stage 1		**Stage 2**				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**POCI**	**Total**
Accrued Interest Receivable:							
High Grade	**₱–**	**₱1,722,201**	**₱–**	**₱179,891**	**₱–**	**₱–**	**₱1,902,092**
Standard Grade	**–**	**26,351**	**–**		**–**	**–**	**26,351**
Sub-standard Grade	**–**	**577**	**–**	**225,240**	**–**	**–**	**225,817**
Past Due but Not Impaired	**–**	**–**	**–**	**106,696**	**–**	**–**	**106,696**
Non-performing Individually Impaired	**–**	**–**	**–**	**–**	**137,734**	**–**	**137,734**
	–	**1,749,129**	**–**	**511,827**	**137,734**	**–**	**2,398,690**
Accounts Receivable:							
High Grade	**–**	**875,732**	**–**	**2,139**	**–**	**–**	**877,871**
Standard Grade	**–**	**542**	**–**	**–**	**–**	**–**	**542**
Sub-standard Grade	**–**	**40**	**–**	**7,548**	**–**	**–**	**7,588**
Past Due but Not Impaired	**–**	**–**	**–**	**21,402**	**–**	**–**	**21,402**
Non-performing Individually Impaired	**–**	**–**	**–**	**–**	**485,657**	**–**	**485,657**
	–	**876,314**	**–**	**31,089**	**485,657**	**–**	**1,393,060**
Sales Contract Receivable:							
High Grade	**–**	**421**	**–**	**–**	**–**	**–**	**421**
Standard Grade	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Sub-standard Grade	**–**	**–**	**–**			**–**	**–**
Past Due but Not Impaired	**–**	**–**	**–**	**228**	**–**	**–**	**228**
Non-performing Individually Impaired	**–**	**–**	**–**	**–**	**6,302**	**–**	**6302**
	–	**421**	**–**	**228**	**6302**	**–**	**6,951**

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	2023						
	Stage 1		**Stage 2**				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**POCI**	**Total**
Total Other Receivables:							
High Grade	**₱–**	**₱2,598,354**	**₱–**	**₱182,030**	**₱–**	**₱–**	**₱2,780,384**
Standard Grade	**–**	**26,893**	**–**	**–**	**–**	**–**	**26,893**
Sub-standard Grade	**–**	**617**	**–**	**232,788**	**–**	**–**	**233,405**
Past Due but Not Impaired	**–**	**–**	**–**	**128,326**	**–**	**–**	**128,326**
Non-performing Individually Impaired	**–**	**–**	**–**	**–**	**629,693**	**–**	**629,693**
	₱–	**₱2,625,864**	**₱–**	**₱543,144**	**₱629,693**	**₱–**	**₱3,798,701**

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Accrued Interest Receivable:							
High Grade	₱–	₱1,908,728	₱–	₱171,998	₱–	₱–	₱2,080,726
Standard Grade	–	9,463	–	–	–	–	9,463
Sub-standard Grade	–	353	–	271,126	–	–	271,479
Past Due but Not Impaired	–	–	–	135,885	–	–	135,885
Non-performing Individually Impaired	–	–	–	–	113,402	–	113,402
	–	1,918,544	–	579,009	113,402	–	2,610,955
Accounts Receivable:							
High Grade	–	925,416	–	3,088	–	–	928,504
Standard Grade	–	–	–	–	–	–	–
Sub-standard Grade	–	–	–	17,479	–	–	17,479
Past Due but Not Impaired	–	–	–	14,458	–	–	14,458
Non-performing Individually Impaired	–	–	–	–	491,902	–	491,902
	–	925,416	–	35,025	491,902	–	1,452,343
Sales Contract Receivable:							
High Grade	–	2,078	–	–	–	–	2,078
Standard Grade	–	–	–	–	–	–	–
Sub-standard Grade	–	–	–	600	–	–	600
Past Due but Not Impaired	–	–	–	–	–	–	–
Non-performing Individually Impaired	–	–	–	–	8,251	–	8,251
	–	2,078	–	600	8,251	–	10,929
Total Other Receivables:							
High Grade	–	2,836,222	–	175,086	–	–	3,011,308
Standard Grade	–	9,463	–	–	–	–	9,463
Sub-standard Grade	–	353	–	289,205	–	–	289,558
Past Due but Not Impaired	–	–	–	150,343	–	–	150,343
Non-performing Individually Impaired	–	–	–	–	613,555	–	613,555
	₱–	₱2,846,038	₱–	₱614,634	₱613,555	₱–	₱4,074,227

The credit quality of other financial assets which include RCOCI, security deposits, other investments, shortages and liquidity requirement for electronic money products, gross of allowance for credit losses amounting as of December 31, 2023 and 2022 follows (in thousands):

	2023						
	Stage 1		**Stage 2**				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**POCI**	**Total**
Other Financial Assets							
High Grade	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Standard Grade	**–**	**401,014**	**–**	**–**	**–**	**–**	**401,014**
Sub-standard Grade	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Past Due but Not Impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Non-performing Individually Impaired	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**₱–**	**₱401,014**	**₱–**	**₱–**	**₱–**	**₱–**	**₱401,014**

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Other Financial Assets							
High Grade	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Standard Grade	–	203,350	–	–	–	–	203,350
Sub-standard Grade	–	–	–	–	–	–	–
Past Due but Not Impaired	–	–	–	–	–	–	–
Non-performing Individually Impaired	–	–	–	–	–	–	–
Total	₱–	₱203,350	₱–	₱–	₱–	₱–	₱203,350

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Movements of receivables from customers as of December 31, 2023 and 2022 follow (in thousands):

	2023						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Consumption Loans							
Balance as of January 1, 2023	₱–	₱53,117,195	₱–	₱5,591,582	₱1,911,795	₱–	₱60,620,572
New assets originated	–	34,955,414	–	953,344	583,117	–	36,491,875
Assets derecognized or repaid	–	(16,062,677)	–	(4,635,542)	(1,211,126)	–	(21,909,345)
Amounts written off	–	–	–	–	(145,656)	–	(145,656)
Transfers to Stage 1	–	973,758	–	(910,822)	(62,936)	–	–
Transfers to Stage 2	–	(5,152,053)	–	5,262,979	(110,926)	–	–
Transfers to Stage 3	–	(965,522)	–	(658,864)	1,624,386	–	–
Balance at December 31, 2023	–	66,866,115	–	5,602,677	2,588,654	–	75,057,446
Real Estate Loans							
Balance as of January 1, 2023	–	22,511,455	–	18,041,774	1,527,166	–	42,080,395
New assets originated	–	5,668,433	–	7,817	7,207	–	5,683,457
Assets derecognized or repaid	–	(2,147,692)	–	(4,087,457)	(351,483)	–	(6,586,632)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	2,173,204	–	(2,138,138)	(35,066)	–	–
Transfers to Stage 2	–	(6,888,088)	–	7,310,114	(422,026)	–	–
Transfers to Stage 3	–	(142,246)	–	(433,514)	575,760	–	–
Balance at December 31, 2023	–	21,175,066	–	18,700,596	1,301,558	–	41,177,220
Commercial Loans							
Balance as of January 1, 2023	–	5,677,497	–	449,143	352,471	–	6,479,111
New assets originated	–	2,086,517	–	3,249	-	–	2,089,766
Assets derecognized or repaid	–	(1,611,342)	–	(142,344)	(65,952)	–	(1,819,638)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	155,309	–	(154,641)	(668)	–	–
Transfers to Stage 2	–	(50,226)	–	52,035	(1,809)	–	–
Transfers to Stage 3	–	(8,653)	–	(11,391)	20,044	–	–
Balance at December 31, 2023	–	6,249,102	–	196,051	304,086	–	6,749,239
Personal Loans							
Balance as of January 1, 2023	–	954,478	–	1,022,648	246,014	–	2,223,140
New assets originated	–	708,013	–	219,526	3,478	–	931,017
Assets derecognized or repaid	–	(808,151)	–	(105,493)	(25,131)	–	(938,775)
Amounts written off	–	-	–	-	(112,283)	–	(112,283)
Transfers to Stage 1	–	161,624	–	(161,494)	(130)	–	–
Transfers to Stage 2	–	(63,460)	–	63,807	(347)	–	–
Transfers to Stage 3	–	(14,897)	–	(72,225)	87,122	–	–
Balance at December 31, 2023	–	937,607	–	966,769	198,723	–	2,103,099
Total Receivable from Customer							
Balance at January 1, 2023	–	82,260,625	–	25,105,147	4,037,446	–	111,403,218
New assets originated	–	43,418,377	–	1,183,936	593,802	–	45,196,115
Assets derecognized or repaid	–	(20,629,862)	–	(8,970,836)	(1,653,692)	–	(31,254,390)
Amounts written off	–		–		(257,939)	–	(257,939)
Transfers to Stage 1	–	3,463,895	–	(3,365,095)	(98,800)	–	–
Transfers to Stage 2	–	(12,153,827)	–	12,688,935	(535,108)	–	–
Transfers to Stage 3	–	(1,131,318)	–	(1,175,994)	2,307,312	–	–
Balance at December 31, 2023	₱–	₱95,227,890	₱–	₱25,466,093	₱4,393,021	₱–	₱125,087,004

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Consumption Loans							
Balance as of January 1, 2022	₱–	₱43,130,181	₱–	₱11,417,686	₱3,262,487	₱–	₱57,810,354
New assets originated	–	27,083,374	–	472,701	186,914	–	27,742,989
Assets derecognized or repaid	–	(15,811,154)	–	(6,634,250)	(1,870,417)	–	(24,315,821)
Amounts written off	–	–	–	–	(616,950)	–	(616,950)
Transfers to Stage 1	–	3,331,983	–	(3,151,032)	(180,951)	–	–
Transfers to Stage 2	–	(4,143,655)	–	4,414,207	(270,552)	–	–
Transfers to Stage 3	–	(473,534)	–	(927,730)	1,401,264	–	–
Balance at December 31, 2022	–	53,117,195	–	5,591,582	1,911,795	–	60,620,572
Real Estate Loans							
Balance as of January 1, 2022	–	36,414,701	–	6,305,856	2,557,387	–	45,277,944
New assets originated	–	4,294,167	–	125,086	–	–	4,419,253
Assets derecognized or repaid	–	(3,311,981)	–	(3,309,985)	(994,836)	–	(7,616,802)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	1,078,394	–	(1,013,043)	(65,351)	–	–
Transfers to Stage 2	–	(15,740,149)	–	16,453,032	(712,883)	–	–
Transfers to Stage 3	–	(223,677)	–	(519,172)	742,849	–	–
Balance at December 31, 2022	–	22,511,455	–	18,041,774	1,527,166	–	42,080,395
Commercial Loans							
Balance as of January 1, 2022	–	6,075,829	–	682,250	627,010	–	7,385,089
New assets originated	–	1,072,066	–	7,000	–	–	1,079,066
Assets derecognized or repaid	–	(1,644,214)	–	(177,750)	(163,080)	–	(1,985,044)

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	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Amounts written off	₱–	₱–	₱–	₱–	₱–	₱–	₱–
Transfers to Stage 1	–	277,106	–	(251,981)	(25,125)	–	–
Transfers to Stage 2	–	(98,075)	–	209,194	(111,119)	–	–
Transfers to Stage 3	–	(5,215)	–	(19,570)	24,785	–	–
Balance at December 31, 2022	–	5,677,497	–	449,143	352,471	–	6,479,111
Personal Loans							
Balance as of January 1, 2022	–	620,482	–	1,457,899	682,973	–	2,761,354
New assets originated	–	496,951	–	158,270	13,963	–	669,184
Assets derecognized or repaid	–	(499,438)	–	(169,281)	(87,985)	–	(756,704)
Amounts written off	–	–	–	–	(450,694)	–	(450,694)
Transfers to Stage 1	–	387,595	–	(386,679)	(916)	–	–
Transfers to Stage 2	–	(49,012)	–	53,205	(4,193)	–	–
Transfers to Stage 3	–	(2,100)	–	(90,766)	92,866	–	–
Balance at December 31, 2022	–	954,478	–	1,022,648	246,014	–	2,223,140
Total Receivable from Customer							
Balance at January 1, 2022	–	86,241,193	–	19,863,691	7,129,858	–	113,234,742
New assets originated	–	32,946,558	–	763,056	200,877	–	33,910,491
Assets derecognized or repaid	–	(21,266,787)	–	(10,291,266)	(3,116,318)	–	(34,674,371)
Amounts written off	–	–	–		(1,067,644)	–	(1,067,644)
Transfers to Stage 1	–	5,075,078	–	(4,802,735)	(272,343)	–	–
Transfers to Stage 2	–	(20,030,891)	–	21,129,638	(1,098,747)	–	–
Transfers to Stage 3	–	(704,526)	–	(1,557,237)	2,261,763	–	–
Balance at December 31, 2022	₱–	₱82,260,625	₱–	₱25,105,147	₱4,037,446	₱–	₱111,403,218

Movements of other receivables as of December 31, 2023 and 2022 follow (in thousands):

	2023						
	Stage 1		**Stage 2**				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**POCI**	**Total**
Accrued Interest Receivable							
Balance as of January 1, 2023	**₱–**	**₱1,918,545**	**₱–**	**₱579,008**	**₱113,402**	**₱–**	**₱2,610,955**
New assets originated	**–**	**319,435**	**–**	**30,057**	**39,590**	**–**	**389,082**
Assets derecognized or repaid	**–**	**(341,725)**	**–**	**(191,930)**	**(67,692)**	**–**	**(601,347)**
Amounts written off	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers to Stage 1	**–**	**70,955**	**–**	**(67,631)**	**(3,324)**	**–**	**–**
Transfers to Stage 2	**–**	**(196,578)**	**–**	**206,878**	**(10,300)**	**–**	**–**
Transfers to Stage 3	**–**	**(21,503)**	**–**	**(44,555)**	**66,058**	**–**	**–**
Balance at December 31, 2023	**–**	**1,749,129**	**–**	**511,827**	**137,734**	**–**	**2,398,690**
Sales Contract Receivable							
Balance at January 1, 2023	**–**	**2,077**	**–**	**600**	**8,252**	**–**	**10,929**
New assets originated	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Assets derecognized or repaid	**–**	**(1,664)**	**–**	**(513)**	**(1,801)**	**–**	**(3,978)**
Amounts written off	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers to Stage 1	**–**	**299**	**–**	**(299)**	**–**	**–**	**–**
Transfers to Stage 2	**–**	**(291)**	**–**	**440**	**(149)**	**–**	**–**
Transfers to Stage 3	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at December 31, 2023	**–**	**421**	**–**	**228**	**6,302**	**–**	**6,951**
Total Other Receivables							
Balance at January 1, 2023	**–**	**1,920,622**	**–**	**579,608**	**121,654**	**–**	**2,621,884**
New assets originated	**–**	**319,435**	**–**	**30,057**	**39,590**	**–**	**389,082**
Assets derecognized or repaid	**–**	**(343,389)**	**–**	**(192,443)**	**(69,493)**	**–**	**(605,325)**
Amounts written off	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers to Stage 1	**–**	**71,254**	**–**	**(67,930)**	**(3,324)**	**–**	**–**
Transfers to Stage 2	**–**	**(196,869)**	**–**	**207,318**	**(10,449)**	**–**	**–**
Transfers to Stage 3	**–**	**(21,503)**	**–**	**(44,555)**	**66,058**	**–**	**–**
Balance at December 31, 2023	**₱–**	**₱1,749,550**	**₱–**	**₱512,055**	**₱144,036**	**₱–**	**₱2,405,641**

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Accrued Interest Receivable							
Balance as of January 1, 2022	₱–	₱2,064,357	₱–	₱676,175	₱874,680	₱–	₱3,615,212
New assets originated	–	231,352	–	15,292	6,159	–	252,803
Assets derecognized or repaid	–	(210,931)	–	(241,001)	(805,128)	–	(1,257,060)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	161,815	–	(153,923)	(7,892)	–	–
Transfers to Stage 2	–	(310,293)	–	333,844	(23,551)	–	–
Transfers to Stage 3	–	(17,755)	–	(51,379)	69,134	–	–
Balance at December 31, 2022	–	1,918,545	–	579,008	113,402	–	2,610,955
Sales Contract Receivable							
Balance at January 1, 2022	–	3,263	–	3,912	10,424	–	17,599
New assets originated	–	–	–	–	–	–	–

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	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Assets derecognized or repaid	₱–	(₱2,528)	₱–	(₱3,942)	(₱200)	₱–	(₱6,670)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	1,425	–	–	(1,425)	–	–
Transfers to Stage 2	–	(83)	–	630	(547)	–	–
Transfers to Stage 3	–	–	–	–	–	–	–
Balance at December 31, 2022	–	2,077	–	600	8,252	–	10,929
Total Other Receivables							
Balance at January 1, 2022	–	2,067,620	–	680,087	885,104	–	3,632,811
New assets originated	–	231,352	–	15,292	6,159	–	252,803
Assets derecognized or repaid	–	(213,459)	–	(244,943)	(805,328)	–	(1,263,730)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	163,240	–	(153,923)	(9,317)	–	–
Transfers to Stage 2	–	(310,376)	–	334,474	(24,098)	–	–
Transfers to Stage 3	–	(17,755)	–	(51,379)	69,134	–	–
Balance at December 31, 2022	₱–	₱1,920,622	₱–	₱579,608	₱121,654	₱–	₱2,621,884

External Ratings

For investment securities, in ensuring quality investment portfolio, the Bank uses the credit risk rating from published data providers like Moody's, Standard & Poor's (S&P) or other reputable rating agencies.

Presented here is Moody's rating – equivalent S&P rating and other rating agencies applies:

Credit Quality	**External Rating**									
High grade	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
Standard grade	Ba1	Ba2	Ba3	B1	B2	B3				
Substandard grade	Caa1	Caa2	Caa3	Ca	C					

High grade - represents those investments which fall under any of the following grade:

Aaa - fixed income obligations are judged to be of the highest quality, with the smallest degree of risk.

Aa1, Aa2, Aa3 - fixed income are judged to be of high quality and are subject to very low credit risk, but their susceptibility to long-term risks appears somewhat greater.

A1, A2, A3 - fixed income obligations are considered upper-medium grade and are subject to low credit risk, but have elements present that suggest a susceptibility to impairment over the long term.

Baa1, Baa2, Baa3 - fixed income obligations are subject to moderate credit risk. They are considered medium grade and as such protective elements may be lacking or may be characteristically unreliable.

Standard grade - represents those investments which fall under any of the following grade:

Ba1, Ba2, Ba3 - obligations are judged to have speculative elements and are subject to substantial credit risk.

B1, B2, B3 - obligations are considered speculative and are subject to high credit risk.

Substandard grade - represents those investments which fall under any of the following grade:

Caa1, Caa2, Caa3 - are judged to be of poor standing and are subject to very high credit risk.

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Ca - are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C - are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

As of December 31, 2023 and 2022 the following tables show the credit quality of loans and advances to banks (in thousands).

	2023						
	Stage 1		**Stage 2**				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**POCI**	**Total**
Due from BSP							
High Grade	**₱9,745,634**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱9,745,634**
Due from other banks							
High Grade	**1,765,439**	**–**	**–**	**–**	**–**	**–**	**1,765,439**
Total Loans and Advances to Banks							
High Grade	**₱11,511,073**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱11,511,073**

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Due from BSP							
High Grade	₱37,553,244	₱–	₱–	₱–	₱–	₱–	₱37,553,244
Due from other banks							
High Grade	2,925,163	–	–	–	–	–	2,925,163
Total Loans and Advances to Banks							
High Grade	₱40,478,407	₱–	₱–	₱–	₱–	₱–	₱40,478,407

As of December 31, 2023 and 2022, the following table shows the credit quality of the Bank's investment securities (in thousands):

	2023						
	Stage 1		**Stage 2**				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**POCI**	**Total**
FVTPL - Government Debt Securities							
High Grade	**₱414,298**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱414,298**
	414,298	**–**	**–**	**–**	**–**	**–**	**414,298**
FVOCI - Government Debt Securities							
High Grade	**52,699,129**	**–**	**–**	**–**	**–**	**–**	**52,699,129**
	52,699,129	**–**	**–**	**–**	**–**	**–**	**52,699,129**
FVOCI - Private Debt Securities							
Standard Grade	**1,633,147**	**–**	**–**	**–**	**–**	**–**	**1,633,147**
	1,633,147	**–**	**–**	**–**	**–**	**–**	**1,633,147**
Investment Securities at Amortized Cost - Government Debt Securities							
High Grade	**27,886,190**	**–**	**–**	**–**	**–**	**–**	**27,886,190**
	27,886,190	**–**	**–**	**–**	**–**	**–**	**27,886,190**
Investment Securities at Amortized Cost - Private Debt Securities							
Standard Grade	**2,020,864**	**–**	**–**	**–**	**–**	**–**	**2,020,864**
	2,020,864	**–**	**–**	**–**	**–**	**–**	**2,020,864**
Total Investment Securities							
High Grade	**80,999,617**	**–**	**–**	**–**	**–**	**–**	**80,999,617**
Standard Grade	**3,654,011**	**–**	**–**	**–**	**–**	**–**	**3,654,011**
	₱84,653,628	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱84,653,628**

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	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
FVTPL - Government Debt Securities							
High Grade	₱36	₱–	₱–	₱–	₱–	₱–	₱36
FVTPL - Derivative Asset							
High Grade	–	–	–	–	–	–	–
	36	–	–	–	–	–	36
FVOCI - Government Debt Securities							
High Grade	68,039,301	–	–	–	–	–	68,039,301
	68,039,301	–	–	–	–	–	68,039,301
FVOCI - Private Debt Securities							
Standard Grade	1,600,772	–	–	–	–	–	1,600,772
	1,600,772	–	–	–	–	–	1,600,772
Investment Securities at Amortized Cost - Government Debt Securities							
High Grade	27,932,285	–	–	–	–	–	27,932,285
	27,932,285	–	–	–	–	–	27,932,285
Investment Securities at Amortized Cost							
Private Debt Securities							
Standard Grade	2,508,573	–	–	–	–	–	2,508,573
	2,508,573	–	–	–	–	–	2,508,573
Total Investment Securities							
High Grade	95,971,622	–	–	–	–	–	95,971,622
Standard Grade	4,109,345	–	–	–	–	–	4,109,345
	₱100,080,967	₱–	₱–	₱–	₱–	₱–	₱100,080,967

All of the Bank's loan commitments and financial guarantees amounting to ₱41.1 million and ₱122.0 million as of December 31, 2023 and 2022, respectively, are classified as high grade under Stage 1.

ECL Methodology Overview

Two modelling approaches are employed to build a consistent framework for the development of all ECL models of the Bank. Both modeling approaches consider past events, current conditions and forecast of economic conditions in assessing impairment.

The complex model approach is used for portfolios with a significant number of historical defaults. This approach is applied to the consumer loan portfolios. These quantitative models are built by applying statistical, economic, financial or mathematical theories, techniques and assumptions to calculate provisions. Where historical data are insufficient to develop statistical models, such as for Business Loans, Account Receivables, Sales Contract Receivables, etc. the simplified ECL approach is employed. The Bank observes the historical PD and LGD of the portfolio and applies forward looking economic data on PD to calculate the ECL.

Classification of Individual/Collective Impairment

The Bank calculates provisions either in a collective or individual basis.

Collective impairment calculates risk provisions by grouping exposures into smaller homogeneous portfolios based on a combination of borrower and account characteristics. Accounts with similar risk attributes (i.e. facility, security, credit rating, months-on-books, utilization and collateral type, etc.) are pooled together for calculating provisions based on the expected credit loss models. All Stage 1 and 2 accounts of the Bank are categorized under collective impairment.

Individual impairment is applicable for all accounts under Stage 3 or accounts deemed as significant exposures and show objective evidence of impairment. The indicators may be default in payment, restructuring, litigation or probable foreclosure.

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As of December 31, 2023 and 2022, an analysis by past due status of receivables from customers wherein the SICR is based only on the past due information is as follows:

	2023					
	Number of days past due					
	Up to 30 days	**31-60 days**	**61-90 days**	**91-180 days**	**180 days**	**Total**
Receivables from customers						
Consumption loans	**₱98,570**	**₱1,860,619**	**₱839,132**	**₱995,710**	**₱1,419,009**	**₱5,213,040**
Real estate loans	**669,901**	**890,094**	**321,886**	**237,291**	**573,539**	**2,692,711**
Commercial loans	**149,507**	**14,562**	**3,826**	**5,421**	**210,706**	**384,022**
Personal loans	**72,723**	**16,700**	**14,043**	**24,394**	**114,622**	**242,482**
Total	**₱990,701**	**₱2,781,975**	**₱1,178,887**	**₱1,262,816**	**₱2,317,876**	**₱8,534,255**

	2022					
	Number of days past due					
	Up to 30 days	31-60 days	61-90 days	91-180 days	180 days	Total
Receivables from customers						
Consumption loans	₱94,402	₱1,544,667	₱642,497	₱657,251	₱1,041,863	₱3,980,680
Real estate loans	755,775	1,103,013	408,889	257,910	609,698	3,135,285
Commercial loans	38,173	15,288	11,457	1,342	315,281	381,541
Personal loans	88,419	21,226	12,267	27,729	141,573	291,214
Total	₱976,769	₱2,684,194	₱1,075,110	₱944,232	₱2,108,415	₱7,788,720

b. Market risk

Market risk management covers the areas of trading and interest rate risks. The Bank utilizes various measurement and monitoring tools to ensure that risk-taking activities are managed within instituted market risk parameters. The Bank revalues its trading portfolios on a daily basis and checks the revenue or loss generated by each portfolio in relation to their level of market risk.

The Bank's risk policies and implementing guidelines are regularly reviewed by the Assets and Liabilities Committee (ALCO), ROC and BOD to ensure that these are up-to-date and in line with changes in the economy, environment and regulations. The ROC and the BOD set the comprehensive market risk limit structure and define the parameters of market activities that the Bank can engage in.

Market risk is the risk to earnings and capital arising from changes in the value of traded portfolios of financial instruments (trading market risk) and from movements in interest rates (interest rate risk). The Bank's market risk originates primarily from holding peso and dollar-denominated debt securities. The Bank utilizes Value-at-Risk (VaR) to measure and manage market risk exposure. VaR estimates the potential decline in the value of a portfolio, under normal market conditions, for a given confidence level over a specified holding period.

Trading activities
The Bank's trading portfolios consist of peso- and dollar-denominated debt securities 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.

VaR is a statistical measure that calculates the maximum potential loss from a portfolio over a holding period, within a given confidence level. The Bank's current VaR model is based on a historical simulation methodology with a one-day holding period and a 99% confidence level. The Bank establishes limits for trading portfolios and VaR, and comply with regulatory standards. VaR reports are prepared to closely monitor potential losses against approved VaR limit. In addition, actual daily profit and loss levels are monitored against loss triggers. If there is a breach in the VaR limit or loss triggers, Treasury Group is expected to close or reduce their position and bring it down within the limit. Breaches in the limit requires approval of ALCO, President, or ROC/Board, as appropriate.

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The Bank performs back testing to validate the VaR model. Results are reported to the ROC and BOD on a monthly basis. Stress testing is also conducted based on historical maximum percentage daily movement and on various ad-hoc rate shock scenarios to estimate potential losses in a crisis situation.

Responsibility for managing the Bank's trading market risk remains with the ROC. With the support of RMO, the ROC recommends to the BOD changes in market risk limits, approving authorities and other activities that need special consideration.

Discussed below are the limitations and assumptions applied by the Bank on its VaR methodology:

a. VaR is a statistical estimate and thus, does not give the precise amount of loss;
b. VaR is not designed to give the probability of bank failure, but only attempts to quantify losses that may arise from a bank's exposure to market risk;
c. Historical simulation does not involve any distributional assumptions, scenarios that are used in computing VaR are limited to those that occurred in the historical sample; and
d. VaR systems are backward-looking. It attempts to forecast likely future losses using past data. As such, this assumes that past relationships will continue to hold in the future. Major shifts therefore (i.e., an unexpected collapse of the market) are not captured and may inflict losses much bigger than anything the VaR model may have calculated.

The Bank's interest rate VaR follows (in thousands):

	December 31, 2023		December 31, 2022	
	Peso	**USD**	**Peso**	**USD**
Year-end	**1**	–	1	–
Average	**0**	–	1	–
High	**2**	–	2	–
Low	**0**	–	1	–

Non-trading activities
The Bank follows a prudent policy on managing its assets and liabilities to ensure that fluctuations in interest rates are kept within acceptable limits.

One method by which the Bank measures the sensitivity of its assets and liabilities to interest rate fluctuations is by way of "gap" analysis. This analysis provides the Bank with a static view of the maturity and repricing characteristics of the positions in its statement of condition. An interest rate gap report is prepared by classifying all assets and liabilities into various time period categories according to contracted maturities or anticipated repricing dates, whichever is earlier. 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. The difference in the amount of assets and liabilities maturing or being repriced in any time period category would then give the Bank an indication of the extent to which it is exposed to the risk of potential changes in net interest income.

The interest rate sensitivity gap report measures interest rate risk by identifying gaps between the repricing dates of assets and liabilities. The Bank's sensitivity gap model calculates the effect of possible rate movements on its interest rate profile.

EaR measures the possible decline in the Bank's 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 twelve (12) months. The Bank's EaR limits are based on a percentage of the Bank's projected earnings for the year or

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capital whichever is lower. The Bank also performs stress-testing to measure the impact of various scenarios based on interest rate volatility and shift in the yield curve. The EaR and stress testing reports are prepared on a monthly basis.

The ALCO is responsible for managing the Bank's structural interest rate exposure. The ALCO's goal is to achieve a desired overall interest rate profile while remaining flexible to interest rate movements and changes in economic conditions. The RMO and ROC review and oversee the Bank's interest rate risks.

The table below demonstrates the sensitivity of equity. Equity sensitivity was computed by calculating mark-to-market changes of debt securities at FVOCI, assuming a parallel shift in the yield curve.

	2023		2022	
	Change in basis points	**Sensitivity of equity**	**Change in basis points**	**Sensitivity of equity**
Currency				
PHP	**+10**	**(₱10,854,916)**	+10	(₱5,101,207)
USD	**+10**	**–**	+10	–
Currency				
PHP	**-10**	**10,934,344**	-10	5,106,810
USD	**-10**	**–**	-10	–

The table below demonstrates the sensitivity of net interest income using the EAR model. Net interest income sensitivity was computed by calculating the changes in the banking book gaps assuming a parallel shift in the yield curve.

	2023		2022	
	Change in basis points	**Sensitivity of NII**	Change in basis points	Sensitivity of NII
Currency				
PHP	**+10**	**(₱2,497,311)**	+10	₱9,228,360
USD	**+10**	**(9,197,978)**	+10	(10,587,508)
Currency				
PHP	**-10**	**2,497,311**	-10	(9,228,360)
USD	**-10**	**9,197,978**	-10	10,587,508

The Bank employs the Delta EVE model to measure the overall change in the economic value of the bank at one point. It reflects the changes in the net present value of its banking book at different interest rate shocks and stress scenarios. 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 prescribed by Basel, as well as scenarios internally developed by the Bank.

Foreign Currency Risk

Foreign currency risk is the risk of an investment's value changing due to an adverse movement in currency exchange rates. It arises due to a mismatch in the Bank's foreign currency assets and liabilities. The Bank uses BSP-approved Type 3 Derivative License for plain vanilla FX forwards to manage our FX risk against adverse exchange rate movements.

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The Bank's policy is to maintain foreign currency exposure within the approved position, stop loss, loss trigger, VaR limits and to remain within existing regulatory guidelines. To compute for VaR, the Bank uses historical simulation model for USD/PHP FX position, with confidence level at 99.00% and a 1 day holding period. The Bank's VaR for its foreign exchange position for trading and non-trading activities are as follows (in thousands):

	2023[1]	2022[1]
As of year-end	**₱1,212**	₱1,669
Average	**1,356**	857
High	**2,319**	1,669
Low	**671**	263

[1]*Using METRISK Historical Simulation VaR*

As of December 31, 2023 and 2022, the Bank is not exposed to significant foreign currency risk.

c. Liquidity risk

The Bank's policy on liquidity management emphasizes on three elements of liquidity, namely, cashflow management, ability to borrow in the interbank market, and maintenance of a stock of high-quality liquid assets. These three approaches complement one another with greater weight being given to a particular approach, depending upon the circumstances. The Bank's objective in liquidity management is to ensure that the Bank has sufficient liquidity to meet obligations under normal and adverse circumstances and is able to take advantage of lending and investment opportunities as they arise.

The main tool that the Bank uses for monitoring its liquidity is the Maximum Cumulative Outflow (MCO) reports, which is also called liquidity gap or maturity matching gap reports. The MCO is a useful tool in measuring and analyzing the Bank's cash flow projections and monitoring liquidity risks.

The MCO is generated by distributing the cash flows of the Bank's assets, liabilities and off-balance sheet items to time bands based on cash flow expectations such as contractual maturity, nature of the account, behavioral patterns and projections on business strategies. The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report that realistically captures the behavior of the products and creates a forward-looking cash flow projection.

Cash flows from assets are considered as cash inflows, while cash flows from liabilities are considered cash outflows. The net cash flows are determined for each given time period. If the inflows exceed the outflows, the Bank is said to have a positive liquidity gap or has excess funds for the given time bucket. Conversely, if the outflows exceed the inflows, the Bank is said to have a negative liquidity gap or has funding needs for the given time bucket.

The Bank's Liquidity Contingency Funding Plan (LCFP) projects the Bank's funding position during stress to help evaluate the Bank's funding needs and strategies under various stress conditions.

The Bank discourages dependence on Large Funds Providers (LFPs) and monitors the deposit funding concentrations so that it will not be vulnerable to a substantial drop in deposit level should there be an outflow of large deposits and there are enough high-quality liquid assets to fund LFP withdrawals. ALCO is responsible for managing the liquidity of the Bank while RMO and ROC review and oversee the Bank's overall liquidity risk management.

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To mitigate potential liquidity problems caused by unexpected withdrawals of significant deposits, the Bank takes steps to cultivate good business relationships with clients and financial institutions, maintains high level of high-quality liquid assets, monitors the deposit funding concentrations and regularly updates the Liquidity Contingency Funding Plan. The Bank's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are managed on a daily basis to ensure compliance with the required regulatory ratios.

Financial assets
Analysis of equity and debt securities at FVTPL and financial assets at FVOCI into maturity groupings is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realized.

Financial liabilities
The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date and does not consider the behavioral pattern of the creditors. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Bank can be required to pay.

Analysis of Financial Assets and Liabilities by Remaining Maturities
The tables below show the maturity profile of the Bank's financial assets and liabilities based on contractual undiscounted repayment obligations (in millions):

	2023							
	On demand	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 to 12 months	Total within 1 year	Beyond 1 year	Total
Financial Assets								
Financial assets at FVTPL	₱–	₱47	₱405,093	₱–	₱–	₱405,140	₱–	₱405,140
Financial assets at FVOCI								
Government securities	–	49,400	1,489	178	67	51,134	1,565	52,699
Private securities	–	–	1,396	–	–	1,396	237	1,633
Quoted equity securities								–
Investment securities at amortized cost								–
Government bonds	–	–	700	–	291	991	26,885	27,876
Private securities	–	–	254	300		554	1,463	2,017
Loans and receivables								
Loans and advances to banks								
Due from BSP	3,598,634	6,149,461	–	–	–	9,748,095	–	9,748,095
Due from other banks	1,765,439	-	–	–	–	1,765,439	–	1,765,439
Interbank loans receivable and SPURA	–	6,990,723	–	–	–	6,990,723	–	6,990,723
Receivables from customers								
Consumption loans	277,936	1,070,650	2,271,328	3,730,696	8,830,172	16,180,782	103,026,290	119,207,072
Real estate loans	198,323	420,242	969,853	1,383,981	2,918,912	5,891,311	72,392,509	78,283,820
Commercial loans	534,115	362,967	761,881	487,061	734,674	2,880,698	5,559,843	8,440,541
Personal loans	269,183	110,453	250,613	319,205	865,495	1,814,949	951,193	2,766,142
Other receivables								
Accrued interest receivable	2,315,104	9,623	15,249	1,567	57,148	2,398,691	-	2,398,691
Accounts receivable	910,927	14,414	2,193	2,747	1,051	931,332	461,729	1,393,061
Sales contract receivable	4,267	-	45	2,065	67	6,444	507	6,951
Other assets								
Security deposits	–	1,128	3,231	5,389	15,992	25,740	173,144	198,884
RCOCI	14,420	–	–	–	–	14,420	–	14,420
	₱9,888,348	₱15,179,108	₱4,683,325	₱5,933,189	₱13,423,869	₱49,107,839	₱182,595,365	₱231,703,204
Financial Liabilities								
Deposit liabilities								
Demand	₱25,325,912	₱–	₱–	₱–	₱–	₱25,325,912	₱–	₱25,325,912
Savings	46,463,448	–	–	–	–	46,463,448	–	46,463,448
Time	259,365	75,891,842	17,558,390	2,258,835	2,214,166	98,182,598	17,143,281	115,325,879
LTNCD	-	-	5,111,759	-	-	5,111,759	-	5,111,759
	72,048,725	75,891,842	22,670,149	2,258,835	2,214,166	175,083,717	17,143,281	192,226,998
Treasurer's, cashier's and manager's checks	1,514,066	-	–	–	–	1,514,066	–	1,514,066
Bills payable	–	271,916	–	–	–	271,916	–	271,916
Accrued interest payable	463,686	–	52,020	–	–	515,706	–	515,706
Accrued other expenses payable	–	–	2,147,831	–	–	2,147,831	–	2,147,831
Other liabilities	–	–		–	–	–	–	–
Accounts payable	1,998,394	–	-	–	–	1,998,394	–	1,998,394
Lease liabilities	–	38,363	76,432	109,018	196,011	419,824	928,432	1,348,256
Other credits	169,938	–	–	–	–	169,938	–	169,938
Deposit for keys	741,645	–	–	–	–	741,645	–	741,645
	₱76,936,454	₱76,202,121	₱24,946,432	₱2,367,853	₱2,410,177	₱182,863,037	₱18,071,713	₱200,934,750

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	2022							
	On demand	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 to 12 months	Total within 1 year	Beyond 1 year	Total
Financial Assets								
Financial assets at FVOCI								
Government securities	₱–	₱68,060	₱–	₱65	₱60	₱68,185	₱1	₱68,186
Private securities	–	–	–	–	–	–	1,650	1,650
Quoted equity securities	–	–	–	–	–	–	21	21
Investment securities at amortized cost								
Government bonds	–	684	584	242	398	1,908	28,875	30,783
Private securities	–	–	15	23	11	49	2,490	2,539
Loans and receivables								
Loans and advances to banks								
Due from BSP	6,320	31,233	–	–	–	37,553	–	37,553
Due from other banks	2,925	–	–	–	–	2,925	–	2,925
Interbank loans receivable and SPURA	–	2,651	–	–	–	2,651	–	2,651
Receivables from customers								
Consumption loans	244	826	1,811	2,950	7,033	12,864	76,775	89,639
Real estate loans	205	440	955	1,378	2,916	5,894	72,121	78,015
Commercial loans	513	604	694	357	745	2,913	5,288	8,201
Personal loans	314	112	263	328	910	1,927	1,016	2,943
Other receivables								
Accrued interest receivable	549	1,776	209	77	0	2,611	–	2,611
Accounts receivable	956	20	6	1	4	987	465	1,452
Sales contract receivable	4	–	2	0	0	6	5	11
Other assets								
Security deposits	–	1	2	2	9	14	177	191
RCOCI	12	–	–	–	–	12	–	12
Shortages	–	–	–	–	–	–	–	–
	₱12,042	₱106,407	₱4,541	₱5,423	₱12,086	₱140,499	₱188,884	₱329,383
Financial Liabilities								
Deposit liabilities								
Demand	₱26,602	₱–	₱–	₱–	₱–	₱26,602	₱–	₱26,602
Savings	46,933	–	–	–	–	46,933	–	46,933
Time	81	80,981	33,091	2,979	2,778	119,910	15,249	135,159
LTNCD	–	–	–	–	–	–	5,078	5,078
	73,616	80,981	33,091	2,979	2,778	193,445	20,327	213,772
Treasurer's, cashier's and manager's checks	1,014	–	–	–	–	1,014	–	1,014
Bills payable	1,186	–	–	–	–	1,186	–	1,186
Bonds payable	–	–	–	–	4,648	4,648	–	4,648
Accrued interest payable	–	–	473	–	33	506	–	506
Accrued other expenses payable	–	1,525	266	–	209	2,000	–	2,000
Other liabilities								
Accounts payable	2,087	–	–	–	–	2,087	–	2,087
Lease liabilities	–	34	66	99	195	394	929	1,323
Other credits	169	–	–	–	–	169	–	169
Bills purchased - contra								
Deposit for keys	1	–	–	–	–	1	–	1
Payment order payable and overages	3	–	–	–	–	3	–	3
	₱78,076	₱82,540	₱33,896	₱3,078	₱7,863	₱205,453	₱21,256	₱226,709

6. Segment Information

The Bank's operating segments are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit that offers different products and serves different markets. The Bank's reportable segments are as follows:

a. Consumer Banking - principally provides consumer-type loans generated by the Home Office;
b. Corporate Banking - principally handles loans and other credit facilities for small and medium enterprises, corporate and institutional customers acquired in the Home Office;
c. Branch Banking - serves as the Bank's main customer touch point which offers consumer and corporate banking products; and
d. Treasury - principally handles institutional deposit accounts, providing money market, trading and treasury services, as well as managing the Bank's funding operations by use of government securities and placements and acceptances with other banks.

These segments are the bases on which the Bank reports its primary segment information. The Bank evaluates performance on the basis of information about the components of the Bank that senior management uses to make decisions about operating matters. There are no other operating segments than those identified by the Bank as reportable segments. There were no inter-segment revenues and expenses included in the financial information. The Bank has no single customer with revenues from which is 10.00% or more of the Bank's total revenue.

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The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Primary segment information (by business segment) for the years ended December 31, 2023, 2022 and 2021 follows (in thousands):

	2023				
	Consumer Banking	**Corporate Banking**	**Branch Banking**	**Treasury**	**Total**
Operating income					
Interest income	**₱3,818,782**	**₱593,849**	**₱7,918,866**	**₱5,292,768**	**₱17,624,265**
Service fees and commission	**586,757**	**12,506**	**1,193,480**	**–**	**1,792,743**
Other operating income	**953,163**	**7,814**	**607,681**	**22,922**	**1,591,580**
Total operating income	**5,358,702**	**614,169**	**9,720,027**	**5,315,690**	**21,008,588**
Non-cash expenses					
Provision for credit and impairment losses	**1,267,662**	**50,112**	**138,210**	**(4,894)**	**1,451,090**
Depreciation	**209,247**	**2,932**	**626,693**	**1,264**	**840,136**
Amortization of intangible assets	**37,485**	**944**	**67,087**	**697**	**106,213**
Total non-cash expenses	**1,514,394**	**53,988**	**831,990**	**(2,933)**	**2,397,439**
Interest expense	**-**	**-**	**2,514,801**	**3,283,288**	**5,798,089**
Service fees and commission expense	**21,465**	**458**	**43,661**	**-**	**65,584**
Subtotal	**21,465**	**458**	**2,558,462**	**3,283,288**	**5,863,673**
Compensation and fringe benefits	**981,002**	**59,622**	**2,736,065**	**35,026**	**3,811,715**
Taxes and licenses	**409,260**	**11,358**	**513,802**	**738,107**	**1,672,527**
Occupancy and equipment-related costs	**89,823**	**571**	**247,741**	**330**	**338,465**
Security, messengerial and janitorial services	**134,936**	**2,006**	**293,958**	**339**	**431,239**
Miscellaneous	**476,514**	**9,635**	**1,065,178**	**139,519**	**1,690,846**
Subtotal	**2,091,535**	**83,192**	**4,856,744**	**913,321**	**7,944,792**
Income before share in net income of a joint venture and income tax	**1,731,308**	**476,531**	**1,472,831**	**1,122,014**	**₱4,802,684**
Share in net income of a joint venture					**86,341**
Income before income tax					**4,889,025**
Provision for income tax					**357,963**
Net income					**4,531,062**
Segment assets	**₱96,310,679**	**₱2,287,007**	**₱46,653,000**	**₱91,054,823**	**236,305,509**
Investment in a joint venture					**870,179**
Deferred tax assets					**1,257,608**
Total assets					**₱238,433,296**
Segment liabilities	**₱1,401,753**	**₱94,864**	**₱138,894,328**	**₱57,888,193**	**₱198,279,138**

	2022				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	₱3,205,313	₱652,627	₱7,566,916	₱2,763,017	₱14,187,873
Service fees and commission	528,784	19,267	1,184,791	–	1,732,842
Other operating income	1,366,039	19,538	906,231	(3,620)	2,288,188
Total operating income	5,100,136	691,432	9,657,938	2,759,397	18,208,903
Non-cash expenses					
Provision for credit and impairment losses	1,042,765	137,470	144,753	(18,746)	1,306,242
Depreciation	164,989	2,605	587,289	1,070	755,953
Amortization of intangible assets	34,423	1,039	66,598	791	102,851
Total non-cash expenses	1,242,177	141,114	798,640	(16,885)	2,165,046
Interest expense	–	–	2,238,266	898,957	3,137,223
Service fees and commission expense	15,657	570	35,082	–	51,309
Subtotal	15,657	570	2,273,348	898,957	3,188,532
Compensation and fringe benefits	889,555	69,526	2,645,630	35,843	3,640,554
Taxes and licenses	337,659	17,170	571,952	686,145	1,612,926
Occupancy and equipment-related costs	99,112	801	244,215	440	344,568
Security, messengerial and janitorial services	117,030	2,305	293,133	543	413,011
Miscellaneous	637,139	19,885	1,302,183	171,514	2,130,721
Subtotal	2,080,495	109,687	5,057,113	894,485	8,141,780
Income before share in net income of a joint venture and income tax	1,761,807	440,061	1,528,837	982,840	4,713,545
Share in net income of a joint venture					83,418
Income before income tax					4,796,963
Provision for income tax					1,118,535
Net income					₱3,678,428
Segment assets	₱78,301,306	₱3,047,772	₱46,435,918	₱135,539,614	263,324,610
Investment in a joint venture					816,285
Deferred tax assets					280,114
Total assets					₱264,421,009
Segment liabilities	₱1,102,197	₱112,602	₱140,290,782	₱85,775,817	₱227,281,398

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	2021				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	₱4,945,286	₱228,312	₱6,918,669	₱2,272,502	₱14,364,769
Service fees and commission	534,492	22,250	1,024,385	–	1,581,127
Other operating income	666,560	10,004	739,371	6,276	1,422,211
Total operating income	6,146,338	260,566	8,682,425	2,278,778	17,368,107
Non-cash expenses					
Provision for credit and impairment losses	2,717,849	6,068	343,425	3,336	3,070,678
Depreciation	242,670	2,653	589,789	1,216	836,328
Amortization of intangible assets	39,934	1,381	71,182	1,152	113,649
Total non-cash expenses	3,000,453	10,102	1,004,396	5,704	4,020,655
Interest expense	–	–	1,395,499	764,509	2,160,008
Service fees and commission expense	16,164	673	30,980	–	47,817
Subtotal	16,164	673	1,426,479	764,509	2,207,825
Compensation and fringe benefits	868,325	61,280	2,577,514	38,216	3,545,335
Taxes and licenses	327,026	16,041	556,772	686,295	1,586,134
Occupancy and equipment-related costs	115,829	1,145	234,903	711	352,588
Security, messengerial and janitorial services	92,338	1,249	255,334	612	349,533
Miscellaneous	672,101	18,332	1,217,257	174,513	2,082,203
Subtotal	2,075,619	98,047	4,841,780	900,347	7,915,793
Income before share in net income of a joint venture and income tax	1,054,102	151,744	1,409,770	608,218	3,223,834
Share in net income of a joint venture					41,915
Income before income tax					3,265,749
Benefit from income tax					(1,726,255)
Net income					₱1,539,494
Segment assets	₱80,895,520	₱3,765,463	₱42,419,696	₱133,385,718	260,466,397
Investment in a joint venture					762,926
Deferred tax assets					576,787
Total assets					₱261,806,110
Segment liabilities	₱811,147	₱94,530	₱141,071,696	₱84,934,660	₱226,912,033

7. Due from Bangko Sentral ng Pilipinas, Interbank Loans Receivable and Securities Purchased Under Resale Agreements

Due from Bangko Sentral ng Pilipinas
This account consists of the following:

	2023	2022
Demand deposit (Note 16)	**₱3,598,633,911**	₱6,320,243,574
Term deposit facility	**3,000,000,000**	30,023,000,000
Overnight deposit facility	**3,147,000,000**	1,210,000,000
	₱9,745,633,911	₱37,553,243,574

Due from BSP- Overnight deposit facility (ODF) bears annual interest rates ranging from 5.00% to 6.00% in 2023 and from 1.50% to 5.00% in 2022. On the other hand, due from BSP- Term Deposit (TD) bears annual interest rates ranging from 6.28% to 6.71% in 2023 and from 1.65% to 6.49% in 2022.

Interbank Loans Receivable and Securities Purchased Under Resale Agreements (SPURA)
This account consists of the following:

	2023	2022
Interbank loans receivable	**₱–**	₱18,405,615
SPURA	**6,989,635,680**	2,651,203,416
	₱6,989,635,680	₱2,669,609,031

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SPURA are lending to counterparties collateralized by government securities ranging from one to six days.

As of December 31, 2023 and 2022, the fair values of government securities held as collateral amounted to ₱7.0 billion and ₱2.7 billion, respectively. The Bank is not permitted to sell or repledge the related collateral in the absence of default by the counterparty.

Interbank call loans (IBCL) represent short-term lending with counterparty banks and other financial institutions. These are highly liquid instruments which mature within one to five days.

Interest income on due from BSP, interbank loans receivable and SPURA are as follows:

	2023	2022	2021
Due from BSP	**₱1,397,792,663**	₱1,254,216,130	₱648,063,197
IBCL and SPURA			
IBCL (Note 29)	**24,751,029**	7,862,763	–
SPURA	**394,630,077**	187,915,814	70,592,184
	419,381,106	195,778,577	70,592,184
	₱1,817,173,769	₱1,449,994,707	₱718,655,381

SPURA of the Bank bears annual interest rates ranging from 5.50% to 6.40% in 2023, 2.00% to 5.50% in 2022 and 2.00% in 2021. Foreign currency-denominated IBCLs bear annual interest ranging from 4.00% to 4.50% in 2023 and from 0.32% to 3.25% in 2022, while peso-denominated IBCL of the Bank bear annual interest rate ranging from 6.19% to 6.41% in 2023 and from 1.87% to 4.25% in 2022.

8. Investment Securities

Fair Value Through Profit or Loss (FVTPL) Investments
FVTPL investments consist of the following:

	2023	2022
Government debt securities	**₱414,298,313**	₱35,875

The unrealized portion of the trading securities gains/(losses) on FVTPL investments amounted to ₱1.76 million in 2023 and (₱0.01 million) in 2022.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)
Financial assets at FVOCI consist of the following:

	2023	2022
Debt securities		
Government	**₱52,699,128,847**	₱68,039,300,677
Private	**1,633,147,238**	1,600,771,597
Equity securities		
Quoted	**27,417,546**	20,643,608
	₱54,359,693,631	₱69,660,715,882

As of December 31, 2023 and 2022, the Bank deposited financial assets at FVOCI with total carrying value of ₱123.9 million and ₱180.5 million, respectively, in the form of government bonds with BSP, in compliance with trust regulations (Note 30).

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As of December 31, 2023, and 2022, the ECL on financial assets at FVOCI (included in 'Fair value reserves on financial assets at FVOCI') amounted to ₱0.7 million and ₱1.0 million (Note 15), respectively. Movements in the fair value reserves on financial assets at FVOCI follow:

	2023	2022
Balance at beginning of year	**(₱48,782,635)**	₱2,409,890
Loss (gain) from sale of financial assets at FVOCI realized in profit or loss	**677,047**	(2,499,021)
Changes in allowance for ECL (Note 15)	**(207,485)**	(10,324,217)
Fair value gain (loss) recognized in OCI	**119,107,530**	(38,369,287)
Balance at end of year	**₱70,794,457**	(₱48,782,635)

Investment Securities at Amortized Cost

Investment securities at amortized cost consist of the following:

	2023	2022
Debt securities		
Government	**₱27,886,190,462**	₱27,932,285,174
Private	**2,020,863,838**	2,508,572,566
	29,907,054,300	30,440,857,740
Less allowance for credit losses (Note 15)	**13,886,257**	18,573,036
	₱29,893,168,043	₱30,422,284,704

In 2023 and 2022, investment securities at amortized cost include Bureau of Treasury bonds pledged by the Bank to MBTC to secure its payroll account, with total carrying value of ₱60.0 million and ₱60.1 million, respectively.

In 2021, the Bank sold investment securities classified as investment securities at amortized cost with total carrying amount of ₱378.7 million, resulting in gain on disposal of investment securities at amortized cost amounting to ₱11.7 million. The disposal in 2021 was assessed as not inconsistent with the Bank's HTC business model as the disposal was considered infrequent and insignificant in value. Further, the Bank assessed that the disposals did not reflect a change in the Bank's objectives for the HTC business model. Accordingly, the remaining investment securities in the affected HTC portfolio continue to be measured at amortized cost.

Interest income on investment securities consists of:

	2023	**2022**	2021
Interest income recognized using EIR			
Financial assets at FVOCI	**₱2,948,166,683**	₱1,590,417,662	₱940,474,154
Investment securities at amortized cost	**1,359,495,255**	983,839,251	545,545,008
	4,307,661,938	2,574,256,913	1,486,019,162
Interest income recognized using nominal interest rates			
FVTPL investments	**3,495,728**	2,152	11,272,985
	₱4,311,157,666	₱2,574,259,065	₱1,497,292,147

EIR on financial assets at FVOCI investments as of December 31, 2023, 2022, and 2021, range from 6.34% to 6.74%, from 1.97% to 6.04%, and from 0.97% to 9.34%, respectively.

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On the other hand, EIR on peso-denominated investment securities at amortized cost range from 4.99% to 5.55% in 2023, from 3.86% to 5.02% in 2022 and from 3.21% to 5.61% in 2021, while EIR on foreign currency-denominated investment securities at amortized cost range from 3.28% to 3.65%, from 3.31% to 3.66% in 2022 and 3.32% to 3.67% in 2021.

Trading and securities gains (losses) - net on investment securities consist of:

	2023	2022	2021
Financial assets at FVOCI	**(₱677,047)**	₱2,499,021	₱4,000,002
FVTPL investments (Note 29)	**5,970,945**	(43,835)	(1,266,526)
	₱5,293,898	₱2,455,186	₱2,733,476

9. Loans and Receivables

This account consists of:

	2023	2022
Receivables from customers		
Consumption loans	**₱75,082,900,240**	₱60,698,139,340
Real estate loans	**41,266,767,900**	42,188,099,978
Commercial loans	**6,749,239,198**	6,479,111,462
Personal loans (Note 29)	**2,103,099,117**	2,223,139,881
	125,202,006,455	111,588,490,661
Less unearned discounts and capitalized interest	**115,002,708**	185,272,959
	125,087,003,747	111,403,217,702
Other receivables		
Accrued interest receivable	**2,398,689,550**	2,610,954,731
Accounts receivable (Note 29)	**1,393,060,263**	1,452,343,060
Bills purchased (Note 19)	**42,243,033**	–
Sales contract receivables	**6,951,309**	10,929,360
	128,927,947,902	115,477,444,853
Less allowance for credit losses (Note 15)	**6,163,535,676**	5,780,140,301
	₱122,764,412,226	₱109,697,304,552

Personal loans comprise deposit collateral loans, employee salary and consumer loan products such as money card, multi-purpose loan and flexi-loan.

As of December 31, 2023, 2022 and 2021, 35.65%, 40.09%, and 42.38%, respectively, of the total receivables from customers are subject to periodic interest repricing with average EIR of 8.50%, 8.14%, and 7.74% in 2023, 2022 and 2021, respectively. Remaining receivables earn average annual fixed interest rates of 16.43%, 15.95%, and 15.91%, in 2023, 2022 and 2021, respectively.

Interest income on loans and receivables consists of:

	2023	2022	2021
Receivables from customers			
Consumption loans	**₱6,871,709,159**	₱5,666,303,484	₱6,268,592,270
Real estate loans	**3,504,027,484**	3,462,009,203	3,882,390,733
Personal loans (Note 29)	**627,081,379**	585,515,967	1,329,347,250
Commercial loans	**476,440,498**	445,022,995	665,758,611
Other receivables			
Sales contract receivables	**200,864**	666,388	2,685,306
	₱11,479,459,384	₱10,159,518,037	₱12,148,774,170

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Interest income from restructured loans amounted to ₱10.7 million, ₱5.9 million, and ₱5.0 million in 2023, 2022, and 2021, respectively.

On March 25, 2020, Republic Act (RA) No. 11469, otherwise known as the Bayanihan to Heal as One Act ("Bayanihan 1 Act") was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the ECQ Period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, RA No. 11494, otherwise known as the Bayanihan to Recover as One Act ("Bayanihan 2 Act"), was enacted. Under Bayanihan 2 Act, a one-time sixty (60)-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest, and other charges.

Accretion of modified loans amounted to ₱70.1 million, ₱107.0 million and ₱134.6 million in 2023, 2022 and 2021, respectively (Note 23).

10. Investment in a Joint Venture

The Bank's investment in a joint venture represents its 30.00% interest in Sumisho Motor Finance Corporation (SMFC) as of December 31, 2023 and 2022.

SMFC was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on November 26, 2009. It started commercial operations in March 2010. Its principal office is located at 12th Floor, PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City.

SMFC is engaged in the business of lending or leasing to retail customers for their purchase of motorcycles.

Management has assessed that the Bank continues to have joint control over SMFC together with GT Capital, Sumitomo Japan, and Sumitomo Corporation of the Philippines (Sumitomo Group), as all investors are bound by all terms and conditions of the original Joint Venture Agreement between the Bank and Sumitomo Group, where unanimous consent is required from all the parties for SMFC's relevant activities.

The investment is measured using the equity method. As of December 31, 2023, and 2022, the Bank's investment in a joint venture amounted to ₱870.2 million and ₱816.3 million, respectively.

Movement in this account follows (in thousands):

	2023	2022
Balance at beginning of year	**₱816,285**	₱762,926
Share in net income (Note 29)	**86,341**	83,418
Share in remeasurement gains on retirement plan (Note 29)	**3,301**	–
Share in hedge reserves (Note 29)	**21,852**	–
Dividends received	**(57,600)**	(30,059)
Balance at end of year	**₱870,179**	₱816,285

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The following table illustrates the summarized financial information of SMFC (in thousands):

	2023	2022
Current assets	**₱7,251,886**	₱6,422,841
Non-current assets	**452,478**	373,076
Current liabilities	**(3,279,135)**	(3,968,926)
Non-current liabilities	**(1,524,632)**	(106,041)
Net assets	**₱2,900,597**	₱2,720,950

	2023	2022
Cash and cash equivalents	**₱687,758**	₱373,518
Current financial liabilities	**(3,299,346)**	(3,644,859)
Non-current financial liabilities	**(1,417,664)**	(28,599)

	2023	2022	2021
Revenues	**₱1,803,734**	₱1,548,564	₱1,962,096
Less: Costs and expenses	**1,539,695**	1,159,711	1,588,374
	264,039	388,853	373,722
Less: Provision for (benefit from) income tax	**(23,764)**	110,792	234,006
Net income	**287,803**	278,061	139,716
Add: Other comprehensive income	**(32,357)**	33,212	90,384
Total comprehensive income	**₱255,446**	₱311,273	₱230,100

	2023	2022	2021
Interest income	**₱1,715,112**	₱1,459,009	₱1,646,205
Interest expense	**240,397**	164,828	217,354
Depreciation and amortization	**96,437**	91,584	67,542
Income tax expense or income	**62,536**	110,792	234,006

Cost of the investment as of December 31, 2023 and 2022 amounted to ₱600.0 million.

On June 23, 2023, SMFC declared dividends of ₱9.60 per share amounting to a total of ₱192.0 million. The same was paid to shareholders on July 19, 2023.

On June 24, 2022, SMFC declared dividends of ₱5.01 per share amounting to a total of ₱100.2 million. The same was paid to shareholders on July 20, 2022.

SMFC is a private company and there is no quoted market price available for its shares. The net assets of SMFC consist mainly of financial assets and financial liabilities.

The Bank has no share in any contingent liabilities or capital commitments of SMFC as of December 31, 2023 and 2022. There are also no agreements entered into by SMFC that may restrict dividends and other capital contributions to be paid, loans and advances to be made or repaid to or from the Bank as of the said dates.

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11. Property and Equipment

The composition of and movements in this account follow:

	2023					
	Land	**Building**	**Furniture, Fixtures and Equipment**	**Leasehold Improvements**	**Right-of-use Assets: Building**	**Total**
Cost						
Balance at beginning of the period	**₱976,443,676**	**₱1,155,304,612**	**₱3,135,342,532**	**₱1,101,893,510**	**₱2,001,043,368**	**₱8,370,027,698**
Acquisitions/Additions	**–**	**9,541,646**	**349,393,788**	**29,491,286**	**312,921,930**	**701,348,650**
Disposals/Retirement	**–**	**–**	**(69,397,401)**	**–**	**(350,373,660)**	**(419,771,061)**
Balance at end of the period	**976,443,676**	**1,164,846,258**	**3,415,338,919**	**1,131,384,796**	**1,963,591,638**	**8,651,605,287**
Accumulated Depreciation						
Balance at beginning of the period	**–**	**598,513,254**	**2,715,701,056**	**1,041,927,841**	**887,162,420**	**5,243,304,571**
Depreciation	**–**	**35,811,640**	**156,665,664**	**28,339,407**	**417,200,588**	**638,017,299**
Disposals/Retirement	**–**	**–**	**(37,264,214)**	**–**	**(334,409,746)**	**(371,673,960)**
Balance at end of the period	**–**	**634,324,894**	**2,835,102,506**	**1,070,267,248**	**969,953,262**	**5,509,647,910**
Net Book Value	**₱976,443,676**	**₱530,521,364**	**₱580,236,413**	**₱61,117,548**	**₱993,638,376**	**₱3,141,957,377**

	2022					
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets: Building	Total
Cost						
Balance at beginning of the period	₱976,443,676	₱1,153,733,962	₱2,950,915,849	₱1,071,161,902	₱1,805,984,812	₱7,958,240,201
Acquisitions/Additions	–	1,570,650	300,248,803	31,019,624	523,368,707	856,207,784
Disposals/Retirement	–	–	(115,822,120)	(288,016)	(328,310,151)	(444,420,287)
Balance at end of the period	976,443,676	1,155,304,612	3,135,342,532	1,101,893,510	2,001,043,368	8,370,027,698
Accumulated Depreciation						
Balance at beginning of the period	–	562,531,286	2,685,875,690	1,013,331,430	758,045,946	5,019,784,352
Depreciation	–	35,981,968	116,044,932	28,884,427	399,626,555	580,537,882
Disposals/Retirement	–	–	(86,219,566)	(288,016)	(270,510,081)	(357,017,663)
Balance at end of the period	–	598,513,254	2,715,701,056	1,041,927,841	887,162,420	5,243,304,571
Net Book Value	₱976,443,676	₱556,791,358	₱419,641,476	₱59,965,669	₱1,113,880,948	₱3,126,723,127

Gain on sale of property and equipment amounted to ₱3.9 million in 2023, ₱12.1 million in 2022 and ₱2.0 million in 2021.

The details of depreciation under the statements of income follow:

	2023	2022	2021
Property and equipment	**₱638,017,299**	₱580,537,882	₱573,391,951
Chattel mortgage properties (Note 14)	**109,360,006**	83,084,760	180,862,587
Investment properties (Note 12)	**92,758,455**	92,330,079	82,073,041
	₱840,135,760	₱755,952,721	₱836,327,579

As of December 31, 2023 and 2022, property and equipment of the Bank with gross carrying amounts of ₱2.4 billion and ₱2.5 billion, respectively, are fully depreciated but are still being used.

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12. Investment Properties

The composition of and movements in this account follow:

	2023		
	Land	**Building Improvements**	**Total**
Cost			
Balance at beginning of year	**₱1,372,656,512**	**₱3,345,050,833**	**₱4,717,707,345**
Additions (Note 32)	**196,132,372**	**464,387,687**	**660,520,059**
Disposals	**(164,314,113)**	**(587,890,609)**	**(752,204,722)**
Balance at end of year	**1,404,474,771**	**3,221,547,911**	**4,626,022,682**
Accumulated Depreciation			
Balance at beginning of year	**–**	**459,729,368**	**459,729,368**
Depreciation (Note 11)	**–**	**92,758,455**	**92,758,455**
Disposals	**–**	**(66,092,310)**	**(66,092,310)**
Balance at end of year	**–**	**486,395,513**	**486,395,513**
Allowance for Impairment Losses			
Balance at beginning of year	**57,557,773**	**168,949,139**	**226,506,912**
Provisions for the year (Note 15)	**415,646**	**11,769,290**	**12,184,936**
Disposals	**(1,846,285)**	**(32,168,578)**	**(34,014,863)**
Balance at end of year	**56,127,134**	**148,549,851**	**204,676,985**
Net Book Value	**₱1,348,347,637**	**₱2,586,602,547**	**₱3,934,950,184**

	2022		
	Land	Building Improvements	Total
Cost			
Balance at beginning of year	₱1,320,449,533	₱2,794,942,497	₱4,115,392,030
Additions (Note 32)	294,903,221	1,143,279,296	1,438,182,517
Disposals	(242,696,242)	(593,170,960)	(835,867,202)
Balance at end of year	1,372,656,512	3,345,050,833	4,717,707,345
Accumulated Depreciation			
Balance at beginning of year	–	451,937,538	451,937,538
Depreciation (Note 11)	–	92,330,079	92,330,079
Disposals	–	(84,538,249)	(84,538,249)
Balance at end of year	–	459,729,368	459,729,368
Allowance for Impairment Losses			
Balance at beginning of year	66,586,922	88,269,464	154,856,386
Provisions (reversals) for the year (Note 15)	(7,684,815)	111,666,863	103,982,048
Disposals	(1,344,334)	(30,987,188)	(32,331,522)
Balance at end of year	57,557,773	168,949,139	226,506,912
Net Book Value	₱1,315,098,739	₱2,716,372,326	₱4,031,471,065

The details of the net book value of investment properties follow:

	2023	2022
Real estate properties acquired in settlement of loans and receivables	**₱3,859,953,928**	₱3,952,646,383
Bank premises leased to third parties and held for capital appreciation	**74,996,256**	78,824,682
	₱3,934,950,184	₱4,031,471,065

As of December 31, 2023 and 2022, the aggregate fair value of investment properties amounted to ₱6.6 billion and ₱6.5 billion, respectively. Fair value of the properties was determined using sales comparison approach. Fair values are based on valuations performed by accredited external and in-house appraisers.

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Gain on foreclosure of investment properties amounted to ₱233.5 million, ₱597.4 million, and ₱256.5 million in 2023, 2022 and 2021, respectively. Gain on sale of investment properties amounted to ₱128.4 million, ₱204.3 million, and ₱314.8 million in 2023, 2022 and 2021, respectively. Rental income on investment properties included in 'Miscellaneous income' amounted to ₱47.2 million, ₱44.1 million, and ₱42.4 million in 2023, 2022 and 2021, respectively (Notes 23 and 25).

Operating expenses incurred in maintaining investment properties (included under miscellaneous expense - 'Repairs and maintenance') amounted to ₱10.2 million, ₱11.1 million, and ₱13.0 million in 2023, 2022 and 2021, respectively (Note 26).

13. Intangible Assets and Goodwill

This account consists of:

	2023	2022
Goodwill	**₱53,558,338**	₱53,558,338
Intangible assets		
Software costs	**207,515,121**	243,208,824
Branch licenses	**37,123,737**	37,123,737
	244,638,858	280,332,561
	₱298,197,196	₱333,890,899

Movements in intangible assets follow:

	2023		
	Software Costs	**Branch Licenses**	**Total**
Balance at beginning of year	**₱243,208,824**	**₱37,123,737**	**₱280,332,561**
Additions	**70,519,156**	**–**	**70,519,156**
Amortization	**(106,212,859)**	**–**	**(106,212,859)**
Balance at end of year	**₱207,515,121**	**₱37,123,737**	**₱244,638,858**

	2022		
	Software Costs	Branch Licenses	Total
Balance at beginning of year	₱270,511,009	₱37,123,737	₱307,634,746
Additions	75,548,530	–	75,548,530
Amortization	(102,850,715)	–	(102,850,715)
Balance at end of year	₱243,208,824	₱37,123,737	₱280,332,561

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14. Other Assets

This account consists of:

	2023	2022
Financial assets		
Security deposits (Note 29)	**₱198,883,979**	₱190,888,081
Liquidity requirement for electronic money products	**187,273,039**	–
RCOCI	**14,419,807**	12,023,475
Others*	**436,826**	438,414
	401,013,651	203,349,970
Non-financial assets		
Chattel mortgage properties - net	**667,892,031**	335,317,543
Prepayments (Note 29)	**164,561,700**	129,455,531
Creditable withholding tax	**45,044,403**	50,161,181
Stationeries and supplies on hand	**44,329,293**	37,852,452
Documentary stamps on hand	**22,890,982**	28,565,091
Net retirement assets (Note 24)	–	203,410,383
Others**	**46,556**	6,665
	944,764,965	784,768,846
	₱1,345,778,616	₱988,118,816

* Others under financial assets comprise petty cash fund, shortages, and other investments
** Others under non-financial assets comprise inter-office float items, sundry debits, deferred charges, postages stamps

Prepayments represent prepaid insurance, rent, taxes, and other prepaid expenses.

Creditable withholding tax (CWT) pertains to the excess credits after applying CWT against income tax payable.

Liquidity requirement for electronic money products represents the amount set up to be held in trust for the specific purpose of liquidation of balances of electronic money (e-money) products of the Bank in compliance with BSP Circular No. 1166, *Amendments to the Regulations on Electronic Money (e-money) and the Operations of Electronic Money lssuers (EMl) in the Philippines* which was released by BSP on February 7, 2023. The BSP requires Bangko Sentral-Supervised Financial Institutions (BSFIs) to have sufficient liquid assets to always meet e-money redemptions by its customers. Such amount held in the trust account shall not fall below the required minimum balance of at least 50% of the outstanding e-money balances.

Movements in chattel mortgage properties - net follow:

	2023	2022
Cost		
Balance at beginning of year	**₱417,400,112**	₱494,437,996
Additions (Note 32)	**2,320,586,633**	1,978,930,122
Disposals	**(2,001,189,653)**	(2,055,968,006)
Balance at the end of year	**736,797,092**	417,400,112
Accumulated Depreciation		
Balance at beginning of year	**82,062,955**	85,868,482
Depreciation (Note 11)	**109,360,006**	83,084,760
Disposals	**(122,660,444)**	(86,890,287)
Balance at the end of year	**68,762,517**	82,062,955

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	2023	2022
Allowance for Impairment Losses		
Balance at beginning of year	**₱19,614**	₱49,740
Provisions (Note 15)	**674,171**	376,044
Disposals	**(551,241)**	(406,170)
Balance at end of year	**142,544**	19,614
Net Book Value	**₱667,892,031**	₱335,317,543

Gain on foreclosure of chattel mortgage properties amounted to ₱491.9 million, ₱595.4 million and ₱479.4 million in 2023, 2022 and 2021, respectively.

Gain (loss) on sale of chattel mortgage properties amounted to ₱128.1 million, ₱104.8 million and (₱337.2 million) in 2023, 2022 and 2021, respectively.

15. Allowance for Credit and Impairment Losses

An analysis of changes in the ECL allowances for loans and advances to banks as of December 31, 2023 and 2022 follows (in thousands):

	2023						
	Stage 1		**Stage 2**				
	Individual	**Collective**	**Individual**	**Collective**	**Stage 3**	**POCI**	**Total**
Due from BSP							
Balance as of January 1, 2023	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	–	–	–	–	–	–	–
Balance at December 31, 2023	–	–	–	–	–	–	–
Due from other banks							
Balance at January 1, 2023	**14,671**	–	–	–	–	–	**14,671**
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	**(13,462)**	–	–	–	–	–	**(13,462)**
Balance at December 31, 2023	**1,209**	–	–	–	–	–	**1,209**
Total loans and advances to banks							
Balance at January 1, 2023	**14,671**	–	–	–	–	–	**14,671**
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	**(13,462)**	–	–	–	–	–	**(13,462)**
Balance at December 31, 2023	**₱1,209**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱1,209**

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Due from BSP							
Balance as of January 1, 2022	₱1,174	₱–	₱–	₱–	₱–	₱–	₱1,174
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	(1,174)	–	–	–	–	–	(1,174)
Balance at December 31, 2022	–	–	–	–	–	–	–
Due from other banks							
Balance at January 1, 2022	1,099	–	–	–	–	–	1,099
New assets originated or purchased	13,572	–	–	–	–	–	13,572
Assets derecognized or repaid	–	–	–	–	–	–	–
Balance at December 31, 2022	14,671	–	–	–	–	–	14,671
Total loans and advances to banks							
Balance at January 1, 2022	2,273	–	–	–	–	–	2,273
New assets originated or purchased	13,572	–	–	–	–	–	13,572
Assets derecognized or repaid	(1,174)	–	–	–	–	–	(1,174)
Balance at December 31, 2022	₱14,671	₱–	₱–	₱–	₱–	₱–	₱14,671

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An analysis of changes in the ECL allowances for investment securities as of December 31, 2023 and 2022 follows (in thousands):

	2023						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Financial assets at FVOCI							
Balance at January 1, 2023	₱954	₱–	₱–	₱–	₱–	₱–	₱954
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	(208)	–	–	–	–	–	(208)
Balance at December 31, 2023	746	–	–	–	–	–	746
Investment at amortized cost							
Balance at January 1, 2023	18,573	–	–	–	–	–	18,573
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	(4,687)	–	–	–	–	–	(4,687)
Balance at December 31, 2023	13,886	–	–	–	–	–	13,886
Total investment securities							
Balance at January 1, 2023	19,527	–	–	–	–	–	19,527
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	(4,895)	–	–	–	–	–	(4,895)
Balance at December 31, 2023	₱14,632	₱–	₱–	₱–	₱–	₱–	₱14,632

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Financial assets at FVOCI							
Balance at January 1, 2022	₱11,278	₱–	₱–	₱–	₱–	₱–	₱11,278
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	(10,324)	–	–	–	–	–	(10,324)
Balance at December 31, 2022	954	–	–	–	–	–	954
Investment at amortized cost							
Balance at January 1, 2022	25,598	–	–	–	–	–	25,598
New assets originated or purchased	14,322	–	–	–	–	–	14,322
Assets derecognized or repaid	(21,347)	–	–	–	–	–	(21,347)
Balance at December 31, 2022	18,573	–	–	–	–	–	18,573
Total investment securities							
Balance at January 1, 2022	36,876	–	–	–	–	–	36,876
New assets originated or purchased	14,322	–	–	–	–	–	14,322
Assets derecognized or repaid	(31,671)	–	–	–	–	–	(31,671)
Balance at December 31, 2022	₱19,527	₱–	₱–	₱–	₱–	₱–	₱19,527

An analysis of changes in the ECL allowances for receivables from customers as of December 31, 2023 and 2022 follows (in thousands):

	2023						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Consumption Loans							
Balance at January 1, 2023	₱–	₱1,706,746	₱–	₱569,605	₱938,875	₱–	₱3,215,226
New assets originated or purchased	–	1,514,645	–	116,684	185,796	–	1,817,125
Assets derecognized or repaid	–	(132,064)	–	(182,992)	(348,783)	–	(663,839)
Amounts written off	–	–	–	–	(145,656)	–	(145,656)
Transfers to Stage 1	–	104,699	–	(87,647)	(17,052)	–	–
Transfers to Stage 2	–	(165,555)	–	196,066	(30,511)	–	–
Transfers to Stage 3	–	(46,230)	–	(79,764)	125,994	–	–
Impact on change in assumptions	–	(964,343)	–	77,927	581,029	–	(305,387)
Balance at December 31, 2023	–	2,017,898	–	609,879	1,289,692	–	3,917,469
Real Estate Loans							
Balance at January 1, 2023	–	246,988	–	547,520	311,961	–	1,106,469
New assets originated or purchased	–	42,543	–	4,412	4,610	–	51,565
Assets derecognized or repaid	–	(10,694)	–	(45,306)	(42,410)	–	(98,410)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	67,007	–	(63,962)	(3,045)	–	–
Transfers to Stage 2	–	(77,394)	–	114,111	(36,717)	–	–
Transfers to Stage 3	–	(1,822)	–	(19,200)	21,022	–	–
Impact on change in assumptions	–	(72,318)	–	35,523	(59,900)	–	(96,695)
Balance at December 31, 2023	–	194,310	–	573,098	195,521	–	962,929
Commercial Loans							
Balance at January 1, 2023	–	55,871	–	35,208	176,753	–	267,832
New assets originated or purchased	–	6,824	–	38	5,317	–	12,179
Assets derecognized or repaid	–	(28,497)	–	(18,003)	(15,764)	–	(62,264)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	9,333	–	(9,303)	(30)	–	–
Transfers to Stage 2	–	(774)	–	854	(80)	–	–
Transfers to Stage 3	–	(75)	–	(331)	406	–	–

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	2023						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Impact on change in assumptions	₱–	(₱14,268)	₱–	₱6,460	₱18,237	₱–	₱10,429
Balance at December 31, 2023	–	28,414	–	14,923	184,839	–	228,176
Personal Loans							
Balance at January 1, 2023	–	107,081	–	256,563	214,182	–	577,826
New assets originated or purchased	–	38,158	–	62,300	12,539	–	112,997
Assets derecognized or repaid	–	(29,839)	–	-37,020	(1,025)	–	(67,884)
Amounts written off	–	–	–	–	(112,283)	–	(112,283)
Transfers to Stage 1	–	41,548	–	(41,461)	(87)	–	–
Transfers to Stage 2	–	(12,285)	–	12,527	(242)	–	–
Transfers to Stage 3	–	(2,900)	–	-20,676	23,576	–	–
Impact on change in assumptions	–	(71,053)	–	-14,536	48,093	–	(37,496)
Balance at December 31, 2023	–	70,710	–	217,697	184,753	–	473,160
Total Receivables from Customers							
Balance at January 1, 2023	–	2,116,686	–	1,408,896	1,641,771	–	5,167,353
New assets originated or purchased	–	1,602,170	–	183,434	208,262	–	1,993,866
Assets derecognized or repaid	–	(201,094)	–	(283,321)	(407,983)	–	(892,398)
Amounts written off	–	–	–	–	(257,939)	–	(257,939)
Transfers to Stage 1	–	222,587	–	(202,373)	(20,214)	–	–
Transfers to Stage 2	–	(256,008)	–	323,558	(67,550)	–	–
Transfers to Stage 3	–	(51,027)	–	(119,971)	170,998	–	–
Impact on change in assumptions	–	(1,121,982)	–	105,374	587,459	–	(429,149)
Balance at December 31, 2023	₱–	₱2,311,332	₱–	₱1,415,597	₱1,854,804	₱–	₱5,581,733

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Consumption Loans							
Balance at January 1, 2022	₱–	₱1,141,409	₱–	₱1,154,661	₱1,675,006	₱–	₱3,971,076
New assets originated or purchased	–	1,241,271	–	53,407	54,053	–	1,348,731
Assets derecognized or repaid	–	(132,694)	–	(294,409)	(486,387)	–	(913,490)
Amounts written off	–	–	–	–	(616,950)	–	(616,950)
Transfers to Stage 1	–	341,274	–	(279,641)	(61,633)	–	–
Transfers to Stage 2	–	(123,772)	–	215,989	(92,217)	–	–
Transfers to Stage 3	–	(18,785)	–	(122,702)	141,487	–	–
Impact on change in assumptions	–	(741,957)	–	(157,700)	325,516	–	(574,141)
Balance at December 31, 2022	–	1,706,746	–	569,605	938,875	–	3,215,226
Real Estate Loans							
Balance at January 1, 2022	–	75,080	–	291,816	276,789	–	643,685
New assets originated or purchased	–	57,708	–	4,625	3,208	–	65,541
Assets derecognized or repaid	–	(5,199)	–	(28,481)	(101,738)	–	(135,418)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	54,264	–	(47,664)	(6,600)	–	–
Transfers to Stage 2	–	(35,379)	–	108,164	(72,785)	–	–
Transfers to Stage 3	–	(754)	–	(29,158)	29,912	–	–
Impact on change in assumptions	–	101,268	–	248,218	183,175	–	532,661
Balance at December 31, 2022	–	246,988	–	547,520	311,961	–	1,106,469
Commercial Loans							
Balance at January 1, 2022	–	222,225	–	23,966	257,972	–	504,163
New assets originated or purchased	–	25,131	–	995	150	–	26,276
Assets derecognized or repaid	–	(59,800)	–	(2,204)	(61,598)	–	(123,602)
Amounts written off	–	–	–	–	–	–	-
Transfers to Stage 1	–	9,116	–	(6,044)	(3,072)	–	–
Transfers to Stage 2	–	(1,141)	–	14,409	(13,268)	–	–
Transfers to Stage 3	–	(41)	–	(1,625)	1,666	–	–
Impact on change in assumptions	–	(139,619)	–	5,711	(5,097)	–	(139,005)
Balance at December 31, 2022	–	55,871	–	35,208	176,753	–	267,832
Personal Loans							
Balance at January 1, 2022	–	15,644	–	408,105	683,244	–	1,106,993
New assets originated or purchased	–	58,712	–	60,721	9,111	–	128,544
Assets derecognized or repaid	–	(3,778)	–	(80,077)	(51,181)	–	(135,036)
Amounts written off	–	–	–	–	(450,694)	–	(450,694)
Transfers to Stage 1	–	98,205	–	(97,289)	(916)	–	–
Transfers to Stage 2	–	(4,155)	–	8,348	(4,193)	–	–
Transfers to Stage 3	–	(103)	–	(40,300)	40,403	–	–
Impact on change in assumptions	–	(57,444)	–	(2,945)	(11,592)	–	(71,981)
Balance at December 31, 2022	–	107,081	–	256,563	214,182	–	577,826
Total Receivables from Customers							
Balance at January 1, 2022	–	1,454,358	–	1,878,548	2,893,011	–	6,225,917
New assets originated or purchased	–	1,382,822	–	119,748	66,522	–	1,569,092
Assets derecognized or repaid	–	(201,471)	–	(405,171)	(700,904)	–	(1,307,546)
Amounts written off	–	–	–	–	(1,067,644)	–	(1,067,644)
Transfers to Stage 1	–	502,859	–	(430,638)	(72,221)	–	–
Transfers to Stage 2	–	(164,447)	–	346,910	(182,463)	–	–
Transfers to Stage 3	–	(19,683)	–	(193,785)	213,468	–	–
Impact on change in assumptions	–	(837,752)	–	93,284	492,002	–	(252,466)
Balance at December 31, 2022	₱–	₱2,116,686	₱–	₱1,408,896	₱1,641,771	₱–	₱5,167,353

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An analysis of changes in the ECL allowances for other receivables as of December 31, 2023 and 2022 follows (in thousands):

	2023						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Accrued Interest Receivable							
Balance as of January 1, 2023	₱–	18,183	₱–	18,826	25,734	₱–	62,743
New assets originated or purchased	–	13,079	–	2,345	9,193	–	24,617
Assets derecognized or repaid	–	(1,855)	–	(4,094)	(15,174)	–	(21,123)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	2,621	–	(2,459)	(162)	–	–
Transfers to Stage 2	–	(2,267)	–	2,657	(390)	–	–
Transfers to Stage 3	–	(568)	–	(2,317)	2,885	–	–
Impact on change in assumptions	–	(10,167)	–	130	16,027	–	5,990
Balance at December 31, 2023	–	19,026	–	15,088	38,113	–	72,227
Sales Contract Receivable							
Balance as of January 1, 2023	–	1	–	11	172	–	184
New assets originated or purchased	–	–	–	–	–	–	-
Assets derecognized or repaid	–	–	–	(6)	(37)	–	(43)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	6	–	(6)	–	–	–
Transfers to Stage 2	–	–	–	3	(3)	–	–
Transfers to Stage 3	–	–	–	–	–	–	–
Impact on change in assumptions	–	(1)	–	17	414	–	430
Balance at December 31, 2023	–	6	–	19	546	–	571
Total Other Receivables							
Balance as of January 1, 2023	–	18,184	–	18,837	25,906	–	62,927
New assets originated or purchased	–	13,079	–	2,345	9,193	–	24,617
Assets derecognized or repaid	–	(1,855)	–	(4,100)	(15,211)	–	(21,166)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	2,627	–	(2,465)	(162)	–	–
Transfers to Stage 2	–	(2,267)	–	2,660	(393)	–	–
Transfers to Stage 3	–	(568)	–	(2,317)	2,885	–	–
Impact on change in assumptions	–	(10,168)	–	147	16,441	–	6,420
Balance at December 31, 2023	₱–	₱19,032	₱–	₱15,107	₱38,659	₱–	₱72,798

	2022						
	Stage 1		Stage 2				
	Individual	Collective	Individual	Collective	Stage 3	POCI	Total
Accrued Interest Receivable							
Balance as of January 1, 2022	₱–	₱10,935	₱–	₱21,796	₱708,635	₱–	₱741,366
New assets originated or purchased	–	11,597	–	1,630	1,857	–	15,084
Assets derecognized or repaid	–	(1,280)	–	(6,065)	(699,190)	–	(706,535)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	4,409	–	(4,044)	(365)	–	–
Transfers to Stage 2	–	(1,148)	–	2,032	(884)	–	–
Transfers to Stage 3	–	(142)	–	(1,962)	2,104	–	–
Impact on change in assumptions	–	(6,188)	–	5,439	13,577	–	12,828
Balance at December 31, 2022	–	18,183	–	18,826	25,734	–	62,743
Sales Contract Receivable							
Balance as of January 1, 2022	–	1	–	80	216	–	297
New assets originated or purchased	–	–	–	–	–	–	–
Assets derecognized or repaid	–	–	–	(73)	–	–	(73)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	29	–	–	(29)	–	–
Transfers to Stage 2	–	–	–	11	(11)	–	–
Transfers to Stage 3	–	–	–	–	–	–	–
Impact on change in assumptions	–	(29)	–	(7)	(4)	–	(40)
Balance at December 31, 2022	–	1	–	11	172	–	184
Total Other Receivables							
Balance as of January 1, 2022	–	10,936	–	21,876	708,851	–	741,663
New assets originated or purchased	–	11,597	–	1,630	1,857	–	15,084
Assets derecognized or repaid	–	(1,280)	–	(6,138)	(699,190)	–	(706,608)
Amounts written off	–	–	–	–	–	–	–
Transfers to Stage 1	–	4,438	–	(4,044)	(394)	–	–
Transfers to Stage 2	–	(1,148)	–	2,043	(895)	–	–
Transfers to Stage 3	–	(142)	–	(1,962)	2,104	–	–
Impact on change in assumptions	–	(6,217)	–	5,432	13,573	–	12,788
Balance at December 31, 2022	₱–	18,184	₱–	18,837	25,906	₱–	₱62,927

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The ECL allowance on accounts receivables of the Bank based on their aging as of December 31, 2023 and 2022 follows:

Age of accounts receivables	**2023**	2022
Up to 1 month	**₱5,566,498**	₱54,242,512
> 1 to 2 months	**1,710,417**	1,156,531
> 2 to 3 months	**1,103,576**	4,794,464
More than 3 months	**500,601,795**	489,667,213
	₱508,982,286	₱549,860,720

As of December 31, 2023 and 2022, the Bank's undrawn portion of committed credit lines amounted to ₱4.0 billion and ₱3.3 billion, respectively. As of December 31, 2023 and 2022, provision on undrawn portion of committed credit lines amounted to ₱132.8 million and ₱208.3 million, respectively (Note 19).

The details of provisions (reversals) under the statements of income follow:

	2023	2022
Loans and receivables (Note 9)	**₱1,456,586,418**	₱1,206,835,408
Investment properties (Note 12)	**12,184,936**	103,982,048
Investment securities	**(4,894,264)**	(17,348,853)
Due from other banks	**(13,461,465)**	13,572,089
Due from BSP	**–**	(1,174,300)
Chattel mortgage (Note 14)	**674,171**	376,044
	₱1,451,089,796	₱1,306,242,436

16. Deposit Liabilities

Interest expense on deposit liabilities consists of:

	2023	2022	2021
Time (Note 29)	**₱5,307,552,802**	₱2,416,715,820	₱1,142,132,528
LTNCD	**260,840,070**	295,891,550	393,609,027
Demand (Note 29)	**50,405,931**	54,394,093	55,002,193
Savings	**44,377,682**	44,392,032	46,490,171
	₱5,663,176,485	₱2,811,393,495	₱1,637,233,919

Peso-denominated deposit liabilities earn annual fixed interest rates ranging from 0.10% to 6.25% in 2023, from 0.10% to 6.00% in 2022 and 2021, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.05% to 6.25% in 2023, from 0.05% to 0.25% in 2022 and from 0.05% to 0.38% in 2021. Effective interest rates on deposit liabilities range from 0.10% to 5.30% in 2023, from 0.10% to 3.94% in 2022, and from 0.10% to 3.95% in 2021.

In 2023, the Bangko Sentral ng Pilipinas issued BSP Circular No. 1175 reducing the reserve requirements against deposits to 2.00% from 3.00% for thrift banks. As of December 31, 2023 and 2022, Due from BSP amounting to ₱3.3 billion and ₱6.3 billion, respectively, was set aside as reserves for deposit liabilities. As reported to the BSP, the Bank is in compliance with such regulations as of December 31, 2023 and 2022.

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On December 8, 2016, the BSP authorized the Bank to issue LTNCDs up to ₱10.0 billion through one or multiple tranches over a period of one year. On January 30, 2017, the Bank issued the first tranche of LTNCDs amounting to ₱3.4 billion with a tenor of five (5) years and three (3) months and due on April 30, 2022 with interest rate of 3.50% per annum payable quarterly. The minimum investment size for the LTNCDs is ₱50,000 with increments of ₱50,000 thereafter. Subject to BSP Rules, the Bank has the option to pre-terminate the LTNCDs as a whole but not in part, prior to maturity and on any interest payment date at face value plus accrued interest covering the accrued and unpaid interest.

On July 13, 2018, the BSP authorized the Bank to issue LTNCDs up to ₱15.0 billion through one or multiple tranches over a period of one year. On August 9, 2018, the Bank issued the first tranche of LTNCDs amounting to ₱5.1 billion with a tenor of five (5) years and six (6) months and due on February 9, 2024 with interest rate of 5.00% per annum payable quarterly. The minimum investment size for the LTNCDs is ₱50,000 with increments of ₱50,000 thereafter. Subject to BSP Rules, the Bank has the option to pre-terminate the LTNCDs as a whole but not in part, prior to maturity and on any interest payment date at face value plus accrued interest covering the accrued and unpaid interest.

As of December 31, 2023 and 2022, deferred financing cost on LTNCDs amounted to ₱0.3 million and ₱6.9 million, respectively. Amortization of deferred financing cost amounted to ₱6.6 million and ₱9.8 million in 2023 and 2022, respectively.

17. Bills Payable and Bonds Payable

Bills Payable

As of December 31, 2023, these include SSURA amounting to ₱271.9 million which pertains to borrowings from counterparties secured by pledge of government securities with maturities ranging from 7 to 65 days and annual interest rate ranges from 4.79% to 5.91%. As of December 31, 2022, SSURA amounted to ₱1.2 billion with maturities ranging from 48 to 61 days and annual interest rate ranges from 5.05% to 5.09%.

Interest expense on bills payable in 2023, 2022, and 2021 amounted to ₱35.3 million, ₱21.9 million, and ₱42.0 thousand, respectively (Note 29).

Bonds Payable

On February 4, 2020, the Bank issued fixed rate bonds amounting to ₱4.7 billion with a tenor of three (3) years and due on February 4, 2023 with interest rate of 4.5% per annum payable quarterly. The minimum investment size for the bonds payable is ₱0.5 million with increments of ₱0.1 million thereafter. As of December 31, 2022, the carrying amount of these bonds is ₱4.6 billion. Debt issuance cost related to the issuance amounted to ₱42.7 million.

Interest expense incurred on bonds due in 2023 amounted to ₱20.7 million in 2023, ₱224.0 million in 2022 and ₱223.4 million in 2021. Amortization of debt issuance costs amounted to ₱1.6 million in 2023, ₱14.8 million in 2022 and ₱14.2 million in 2021.

On July 24, 2019, the Bank issued fixed rate bonds amounting to ₱6.3 billion with a tenor of two (2) years and due on July 24, 2021 with interest rate of 5.6% per annum payable quarterly. The minimum investment size for the bonds payable is ₱0.5 million with increments of ₱0.1 million thereafter. Debt issuance cost related to the issuance amounted to ₱56.9 million. The ₱6.3 billion fixed rate bonds matured in July 2021.

Interest expense incurred on bonds due in 2021 amounted to ₱214.1 million in 2021, while amortization of debt issuance costs amounted to ₱17.1 million.

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18. Accrued Taxes, Interest and Other Expenses

This account consists of:

	2023	2022
Accrued interest payable	**₱515,706,331**	₱505,829,516
Accrued other taxes and licenses payable	**304,180,386**	266,157,660
Accrued other expenses payable (Note 29)	**1,843,650,786**	1,734,229,560
	₱2,663,537,503	₱2,506,216,736

Accrued other expenses payable consists of:

	2023	2022
Litigation	**₱627,167,507**	₱587,480,311
Compensation and fringe benefits	**597,067,561**	392,066,163
Insurance (Note 29)	**189,856,417**	210,077,209
Information technology (Note 29)	**148,708,322**	153,439,962
Repairs and maintenance	**50,282,060**	62,182,060
Security, messengerial and janitorial	**39,070,448**	81,558,182
Rental - ATM Offsites	**37,989,751**	39,542,282
Advertising	**34,173,067**	64,536,154
ATM maintenance	**24,040,826**	31,025,175
Donations	**23,369,956**	13,355,355
Membership, fees and dues	**3,773,951**	3,773,951
Miscellaneous	**68,150,920**	95,192,756
	₱1,843,650,786	₱1,734,229,560

Compensation and fringe benefits include bonuses, as well as medical, dental and hospitalization benefits.

Miscellaneous include accruals for utilities and maintenance and other expenses.

19. Other Liabilities

This account consists of:

	2023	2022
Financial liabilities		
Accounts payable (Note 29)	**₱1,998,393,906**	₱2,087,042,216
Lease liabilities (Note 25)	**1,181,200,923**	1,322,931,895
Other credits	**169,937,805**	169,110,872
Bills purchased – contra (Note 9)	**42,243,033**	–
Overages	**4,108,652**	3,226,191
Deposit for keys – SDB	**741,645**	749,270
	3,396,625,964	3,583,060,444

(Forward)

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	2023	2022
Non-financial liabilities		
Net retirement liability (Note 24)	**₱241,017,602**	₱–
Sundry credits	**222,364,272**	149,968,105
Provision on undrawn portion of committed credit lines (Note 15)	**132,829,383**	208,286,386
Withholding taxes payable	**116,772,129**	120,565,498
Due to the Treasurer of the Philippines	**36,437,950**	20,417,050
SSS, Medicare, ECP and HDMF premium payable	**20,016,801**	17,276,348
Miscellaneous (Note 29)	**40,870,530**	54,793,755
	810,308,667	571,307,142
Total	**₱4,206,934,631**	₱4,154,367,586

Accounts payable includes payable to suppliers and service providers, and loan payments and other charges received from customers in advance.

Other credits represent long-outstanding unclaimed cashier's checks.

Sundry credits represent various items or transactions which cannot be classified immediately under any credit account and subsequently classified to proper credit accounts the following month.

As of December 31, 2023 and 2022, miscellaneous liabilities include incentives for housing loan customers that are compliant with the payment terms amounting to nil and ₱16.1 million, respectively.

20. Maturity Analysis of Assets and Liabilities

The following table shows an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the statement of condition dates (in thousands):

	December 31					
	2023			2022		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	**₱1,653,555**	**₱–**	**₱1,653,555**	₱1,930,720	₱–	₱1,930,720
Due from BSP - gross	**9,745,634**	**–**	**9,745,634**	37,553,244	–	37,553,244
Due from other banks - gross	**1,765,439**	**–**	**1,765,439**	2,925,164	–	2,925,164
Interbank loans receivable and SPURA - gross (Note 7)	**6,989,636**	**–**	**6,989,636**	2,669,609	–	2,669,609
FVTPL investments (Note 8)	**414,298**	**–**	**414,298**	36	–	36
Financial assets at FVOCI (Note 8)	**52,558,045**	**1,801,649**	**54,359,694**	68,059,345	1,601,371	69,660,716
Investment securities at amortized cost – gross (Note 8)	**1,545,720**	**28,361,334**	**29,907,054**	1,040,479	29,400,379	30,440,858
Loans and receivables - gross (Note 9)	**13,806,138**	**115,236,813**	**129,042,951**	14,010,117	101,652,600	115,662,717
Other assets* (Note 14)	**236,741**	**164,273**	**401,014**	31,219	172,131	203,350
	88,715,206	**145,564,069**	**234,279,275**	128,219,933	132,826,481	261,046,414
Nonfinancial Assets						
Investment in a joint venture (Note 10)	**–**	**870,179**	**870,179**	–	816,285	816,285
Property and equipment - gross (Note 11)	**–**	**8,651,605**	**8,651,605**	–	8,370,034	8,370,034
Investment properties - gross (Note 12)	**–**	**4,626,023**	**4,626,023**	–	4,717,707	4,717,707
Deferred tax assets (Note 27)	**–**	**1,257,608**	**1,257,608**	–	280,114	280,114
Intangible assets and goodwill - gross	**–**	**404,410**	**404,410**	–	436,742	436,742
Other assets - gross** (Note 14)	**276,873**	**736,797**	**1,013,670**	246,041	620,804	866,845
	276,873	**16,546,622**	**16,823,495**	246,041	15,241,686	15,487,727
Less: Allowance for credit and impairment losses (Note 15)			**6,383,451**			6,039,911
Accumulated depreciation and amortization (Notes 11, 12, 13 and 14)			**6,171,020**			5,887,948
Unearned discounts and capitalized interest (Note 9)			**115,003**			185,273
			12,669,474			12,113,132
			₱238,433,296			₱264,421,009

* Other assets under financial assets comprise security deposits, liquidity requirement for electronic money products, RCOCI, petty cash fund, shortages and other investments

** Other assets under nonfinancial assets comprise chattel mortgage properties, net retirement assets, prepayments, documentary stamps on hand, stationeries and supplies on hand, creditable withholding tax, inter-office float items, sundry debits, deferred charges, postages stamps.

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	December 31					
	2023			2022		
	Within One Year	**Beyond One Year**	**Total**	Within One Year	Beyond One Year	Total
Financial Liabilities						
Deposit liabilities (Note 16)	**₱174,454,708**	**₱15,167,996**	**₱189,622,704**	₱193,445,791	₱20,326,402	₱213,772,193
Bills payable	**271,896**	–	**271,896**	1,185,945	–	1,185,945
Bonds payable (Note 17)	–	–	–	4,648,450	–	4,648,450
Treasurer's, cashier's and manager's checks	**1,514,066**	–	**1,514,066**	1,014,226	–	1,014,226
Accrued other expenses payable (Note 18)	**1,843,651**		**1,843,651**	1,734,229		1,734,229
Accrued interest payable (Note 18)	**515,706**	–	**515,706**	505,830	–	505,830
Other liabilities* (Note 19)	**2,574,961**	**821,665**	**3,396,626**	2,654,199	928,861	3,583,060
	181,174,988	**15,989,661**	**197,164,649**	205,188,670	21,255,263	226,443,933
Nonfinancial Liabilities						
Accrued other taxes and licenses payable (Note 18)	**304,180**	–	**304,180**	266,158	–	266,158
Other liabilities** (Note 19)	**551,507**	**258,802**	**810,309**	400,922	170,385	571,307
	855,687	**258,802**	**1,114,489**	667,080	170,385	837,465
	₱182,030,675	**₱16,248,463**	**₱198,279,138**	₱205,855,750	₱21,425,648	₱227,281,398

* Other liabilities under financial liabilities comprise accounts payable, lease liabilities, bills purchased contra, other credits, overages, and deposit for safety deposit box.
** Other liabilities under nonfinancial liabilities comprise provision on undrawn portion of committed credit lines, withholding taxes payable, sundry credits, due to the treasurer of the Philippines, SSS, Medicare, ECP & HDMF premium payable, and miscellaneous liabilities.

21. Equity

Issued Capital

As of December 31, 2023 and 2022, the Bank's capital stock consists of:

	2023		2022	
	Shares	**Amount**	Shares	Amount
Authorized common stock - ₱10.0 par value	**600,000,000**	**₱6,000,000,000**	600,000,000	₱6,000,000,000
Issued and outstanding				
Beginning balance	**426,859,416**	**₱4,268,594,160**	426,859,416	₱4,268,594,160
Ending balance	**426,859,416**	**₱4,268,594,160**	426,859,416	₱4,268,594,160

The Bank became listed in the Philippine Stock Exchange (PSE) on October 10, 1994. Subsequently, the SEC approved the increase in the capital stock of the Bank. The summarized information on the Bank's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Type	Authorized Shares	Par Value
August 16, 1995	Common	300,000,000	₱10
October 8, 1997	Common	425,000,000	₱10

As of December 31, 2023 and 2022, the total number of stockholders is 1,438, and 1,443, with share price closed at ₱53.0 and ₱56.5, respectively.

On November 28, 2018, the PSE approved the application of the Bank for the listing of additional 142,856,925 common shares to cover the Bank's 1:1.68177 stock rights offering at an offer price of 56.0 per share or additional capital of ₱8.0 billion. The Bank successfully completed 8.0 billion stock rights offer and shares were listed on January 18, 2019 in the PSE. Capital paid in excess of par related to the offering amounted to ₱6.5 billion, net of transactions costs of ₱101.5 million.

On March 12, 2019, the BOD approved (a) the amendment of the AOI to increase the authorized capital stock from ₱4.3 billion to ₱6.0 billion and (b) the declaration of a 11.42% stock dividend equivalent to 43,750,000 shares amounting to ₱2.6 billion representing the minimum 11.42% subscription and paid-up capital for the increase in the authorized capital stock of the Bank which were ratified by the stockholders representing at least 2/3 of the outstanding capital stock on April 15, 2019. These were approved by BSP on August 8, 2019 and by the SEC on November 20, 2019. Following this, the authorized capital stock of the Bank increased from

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₱4.3 billion to ₱6.0 billion consisting of 600.0 million common shares with par value of ₱10.00 per share.

On January 16, 2020, the Bank received the SEC order fixing the record date of the 11.42% stock dividend on January 31, 2020. The 11.42% stock dividend was issued on February 21, 2020 with record date on January 31, 2020. On February 17, 2020, the PSE approved the listing of such stock dividend. Capital paid in excess of par related to the issuance of stock dividend amounted to ₱2.1 billion.

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 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
January 26, 2023	0.75	320,144,562	February 10, 2023	February 27, 2023
April 27, 2023	0.75	320,144,562	May 15, 2023	May 29, 2023
July 20, 2023	0.75	320,144,562	August 4, 2023	August 22, 2023
October 19, 2023	0.75	320,144,562	November 8, 2023	November 20, 2023

Stock Dividends

Date of declaration	Per share	Total amount	Record date	Payment date
March 12, 2019	11.42%	₱–	January 31, 2020	February 21, 2020

On October 9, 2015, the BSP issued Circular No. 888, Amendments to Regulations on Dividend Declaration and Interest Payments on Tier 1 Capital Instruments, which liberalized said rules in the sense that prior BSP verification and approval is no longer required except for banks with major supervisory concerns. However, banks are bound to comply with the provisions of Section X136 of the Manual of Regulations for Banks (MORB) and its subsections, including the submission of documentary requirements under Subsection X136.4 of the MORB. Otherwise, banks, subsequently found to have violated the provisions on dividend declaration or have falsely certified/submitted misleading statements shall be reverted to the prior BSP verification wherein the bank can only make an announcement or communication on the declaration of the dividends or payment of dividends thereon upon receipt of BSP advice thereof. The Bank is compliant with the said circular.

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

In compliance with BSP regulations, 10.00% of the Bank's profit from trust business is appropriated to surplus reserves. This annual appropriation is required until the surplus reserves for trust business equals 20.00% of the Bank's authorized capital stock.

A portion of the surplus corresponding to the accumulated net earnings of a joint venture is not available for dividend declaration until receipt of cash dividends from the investee.

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Capital Management

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirements, as mandated by the BSP, and that the Bank maintains healthy capital ratios in order to support its business and maximize returns for its shareholders. The Bank considers its paid in capital and surplus as its capital.

The Bank manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payments to shareholders or issue capital securities. The major activities in this area include the following:

- The Bank issued additional common shares for its qualified stockholders in 2008 and 2006 through stock rights offerings that raised ₱2.0 billion and ₱750.0 million in capital, respectively.

- On October 21, 2016, the BOD approved the Bank's updated Dividend Policy which provides, among others, the declaration and payment of cash dividends at a rate of ₱0.75 per share on a quarterly basis unless approved by a majority vote of the BOD at a different rate or otherwise restricted/prohibited from declaring/paying dividends.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank's unimpaired capital (regulatory capital) as reported to the BSP. This is determined on the basis of regulatory accounting policies which differ from PFRS in some respects.

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both solo basis and consolidated basis. Qualifying capital and risk-weighted assets are computed based on BSP regulations.

Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.

On January 15, 2013, the BSP issued Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements which states the implementing guidelines on the revised risk-based capital adequacy framework, particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Circular took effect on January 1, 2014.

On March 29, 2022, the BSP issued Circular No. 1142, Amendments to the Guidelines on the Computation of Minimum Required Capital and Risk-Based Capital Adequacy Ratio, which provides amended guidelines on the computation of the minimum required capital and the risk-based capital adequacy ratio.

The Bank considered BSP regulations, which set out a minimum CET1 ratio of 6.00% and Tier 1 capital ratio of 7.50%, and require capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and these ratios shall be maintained at all times.

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The CAR of the Bank as of December 31, as reported to the BSP, based on BSP Circular No. 781 and BSP Circular No. 538, respectively, are shown in the table below (amounts in millions).

	2023	2022
Tier 1 capital	**₱38,876**	₱35,685
CET1 capital	**38,876**	35,685
Less: Required deductions	**2,998**	2,164
Total Tier 1 Capital	**35,878**	33,521
Total Tier 2 capital	**1,368**	1,193
Total qualifying capital	**37,246**	34,714
Risk weighted assets	**₱152,250**	₱139,713
Tier 1 ratio	**23.56%**	23.99%
CET1 ratio	**23.56%**	23.99%
Capital adequacy ratio	**24.46%**	24.85%

Regulatory qualifying capital consists of Tier 1 (going concern) capital, which comprises capital stock, surplus, surplus reserves, net unrealized gains on FVOCI securities, cumulative foreign currency translation and remeasurements of net defined benefit asset. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (gone-concern) capital, which is comprised of the Bank's general loan loss provision. Certain items are deducted from the regulatory Gross Qualifying Capital, such as but not limited to, outstanding unsecured credit accommodations, both direct and indirect, to DOSRI, and unsecured loans, other credit accommodations, and guarantees granted to subsidiaries and affiliates (net of specific provisions), deferred tax assets, goodwill, other intangible assets and significant minority investments in a joint venture.

Risk-weighted assets are determined by assigning defined risk weights to amounts of on-balance sheet exposures and to the credit equivalent amounts of off-balance sheet exposures.

As of December 31, 2023 and 2022, the Bank has complied with the requirements of BSP Circular No. 781 and BSP Circular No. 538.

On October 29, 2014, the BSP issued Circular No. 856 which covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement was phased-in starting January 1, 2017, with full compliance on January 1, 2019. On September 27, 2019, the BSP issued Circular No. 1051 which covers the enhancements in the assessment methodology of D-SIBs. The Bank has complied with this requirement.

The issuance of BSP Circular No. 639 covering the Internal Capital Adequacy Assessment Process (ICAAP) in 2009 supplements the BSP's risk-based capital adequacy framework under BSP Circular No. 538. In compliance with this new circular, the Metrobank Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget, as well as regulatory directives. The Bank follows the Group's ICAAP framework and submits the result of its assessment to the Parent Company. Per BSP Circular No. 869, effective January 31, 2015, submission of an ICAAP document is required by BSP every March 31 of each year. The Bank has complied with this requirement.

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The Bank has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.

BASEL III Leverage Ratio (BLR)
On June 9, 2015, the BSP issued Circular No. 881 covering the implementing guidelines on the Basel III Leverage Ratio Framework which is designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.0 percent. The monitoring period has been set every quarter starting December 31, 2014 and extended until June 30, 2018 under BSP Circular No. 990 issued on January 22, 2018. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The Basel III Leverage Ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as percentage. Capital measure is the Tier 1 capital. Exposure measure is the sum of on-balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items. The leverage ratio shall not be less than 5.0 percent computed on both solo (head office plus branches) and consolidated bases (including subsidiary financial allied undertakings but excluding insurance companies).

As of December 31, 2023 and 2022, the Bank maintains these ratios above minimum requirements as shown in the table below (in millions):

	December 31, 2023	December 31, 2022
A. Capital Measure	**₱35,878**	₱33,521
B. Exposure Measure	**236,514**	263,482
C. Basel III Leverage Ratio (A/B)	**15.17%**	12.72%

Liquidity Coverage Ratio (LCR)
On March 10, 2016 and February 8, 2018, the BSP issued Circular Nos. 905 and 996, respectively, which include guidelines on LCR, and LCR disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets (HQLAs) to total net cash outflows. To promote the short-term resilience of the liquidity risk profile of the Bank, it shall maintain an adequate stock of unencumbered HQLAs that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. The stock of liquid assets should enable the Bank to withstand significant liquidity shocks for at least thirty (30) calendar days, which would give time for corrective actions to be taken by the Bank's management and/or the BSP.

On March 15, 2019, the BSP issued Circular No. 1035 which approved the: (1) extension of the observation period of the minimum Basel III LCR requirement to December 31, 2019 for subsidiary banks and quasi-banks (QBs) of universal and commercial banks (U/KBs), (2) adoption of a seventy percent (70.00%) LCR floor for subsidiary banks and QBs during the observation period, (3) minimum requirement of one hundred (100.00%) starting January 1, 2020. As of December 31, 2023 and 2022, the LCR in single currency as reported to the BSP, is 167.91% and 158.70%, respectively.

Net Stable Funding Ratio (NSFR)
On June 6, 2018, the BSP issued Circular No. 1007, covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - NSFR. The NSFR limits overreliance on short-term wholesale funding and promotes enhanced assessment of funding risk across all on- and off-balance sheet accounts. The NSFR complements the LCR, which promotes short term resilience of the Bank's liquidity profile. The covered bank shall maintain an NSFR of at least 100.0 percent at

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all times. Compliance with this requirement was phased-in effective July 1, 2018, with full implementation of the minimum NSFR on January 1, 2019.

On March 15, 2019, the BSP issued Circular No. 1034 which approved the extension of the observation period for the Basel III Framework on Liquidity Standards - NSFR for subsidiary banks/quasi-banks.

The implementation of the minimum NSFR shall be phased in to help ensure that the covered banks/QBs can meet the standard through reasonable measures without disrupting credit extension and financial market activities. In order to facilitate compliance, covered banks/QBs shall undergo an observation period before the NSFR becomes a minimum requirement. Subsidiary banks/QBs of U/KBs shall be subject to an NSFR floor of seventy percent (70.00%) during the observation period. Starting January 1, 2020, the minimum NSFR for subsidiary banks/quasi-banks of universal and commercial banks (UBs/KBs) shall be 100.00%. As of December 31, 2023 and 2022, the NSFR as reported to the BSP is at 139.01% and 148.49%, respectively.

Basel III Countercyclical Capital Buffer
On December 6, 2018, the BSP issued Circular No. 1024 covering the Philippine adoption of the Basel III Countercyclical Capital Buffer (CCyB) which imposed the following capital buffers:

- Capital Conservation buffer (CCB) of two and a half percent (2.50%); and
- Countercyclical capital buffer (CCyB) of zero percent (0.00%) subject to upward adjustment to a rate determined by the Monetary Board of the BSP when systemic conditions warrant but not to exceed two and a half percent (2.50%). Any increase in the CCyB rate shall be effective 12 months after its announcements. Decreases shall be effective immediately.

The prescribed ratios shall be maintained at all times.

22. Net Service Fees and Commission Income

This account consists of:

	2023	2022	2021
Service Fees and Commission Income			
Credit-related fees and commissions	**₱1,140,696,592**	₱1,114,725,360	₱1,056,749,812
Deposit-related and other fees received (Note 29)	**605,852,203**	571,145,496	478,174,952
Trust fees	**46,194,120**	46,971,038	46,202,084
	1,792,742,915	1,732,841,894	1,581,126,848
Service Fees and Commission Expense			
Commissions	**59,629,263**	45,200,420	42,225,973
Brokerage	**5,954,675**	6,108,650	5,590,759
	65,583,938	51,309,070	47,816,732
Net Service Fees and Commission Income	**₱1,727,158,977**	₱1,681,532,824	₱1,533,310,116

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23. Miscellaneous Income

This account consists of:

	2023	2022	2021
Recovery of charged-off assets	**₱311,361,694**	₱339,337,767	₱360,147,032
Insurance commission income	**85,545,555**	202,199,914	110,057,949
Rental income (Notes 12, 25 and 29)	**48,255,017**	45,235,373	43,767,739
Others (Notes 9 and 29)	**137,698,703**	191,002,283	186,458,085
	₱582,860,969	₱777,775,337	₱700,430,805

Rental income arises from the lease of properties and safety deposit boxes of the Bank.

Other miscellaneous income includes renewal fees, checkbook charges, break funding cost and other miscellaneous income. Accretion of modified loans amounted to ₱70.1 million, ₱107.0 million and ₱134.6 million in 2023, 2022 and 2021, respectively (Note 9).

24. Retirement Benefits

The Bank has a funded, noncontributory defined benefit plan covering substantially all of its employees. The benefits are based on years of service and final compensation.

The plan administered by the Retirement Committee is composed of five (5) members appointed by the BOD of the Bank. The Retirement Committee has all the powers necessary or useful in the discharge of its duties of administration including, but not limited to determining the rights of Members under the Plan. The Retirement Committee may adopt such rules and regulations as it deems necessary and desirable, including those governing the establishment of procedures, the use of necessary forms, and the setting up of minimum periods where notice is required. The Retirement Committee may seek advice of counsel, and may appoint an independent accountant to audit the Plan and actuary to value the plan periodically, whose professional fees and expenses may be charged to the Fund.

Under the existing regulatory framework, RA No. 7641, *Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The date of the latest actuarial valuation is December 31, 2023.

The amounts of pension expense included in 'Compensation and fringe benefits' in the statements of income follow:

	2023	2022
Current service cost	**₱226,594,870**	₱227,706,990
Net interest cost	**(25,701,492)**	(20,012,154)
	₱200,893,378	₱207,694,836

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The net retirement liability/retirement asset shown under 'Other liabilities'/'Other assets' recognized in the Bank's statements of condition follows (in thousands):

	2023											
						Remeasurements in other comprehensive income						
		Net benefit cost										
	January 1, 2023	**Current service cost**	**Net Interest**	**Subtotal**	**Benefits paid**	**Return on plan assets (excluding amount included in net interest)**	**Actuarial changes arising from experience adjustments**	**Actuarial changes arising from changes in demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Subtotal**	**Contribution by employer**	**December 31, 2023**
Present value of defined benefit obligation	**₱3,184,063**	**₱226,595**	**₱215,671**	**₱442,266**	**(₱243,768)**	**₱–**	**₱48,880**	**₱–**	**₱419,956**	**₱468,836**	**₱–**	**₱3,851,397**
Fair value of plan assets	**(3,387,473)**	**–**	**(241,373)**	**(241,373)**	**243,768**	**38,699**	**–**	**–**	**–**	**38,699**	**(264,000)**	**(3,610,379)**
Net retirement liability (Note 19)	**(₱203,410)**	**₱226,595**	**(₱25,702)**	**₱200,893**	**₱–**	**₱38,699**	**₱48,880**	**₱–**	**₱419,956**	**₱507,535**	**(₱264,000)**	**₱241,018**

	2022											
						Remeasurements in other comprehensive income						
		Net benefit cost										
	January 1, 2022	Current service cost	Net Interest	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Subtotal	Contribution by employer	December 31, 2022
Present value of defined benefit obligation	₱3,113,055	₱227,707	₱147,479	₱375,186	(₱258,642)	₱–	₱89,847	₱–	(₱135,383)	(₱45,536)	₱–	₱3,184,063
Fair value of plan assets	(3,354,894)	–	(167,491)	(167,491)	258,642	199,720	–	–	–	199,720	(323,450)	(3,387,473)
Net retirement asset (Note 14)	(₱241,839)	₱227,707	(₱20,012)	₱207,695	₱–	₱199,720	₱89,847	₱–	(₱135,383)	₱154,184	(₱323,450)	(₱203,410)

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The Bank expects to contribute ₱267.3 million to its noncontributory defined benefit plan in 2024.

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The fair values of plan assets by each class as at the statements of condition date are as follows:

	2023	2022
Investment in debt securities		
Government	**₱2,451,193,421**	₱1,910,076,151
Private	**920,955,224**	559,534,342
Special deposit account	**85,080,009**	783,385,635
Unit Investment Trust Fund (UITF)	**44,473,708**	42,561,098
Investment in equity securities	**88,278,813**	77,507,699
Other assets	**23,509,325**	17,327,104
	3,613,490,500	3,390,392,029
Other liabilities	**3,111,617**	2,919,504
	₱3,610,378,883	₱3,387,472,525

The person exercising voting right for the foregoing equity instruments is currently a senior officer of the Bank.

The principal actuarial assumptions used in determining retirement liability as of December 31, 2023 and 2022 are shown below:

	2023	2022
Discount rate	**6.06%**	7.11%
Turnover rate	**3.63%, 10.23%**	3.63%, 10.23%
Future salary increases	**6.00%**	5.50%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	December 31, 2023		December 31, 2022	
	Possible Fluctuations	**Increase (decrease)**	Possible Fluctuations	Increase (decrease)
Discount rate	**+1.00%**	**(₱273,484,652)**	+1.00%	(₱220,438,919)
	-1.00%	**309,243,597**	-1.00%	248,784,290
Turnover rate	**+1.00%**	**(41,410,835)**	+1.00%	(4,330,091)
	-1.00%	**46,374,122**	-1.00%	4,161,186
Future salary increase rate	**+1.00%**	**325,011,656**	+1.00%	265,814,360
	-1.00%	**(292,242,782)**	-1.00%	(239,077,385)

The Retirement Committee ensures that there will be sufficient assets to pay pension benefits as they fall due and maintains the plan on an actuarially sound basis considering the benefits to members.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2023	2022
Less than one year	**₱331,506,031**	₱282,910,375
One to less than five years	**1,611,315,196**	1,407,715,193
Five to less than 10 years	**2,435,184,665**	2,246,907,514
10 to less than 15 years	**3,182,649,515**	2,719,152,541
15 to less than 20 years	**2,463,811,385**	2,489,207,065
20 years and above	**1,993,633,106**	1,744,550,715

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The average duration of the expected benefit payments at the statement of condition date is 9.57 years.

25. Leases

The Bank leases the premises occupied by its branches for periods ranging from 1 to 30 years renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 10.00%.

As of December 31, 2023 and 2022, the carrying amounts of lease liabilities (included in 'Other Liabilities' in Note 19) are as follows:

	2023	2022
Balance at beginning of year	**₱1,322,931,895**	₱1,278,685,842
Additions	**312,921,930**	523,368,707
Accretion of interest	**78,902,394**	79,873,386
Payments	**(533,555,296)**	(558,996,040)
	₱1,181,200,923	₱1,322,931,895

The Bank recognized interest expense on lease liabilities (included in 'Interest expense' in the statements of income) amounting to ₱78.9 million, ₱79.9 million and ₱85.2 million in 2023, 2022 and 2021, respectively, rent expense from short-term leases and leases of low-value assets amounting (included in 'Occupancy and equipment-related costs' in the statements of income) to ₱111.9 million in 2023, ₱116.2 million in 2022 and ₱130.9 million in 2021.

Future minimum rentals payable under non-cancelable operating leases are as follows:

	2023	2022
Within one year	**₱428,533,488**	₱469,115,714
After one year but not more than five years	**822,505,612**	918,298,112
More than five years	**110,940,089**	145,925,243
	₱1,361,979,189	₱1,533,339,069

The Bank has also entered into commercial property leases on its surplus office space. These non-cancelable leases have remaining non-cancelable lease terms between 1 and 5 years. As of December 31, 2023 and 2022, there is no contingent rental income. Rental income of the Bank related to these property leases amounting to ₱48.3 million, ₱44.1 million, and ₱42.4 million in 2023, 2022 and 2021, respectively are shown under 'Miscellaneous income' in the statements of income (Notes 12 and 23).

Future minimum rentals receivable under non-cancelable operating leases are as follows:

	2023	2022
Within one year	**₱17,577,256**	₱39,072,786
After one year but not more than five years	**20,901,344**	38,478,565
	₱38,478,600	₱77,551,351

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26. Miscellaneous Expenses

This account consists of:

	2023	2022	2021
Information technology (Note 29)	**₱424,653,503**	₱407,689,037	₱375,290,002
Insurance (Note 29)	**388,308,751**	453,534,299	550,608,756
Litigation	**242,115,429**	429,974,439	442,289,577
Communications	**134,362,180**	147,148,701	167,554,452
Repairs and maintenance (Note 12)	**116,111,217**	171,424,078	110,147,726
Fines, penalties and other charges	**86,521,098**	206,509,947	150,222,885
Supervision and examination fees	**73,281,388**	75,405,438	75,845,625
Transportation and traveling	**57,354,683**	52,967,086	50,559,908
Advertising	**52,841,936**	22,092,410	11,076,666
Stationery and supplies	**41,097,311**	82,824,439	46,355,039
Management and professional fees	**25,393,062**	25,473,105	23,048,029
Training and seminars	**14,607,368**	26,880,748	2,449,846
Banking activities expenses	**12,585,850**	9,360,794	4,642,771
Donations and charitable contributions	**11,148,601**	7,122,605	6,812,000
Membership fees and dues	**2,937,377**	2,699,211	3,827,410
Others	**7,526,954**	9,614,270	61,472,300
	₱1,690,846,708	₱2,130,720,607	₱2,082,202,992

Insurance expense includes premiums paid to the Philippine Deposit Insurance Corporation (PDIC) amounting to ₱388.3 million, ₱429.2 million, and ₱412.9 million in 2023, 2022 and 2021, respectively.

Other expenses include entertainment, amusement and recreation (EAR), rewards and incentives, meeting allowance, sponsorship expenses, home free loan expenses, appraisal fees and notarial fees. These also include payments to union members amounting to ₱9.5 million, ₱9.4 million and ₱10.1 million in 2023, 2022 and 2021, respectively, for the successful completion of the collective bargaining agreement.

27. Income and Other Taxes

Under Philippine tax laws, the Bank is subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include corporate income tax, further discussed below, and final taxes paid at the rate of 20.00%, which is a final withholding tax on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33% to 20.00% of the interest income subject to final tax.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Bank's income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020, 2021 and 2022, the

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NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

The deferred tax assets and liabilities as of December 31, 2020 were also remeasured using the lower RCIT rate of 25.00%. These reductions were recognized in the 2021 financial statements.

Starting July 1, 2008, the Optional Standard Deduction (OSD) equivalent to 40.00% of gross income may be claimed as an alternative deduction in computing for the RCIT. The Bank elected to claim itemized expense deductions instead of the OSD in computing for the RCIT in 2022 and 2021.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense for a service company is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and OBUs is taxed at 15.00% in 2023 and 2022. Under current tax regulations, the income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks, including branches of foreign banks, is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax.

Provision for income tax consists of:

	2023	2022	2021
Current:			
Final tax	**₱1,131,814,810**	₱709,425,111	₱356,565,831
Current income tax	**76,759,110**	73,891,205	(44,382,280)
	1,208,573,920	783,316,316	312,183,551
Deferred	**(850,610,415)**	335,219,072	1,414,071,157
	₱357,963,505	₱1,118,535,388	₱1,726,254,708

Net deferred tax assets consist of the following tax effects:

	2023	2022
Deferred tax assets on:		
Retirement benefit obligation	**₱376,391,576**	₱249,507,924
Unamortized pension cost contribution	**149,120,044**	158,720,206
Accumulated depreciation of assets foreclosed or dacioned	**103,472,613**	97,763,184
Allowance for credit and impairment losses	**952,022,697**	66,874,352
Net effect of lease liabilities and ROU assets	**48,590,683**	54,055,554
Loan modification	**21,513,010**	46,215,270
Net unrealized gain on fair value of FVOCI	**3,867,981**	4,618,954
Unrealized foreign exchange gains	**334,414**	1,984,235
	1,655,313,018	679,739,679
Deferred tax liabilities on:		
Net unrealized gain on investment properties	**(397,705,408)**	(399,626,135)
	(397,705,408)	(399,626,135)
	₱1,257,607,610	₱280,113,544

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Income tax effect credited (debited) in OCI amounted to ₱126.9 million, ₱38.5 million, and (₱48.4 million) (excluding impact of CREATE) in 2023, 2022, and 2021, respectively.

As of December 31, 2023 and 2022, the Bank did not recognize deferred tax assets on the following temporary differences:

	2023	2022
Allowance for credit and impairment losses	**₱2,708,935,506**	₱5,981,653,248
Excess MCIT over RCIT	–	70,226,677
	₱2,708,935,506	₱6,051,879,925

The Bank believes that it is not reasonably probable that the tax benefits of these temporary differences will be realized in the future.

Details of the excess MCIT over RCIT credits of the Bank follow:

	Amount	Used/Expired	Balance	Expiry Year
2021	₱34,998,663	₱34,998,663	₱–	2024
2022	35,228,014	35,228,014	–	2025
	₱70,226,677	₱70,226,677	₱–	–

The reconciliation between the statutory income tax and effective income tax follows (in thousands):

	2023	2022	2021
Statutory income tax	**₱1,222,256**	₱1,199,241	₱816,437
Tax effects of:			
Change in unrecognized DTA	**(888,406)**	(137,478)	1,073,320
Non-taxable, tax-paid and tax-exempt income	**(307,780)**	(245,782)	(425,082)
Nondeductible expenses	**306,566**	233,564	161,201
Effect of change in tax rate	–	–	174,295
FCDU income	**(11,467)**	(74,895)	(87,686)
Others	**36,795**	143,885	13,770
Effective income tax	**₱357,964**	₱1,118,535	₱1,726,255

28. Earnings Per Share

The following table presents information used to calculate basic EPS:

	2023	2022	2021
a. Net income	**₱4,531,061,864**	₱3,678,428,259	₱1,539,492,720
b. Weighted average number of common shares for basic earnings per share	**426,859,416**	426,859,416	426,859,416
c. Basic/Diluted EPS (a/b)	**₱10.61**	₱8.62	₱3.61

As of December 31, 2023, 2022 and 2021, there were no potential common shares with dilutive effect on the basic EPS of the Bank.

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29. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Bank's related parties are as follows:

- Bank's Directors, Officers, Stockholders and their Related Interests (DOSRI) as defined per BSP's existing DOSRI rules and regulations;
- Close Family Members (i.e., second degree relatives) of the Bank's Directors, Officers with rank of SVP and up, and Individual Substantial Stockholders;
- Bank's Subsidiaries and Affiliates as defined per BSP's existing rules and regulations on lending to subsidiaries and affiliates;
- Any party that the Bank exerts direct or indirect control over or that exerts direct or indirect control over the Bank;
- Subsidiaries, Affiliates and Special Purpose Entities (SPEs) of any party that the Bank exerts direct or indirect control over or that exerts direct or indirect control over the Bank;
- Corresponding Persons in Affiliated Companies as defined in the Bank's Related Party Transaction (RPT) Policy; and
- Any natural person or juridical entity whose interest may pose potential conflict with the Bank's interest.

The Bank has several business relationships with related parties. The terms of the transactions with such parties are listed below on substantially the same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties, and are usually settled in cash. These transactions also did not involve more than the nominal risk of collectability or present other unfavorable conditions.

Transactions with the Retirement Plan

On December 20, 2012, the SEC issued Memorandum Circular No. 12 providing for guidelines on the disclosure of transactions with retirement benefit funds. Under said circular, a reporting entity shall disclose information about any transaction with a related party (retirement fund, in this case) and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

Under PFRS, certain post-employment benefit plans are considered as related parties. The Bank has business relationships with its retirement plan pursuant to which it provides trust and management services to the said plan. The retirement plan of the employees of the Bank is being managed and maintained by the Trust Division of the Bank. The total fair value of the retirement fund as of December 31, 2023 and 2022 amounted to ₱3.6 billion and ₱3.4 billion, respectively. The details of the assets of the fund as of December 31, 2023 and 2022 are disclosed in Note 24.

The following table shows the amount of outstanding balances of related party transactions of the Bank with the retirement plan of the employees of the Bank as of December 31, 2023 and 2022:

		2023	
		Elements of Transaction	
Related Party	**Nature of Transaction**	**Statement of Condition**	**Statement of Income**
Philippine Savings Bank	Savings Deposit	**₱5,081,077**	**₱–**
	Investment in Money Market Fund*	**44,473,708**	**–**
	Income from UITF**	**–**	**1,913,824**
	Interest income	**–**	**15,523**
First Metro ETF	Equity investment***	**25,255,881**	**–**

*Includes fair value gains of ₱2.0 million
**Includes fair value gains of ₱1.5 million
***Includes fair value loss of ₱1.7 million

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		2022	
		Elements of Transaction	
Related Party	Nature of Transaction	Statement of Condition	Statement of Income
Philippine Savings Bank	Savings Deposit	₱15,941,513	₱–
	Investment in Money Market Fund*	42,561,098	–
	Income from UITF**	–	572,585
	Interest income	–	24,291
First Metro ETF	Equity investment***	24,837,819	–

*Includes fair value gains of ₱0.1 million
**Includes fair value loss of ₱0.04 million
***Includes fair value loss of ₱0.35 million

Transactions relating to the Bank's retirement plan are approved by its Retirement Committee. The voting right over the investments in the Bank's capital stocks is exercised by a member of the Retirement Committee as approved by all members of the Retirement Committee, whom are senior officers of the Bank.

Remunerations of Directors and Other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Bank considers the members of the Management Committee to constitute key management personnel for purposes of PAS 24, *Related Party Disclosures.*

Total remunerations of key management personnel (covering assistant vice presidents and up) included under 'Compensation and fringe benefits' in the statements of income are as follows:

	2023	2022
Short-term employee benefits	**₱399,163,834**	₱369,283,571
Post-employment pension benefits	**2,694,653**	1,272,282
	₱401,858,487	₱370,555,853

Short-term employee benefits include salaries and other non-monetary benefits.

Remunerations given to directors, as approved by the Board Remuneration Committee, amounted to ₱19.1 million, ₱21.5 million, and ₱22.1 million in 2023, 2022, and 2021, respectively.

The Bank also provides banking services to directors and other key management personnel and persons connected to them.

Other Related Party Transactions

Other related party transactions of the Bank by category of related party are presented below. The following tables show the amount and outstanding balances included in the financial statements (in thousands):

	December 31, 2023		
Category	**Amount/ Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
Parent Company			
Due from other banks	**(₱462,999)**	**₱1,129,054**	Short term peso and foreign-currency denominated deposits with fixed rates ranging from 0.00% to 5.00%
Financial assets at amortized cost	**–**	**60,000**	Pledged for security of payroll account with MBTC
Interbank loans receivable		**–**	Peso denominated lending with fixed interest rate ranging from 6.19% to 6.41% maturities ranging from 1 to 5 days, secured - Php 0.00
Placements	**27,000,000**		
Maturities	**(27,000,000)**		
Accounts receivable	**2,118**	**3,424**	Outstanding ATM service fees, rental and utility receivables, non-interest bearing; no impairment
Miscellaneous assets	**857**	**857**	Security deposits on lease contracts
Miscellaneous liabilities	**1,189**	**3,558**	Advance payments of security deposits from various tenants

(Forward)

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	December 31, 2023		
Category	**Amount/ Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
Deposit liabilities	**₱–**	**₱36,782**	Short term peso and foreign-currency denominated deposits
Accrued other expense payable	**(128,137)**	**25,303**	Outstanding information technology expense payable
Interest income	**9,717**		Income on deposits and interbank loans receivables
Rental income	**9,039**	–	Income from leasing agreements with various lease terms ranging from 1 to 5 years
Rent expense	**122**	–	Payment of rent
Information technology expense	**112,411**	–	Payment of information technology transactions
Securities transactions			
Outright purchases	**60,000**	–	Outright purchase of FVOCI investments
Joint Venture			
Investment in a joint venture	**27,564**	**843,849**	Outstanding balance of capital investment in SMFC
Dividends from joint venture	**57,600**	–	Dividends from SMFC
Accounts receivable	**(716)**	**285**	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	**313,170**	**389,051**	Short term peso time-deposits deposits with annual fixed rates ranging from 5.50% to 5.75%
Miscellaneous liabilities	–	**7,861**	Advance payment of security deposits
Rental income	**12,204**	–	Income from leasing agreements
Interest expense	**20**	–	Interest on deposit liabilities
Other Related Parties (DOSRI/Indirect)			
Receivable from customers		**1,141,082**	Peso denominated lending with interest rates ranging from 3.00% to
Placements	**950,000**	–	4.83% with maturity terms of 14 days to 5 years (excluding key
Maturities	**(951,433)**	–	personnel); mostly unsecured, with ECL
Miscellaneous assets	**4,138**	**4,138**	Security deposits
Accounts receivable	**372**	**1,045**	Outstanding ATM service fees, rental and utility receivables, non-interest bearing
Prepaid insurance	**(2,220)**	**4,226**	Payment of various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	**225,907**	**3,767,112**	Demand, savings and short term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 2.00%
Accrued other expense payable	**(705)**	**446**	Outstanding group life insurance
Accounts payable	**(8,304)**	**(455)**	Various personal and car insurance payable
Miscellaneous liabilities	**2,905**	**4,777**	Advance payment of security deposits
Rental income	**42,771**	–	Income from leasing agreements with various lease terms
Insurance expense	**29,846**	–	Payment of insurance premium
Interest expense	**244**	–	Interest on deposit liabilities
Rent expense	**165**	–	Payment of rent expense to various lessors
Securities transactions			
Outright purchases	**236,792**	–	Outright purchase of Financial Assets at amortized cost
Key Personnel			
Receivables from customers		**13,914**	Unsecured, no impairment, with annual
Availments	**2,975**	–	fixed interest rates of 6.00%
Maturities	**(557)**	–	and maturities ranging from 2 to 10 years
Interest income	**1,038**	–	Interest income from loans

	December 31, 2022		
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Parent Company			
Due from other banks	₱485,169	₱1,592,053	Short term peso and foreign-currency denominated deposits with fixed rates ranging from 0.00% to 5.00%
Financial assets at amortized cost	60,000	60,000	Pledge for security of payroll account with MBTC in 2022
Financial assets at FVOCI	(59,718)	–	Pledge for security of payroll account with MBTC in 2021
Accounts receivable (payable)	(4,483)	1,306	Outstanding ATM service fees, rental and utility receivables, non-interest bearing; no impairment
Miscellaneous assets	(1,948)	–	Security deposits on lease contracts
Miscellaneous liabilities	(3,550)	2,369	Advance payments of security deposits from various tenants
Accrued other expense payable	63,037	153,440	Outstanding information technology expense payable, charges on current and savings accounts processing
Rental income	13,056	–	Income from leasing agreements with various lease terms ranging from 2 to 5 years
Information technology expense	121,493	–	Payment of information technology transactions
Trading and security loss	4	–	Loss from securities transactions
Securities transactions			
Outright purchases	5,576,850	–	Outright purchase of FVTPL, AC and FVOCI investments
Outright sales	(104,000)	–	Outright sale of FVTPL and FVOCI investments
Joint Venture			
Investment in a joint venture	53,359	816,285	Outstanding balance of capital investment in SMFC
Dividends from joint venture	30,059	–	Dividends from SMFC
Accounts receivable	96	1,001	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	61,881	75,881	Demand and short-term peso time-deposits deposits with annual fixed rates of 1.25%

(Forward)

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	December 31, 2022		
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Miscellaneous liabilities	₱–	₱7,861	Advance payment of security deposits
Rental income	17,876	–	Income from leasing agreements
Interest expense	28	–	Interest on deposit liabilities
Other Related Parties (DOSRI/Indirect)			
Receivable from customers	–	1,142,515	Peso denominated lending which earns 3.00% to 7.50% fixed daily
Placements	955,000	–	interest rate with maturity terms ranging from 14 days to 10 years
Maturities	967,797	–	(excluding key personnel); mostly unsecured, with ECL
Miscellaneous assets	(2,949)	–	3 months advance security deposits
Accounts receivable	(1,112)	673	Outstanding ATM service fees, rental and utility receivables, non-interest bearing
Prepaid expense	(5,782)	6,446	Payment of various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	(4,418,680)	3,541,205	Demand, savings and short-term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 2.00%
Accrued other expense payable	–	1,151	Outstanding group life insurance
Accounts payable	7,480	7,849	Various personal and car insurance payable
Miscellaneous liabilities	–	1,872	Advance payment of security deposits from various tenants
Interest income	47,171	–	Income on receivables from customers and interbank loans receivables
Trading and securities loss	43	–	Gain from securities transactions
Rental income	8,100	–	Income from leasing agreements with various lease terms
Bank commission	437	–	Commission income on ATM service fees
Miscellaneous income	937	–	Service income received from insourcing agreements
Insurance expense	52,758	–	Payment of insurance premium
Interest expense	541	–	Interest on deposit liabilities
Rent expense	(65)	–	Payment of rent expense to various lessors
Securities transactions		–	
Outright purchases	2,000,000	–	Outright purchase of FVTPL and FVOCI investments
Outright sales	(150,000)	–	Outright sale of FVTPL and FVOCI investments
Key Personnel			
Receivables from customers	–	11,496	Unsecured, no impairment, with annual fixed interest rates
Availments	2,864	–	6.00% and maturities ranging from 2 to 10 years
Maturities	(2,436)	–	
Interest income	1,032	–	Interest income from loans

	December 31, 2021		
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Parent Company			
Due from other banks	(₱267,443)	₱1,106,884	Short term peso and foreign-currency denominated deposits with fixed rates ranging from 0.00% to 5.00%
Financial assets at FVOCI	–	59,718	Pledged for security of MBTC's payroll account with the Bank.
Accounts receivable (payable)	7,698	5,789	Outstanding ATM service fees, rental and utility receivables, non-interest bearing; no impairment
Miscellaneous assets	114	1,948	Security deposits on lease contracts
Miscellaneous liabilities	–	5,919	Advance payments of security deposits from various tenants
Accrued other expense payable	21,819	90,403	Outstanding information technology expense payable, charges on current and savings accounts processing
Rental income	12,099	–	Income from leasing agreements with various lease terms ranging from 2 to 5 years
Miscellaneous income	22,033	–	Service income received from collection services
Information technology expense	154,170	–	Payment of information technology expenses
Trading and security loss	(3,242)	–	Loss from securities transactions
Securities transactions			
Outright purchases	11,770,583	–	Outright purchase of FVTPL, AC and FVOCI investments
Outright sales	(150,000)	–	Outright sale of FVTPL and FVOCI investments
Joint Venture			
Investment in a joint venture	57,449	762,926	Outstanding balance of capital investment in SMFC; movements in outstanding balance pertain to share in net income and other comprehensive income less dividends received
Dividends from joint venture	11,580	–	Dividends from SMFC
Accounts receivable	688	905	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	(474,007)	14,000	Demand and short-term peso time deposits with annual fixed rates of 1.25%
Miscellaneous liabilities	7,861	7,861	Payment of security deposits
Rental income	16,288	–	Income from leasing agreements
Miscellaneous income	6,882	–	Utilities and rental charges
Interest expense	66	–	Interest on deposit liabilities

(Forward)

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	December 31, 2021		
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Other Related Parties (DOSRI/Indirect)			
Receivable from customers	₱–	₱1,155,312	Loans granted bear interest of ranging 3.0% to 10.50% with terms
Placements	1,159,611	–	from 12 to 60 months (excluding key personnel); mostly
Maturities	1,176,688	–	unsecured; no impairment
Miscellaneous assets	353	2,949	Three months advance security deposits
Accounts receivable	(4,908)	1,785	Outstanding ATM service fees, rental and utility receivables, non-interest bearing
Prepaid expense	5,455	12,228	Payment for various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	7,044,834	7,959,885	Demand, savings and short-term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 2.00%
Accrued other expense payable	–	1,151	Outstanding group life insurance
Accounts payable	368	369	Various personal and car insurance payable
Miscellaneous liabilities	–	1,872	Advance payment of security deposits from various tenants
Interest income	67,649	–	Income on receivables from customers and interbank loans receivables
Trading and securities loss	499	–	Loss from securities transactions
Rental income	7,785	–	Income from leasing agreements with various lease terms
Bank commission	1,936	–	Commission income on ATM service fees
Miscellaneous income	3,751	–	Service income received from insourcing agreements
Insurance expense	60,997	–	Payment of insurance premium
Interest expense	1,075	–	Interest on deposit liabilities
Rent expense	1,950	–	Payment of rent expense to various lessors
Securities transactions			
Outright purchases	3,269,725	–	Outright purchase of FVTPL and FVOCI investments
Outright sales	(50,000)	–	Outright sale of FVTPL and FVOCI investments
Key Personnel			
Receivables from customers	–	11,068	Unsecured, no impairment, with annual fixed interest
Availments	3,699	–	rates of 6.00% and maturities ranging from 2 to 10 years
Maturities	(1,444)	–	Utilities and rental charges
Interest income	824	–	Interest income from loans

30. Trust Operations

Securities and other resources held by the Bank in fiduciary or agency capacity for its customers are not included in the accompanying statements of condition since these are not assets of the Bank.

As of December 31, 2023 and 2022, the Bank deposited government securities with carrying value of ₱123.9 million and ₱180.5 million, respectively, in compliance with trust regulations (Note 8).

In compliance with existing banking regulations, the Bank transferred from surplus to surplus reserve the amount of ₱2.4 million and ₱2.5 million, which corresponds to 10.00% of the net income realized from the Bank's Trust Department in 2023 and 2022, respectively.

31. Commitments and Contingent Liabilities

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees and commitments to extend credit, which are not reflected in the accompanying financial statements. The Bank, however, does not anticipate significant losses as a result of these transactions.

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Commitments and Contingencies

The following is a summary of the Bank's commitments and contingent liabilities at their equivalent peso contractual amounts:

	2023	2022
Trust department accounts (Note 30)	**₱9,295,113,015**	₱8,825,860,829
Stand-by credit lines	**41,100,000**	122,000,000
Spot foreign exchange and contracts sale	**27,685,000**	27,877,500
Late deposits/payments received	**290,311**	3,288,413
Items held for safekeeping	**215,511**	240,348
Others	**57,244**	60,626

Also, several suits and claims, on behalf of or against the Bank in relation to its banking operations and labor-related cases are pending before the courts and quasi-judicial bodies. The Bank and its legal counsel believe that any losses arising from suits and claims which are not specifically provided for will not have a material adverse effect on the financial statements.

32. Notes to Statements of Cash Flows

The following is a summary of principal non-cash activities that relate to the analysis of the statements of cash flows:

	2023	2022	2021
Additions to chattel mortgage in settlement of loans (Note 14)	**₱2,320,586,633**	₱1,978,930,122	₱3,866,091,965
Additions to investment properties in settlement of loans (Note 12)	**660,520,059**	1,438,182,517	703,230,662
Recognition of right-of-use assets (Note 11) and lease liabilities (Note 25)	**312,921,930**	523,368,707	330,419,191
Fair value changes in financial assets at FVOCI (Note 8)	**119,107,530**	(38,369,287)	(13,033,150)
Cumulative translation adjustment	**399**	(756,081)	(485,670)

The table below provides for the changes in liabilities arising from financing activities in 2023 and 2022 (in millions):

	Bills Payable	**Bonds Payable**	**Lease Liabilities**	**Total Liabilities from Financing Activities**
January 1, 2023	**₱1,186**	**₱4,648**	**₱1,323**	**₱7,157**
Cash flows from availments	**5,068**	**–**	**–**	**5,068**
Cash flows from settlement	**(5,982)**	**(4,650)**	**(534)**	**(11,166)**
Others	**–**	**2**	**392**	**394**
December 31, 2023	**₱272**	**₱–**	**₱1,181**	**₱1,453**

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	Bills Payable	Bonds Payable	Lease Liabilities	Total Liabilities from Financing Activities
January 1, 2022	₱–	₱4,633	₱1,279	₱5,912
Cash flows from availments	9,850	–	–	9,850
Cash flows from settlement	(8,664)	–	(559)	(9,223)
Others	–	15	603	618
December 31, 2022	₱1,186	₱4,648	₱1,323	₱7,157

Others include amortization of bills payable and bonds payable, additions to lease liabilities, and accretion and termination of lease liabilities.

As of December 31, 2023 and 2022, the Bank recognized allowance for credit losses from 'Due from other banks' amounting to ₱1.2 million and ₱14.7 million, respectively.

33. Offsetting of Financial Assets and Liabilities

PFRS 7 requires the Bank to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding table.

Financial assets
As of December 31, 2023 and 2022, there were no derivative assets.

December 31, 2023

Financial assets recognized at the end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in statement of condition [a-b] [c]	Effect of remaining rights of set-off (including rights to set-off financial collateral) that do not meet PAS 32 offsetting criteria: Financial instruments [d]	Fair value of financial collateral	Net exposure [c-d] [e]
SPURA (Note 7)	**₱6,989,635,680**	**₱–**	**₱6,989,635,680**	**₱–**	**₱6,989,635,680**	**₱–**

December 31, 2022

Financial assets recognized at the end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in statement of condition [a-b] [c]	Effect of remaining rights of set-off (including rights to set-off financial collateral) that do not meet PAS 32 offsetting criteria: Financial instruments [d]	Fair value of financial collateral	Net exposure [c-d] [e]
SPURA (Note 7)	₱2,651,203,416	₱–	₱2,651,203,416	₱–	₱2,651,203,416	₱–

Financial liabilities
As of December 31, 2023 and 2022, there were no outstanding foreign currency swaps and forwards.

December 31, 2023

Financial assets recognized at the end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in statement of condition [a-b] [c]	Effect of remaining rights of set-off (including rights to set-off financial collateral) that do not meet PAS 32 offsetting criteria: Financial instruments [d]	Fair value of financial collateral	Net exposure [c-d] [e]
SSURA (Note 17)	**₱271,896,461**	**₱–**	**₱271,896,461**	**₱–**	**₱271,896,461**	**₱–**

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34. Subsequent Events

Cash Dividend Declaration
On January 18, 2024, the BOD of the Bank approved the declaration of a 7.50% regular cash dividend for the fourth quarter of 2023 for stockholders on record as of February 2, 2024 amounting to ₱320.1 million or ₱0.75 per share, to be paid on February 19, 2024.

35. Approval for the Release of the Financial Statements

The accompanying comparative financial statements by the Bank were authorized for issue by the BOD on February 22, 2024.

36. Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB)

Financial Performance
The following basic ratios measure the financial performance of the Bank:

	2023	2022	2021
Return on average equity	**11.72%**	10.21%	4.44%
Return on average assets	**1.80%**	1.40%	0.64%
Net interest margin on average earning assets	**5.18%**	4.66%	5.81%
Current ratio	**48.89%**	62.41%	65.57%
Debt-to-equity ratio	**4.94:1**	6.11:1	6.50:1
Asset-to-equity ratio	**5.94:1**	7.11:1	7.50:1
Interest rate coverage ratio	**1.84:1**	2.52:1	2.51:1

Capital Instruments Issued
The Bank considers common stock as capital instruments eligible as Tier 1 and Tier 2 capital as of December 31, 2023 and 2022.

Significant Credit Exposures as to Industry/Economic Sector
Loan concentration as to economic activity follows (gross of unearned discounts, modification loss and allowance for credit losses):

	2023	%	2022	%
Activities of households as employers and undifferentiated goods-and-services producing activities of households for own use	**₱77,667,226,340**	**62.01%**	₱63,639,932,112	57.03%
Real estate activities	**36,589,283,371**	**29.21%**	37,408,126,369	33.52%
Wholesale and retail trade, repair of motor vehicles and motorcycles	**2,345,575,404**	**1.87%**	2,017,598,092	1.81%
Financial and insurance activities	**1,435,041,015**	**1.15%**	1,278,001,269	1.15%
Electricity, gas, steam and air-conditioning supply	**1,014,270,488**	**0.81%**	1,340,454,353	1.20%
Transportation and storage	**894,812,501**	**0.71%**	913,034,694	0.82%
Construction	**607,830,158**	**0.49%**	611,326,312	0.55%
Manufacturing	**564,461,629**	**0.45%**	567,888,302	0.51%
Administrative and support service activities	**313,279,519**	**0.25%**	329,226,111	0.30%

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	2023	%	2022	%
Accommodation and food service activities	**₱194,468,882**	**0.16%**	₱189,313,909	0.17%
Professional, scientific and technical activities	**150,632,271**	**0.12%**	132,444,731	0.12%
Education	**130,242,629**	**0.10%**	118,663,386	0.11%
Information and communication	**95,851,435**	**0.08%**	75,489,198	0.07%
Human health and social work activities	**90,240,508**	**0.07%**	112,016,707	0.10%
Arts, entertainment and recreation	**78,518,459**	**0.06%**	72,203,103	0.06%
Agriculture, forestry and fishing	**75,789,773**	**0.06%**	70,896,310	0.06%
Water supply, sewerage, waste management and remediation activities	**65,529,418**	**0.05%**	43,296,906	0.04%
Mining and quarrying	**5,659,929**	**0.00%**	4,705,062	0.00%
Others	**2,883,292,726**	**2.30%**	2,663,873,735	2.39%
	₱125,202,006,455	**100.00%**	₱111,588,490,661	100.00%

Others relate to other service activities including the activities of membership organizations, repair of computers, personal and household goods and a variety of personal service activities not covered elsewhere in the classification above.

Breakdowns of Total Loans as to Security

The breakdown of loans and receivables from customers (gross of unearned discounts, modification loss and allowance for credit losses) as to secured and unsecured and as to type of security follows:

	2023	%	2022	%
Secured by:				
Chattel	**₱59,765,850,197**	**47.74%**	₱50,754,005,073	45.48%
Real estate	**30,985,023,151**	**24.75%**	30,172,737,600	27.04%
Deposit hold-out	**597,581,973**	**0.48%**	597,964,616	0.54%
	91,348,455,321	**72.96%**	81,524,707,289	73.06%
Unsecured	**33,853,551,134**	**27.04%**	30,063,783,372	26.94%
	₱125,202,006,455	**100.00%**	₱111,588,490,661	100.00%

Breakdown of Total Loans as to Status

Details of non-performing loans (NPL) follow:

	2023	2022
Secured	**₱3,240,010,197**	₱2,882,518,252
Unsecured	**1,157,125,833**	1,154,927,621
	₱4,397,136,030	₱4,037,445,873

Generally, NPLs refer to loans, investments, receivables, or any financial asset, even without any missed contractual payments, that satisfy any of the following conditions:

1. Impaired under existing accounting standards;
2. Classified as doubtful or loss;
3. In litigation, and/or;
4. There is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any.

All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are:

1. Unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.
2. Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after it has become past due.
3. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

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The NPLs of the Bank not fully covered by allowance for credit losses follow:

	2023	2022
Total NPLs	**₱4,397,136,030**	₱4,037,445,873
Less NPLs fully covered by allowance for credit losses	**1,040,506,478**	977,859,235
	₱3,356,629,552	₱3,059,586,638

Restructured loans as of December 31, 2023 and 2022 amounted to ₱155.2 million and ₱98.8 million, respectively. The Bank's loan portfolio includes non-risk loans as defined under BSP regulations totaling ₱0.6 billion as of December 31, 2023 and 2022.

Information on Related Party Loans

As required under existing BSP rules and regulations, the Bank discloses loans and other credit accommodations granted to its DOSRI. These loans and other credit accommodations were made substantially on the same terms as with other individuals and businesses of comparable risks and were subject of prior BOD approval and entailing BSP reportorial requirements.

Existing banking regulations also limit the total amount of credit exposure to each of the Bank's DOSRIs, at least 70.00% of which must be secured, to the total of their respective deposits and book value of their respective unencumbered deposits and, if any, book value of their respective paid-in capital contribution in the Bank. In the aggregate, the Bank's total credit exposure to all its DOSRIs should not exceed its net worth or 15.00% of its total loan portfolio, whichever is lower, with any unsecured portion thereof not exceeding the lower between 30.00% of the aggregate limit or of the total actual exposure. However, loans and other credit accommodations to DOSRIs that are secured by assets considered by the BSP as non-risk are exempt from these ceilings. As of December 31, 2023 and 2022, the Bank's credit exposures to DOSRI are within the said regulatory limits.

BSP Circular No. 423 dated March 15, 2004, as amended by BSP Circular No. 914 dated June 23, 2016, provide the rules and regulations governing credit exposures to DOSRI. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to BSP Circular No. 423 and new DOSRI loans and other credit accommodations granted under said circular as of December 31, 2023 and 2022 (in thousands):

	2023		2022	
	DOSRI Loans	**Related Party Loans**	DOSRI Loans	Related Party Loans
Total outstanding loans	**₱191,082**	**₱1,146,082**	₱199,011	₱1,154,011
Percent of DOSRI/Related Party loans to total loan portfolio	**0.17%**	**1.03%**	0.18%	1.03%
Percent of unsecured DOSRI/Related Party loans to total DOSRI/Related Party loans	**98.35%**	**99.73%**	95.04%	99.15%
Percent of past-due DOSRI /Related Party loans to total DOSRI/Related Party loans	**0.00%**	**0.00%**	0.00%	0.00%
Percent of non-performing DOSRI/Related Party loans to total DOSRI /Related Party loans	**0.00%**	**0.00%**	0.00%	0.00%

Total interest income from DOSRI loans amounted to ₱3.9 million in 2023, ₱4.6 million in 2022 and ₱4.7 million 2021.

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Aggregate Amount of Secured Liabilities and Assets Pledged as Security
As of December 31, 2023 and 2022, investment securities at amortized cost include Bureau of Treasury bonds pledged by the Bank to MBTC to secure its payroll account with the Bank, with total carrying value of ₱60.0 million and ₱60.1 million, respectively.

Commitments and Contingencies
The following is a summary of the Bank's commitments and contingent liabilities at their equivalent peso contractual amounts:

	2023	2022
Trust department accounts (Note 30)	**₱9,295,113,015**	₱8,825,860,829
Stand-by credit lines	**41,100,000**	122,000,000
Spot foreign exchange and contracts sale	**27,685,000**	27,877,500
Late deposits/payments received	**290,311**	3,288,413
Items held for safekeeping	**215,511**	240,348
Others	**57,244**	60,626

37. Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002. The regulations provide that starting 2010, the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Bank reported and/or paid the following types of taxes for the year:

Taxes and Licenses
For the taxable year ended December 31, 2023, taxes and licenses of the Bank consist of:

Gross receipts tax	₱976,158,644
Documentary stamps tax	605,573,537
Local taxes	82,799,112
Fringe benefit tax	7,995,688
	₱1,672,526,981

Withholding Taxes
As of December 31, 2023, total remittances and balance of withholding taxes are as follows:

	Total Remittances	Balance
Withholding taxes on compensation and benefits	₱439,968,847	₱22,494,515
Final withholding taxes	944,649,047	84,016,500
Expanded withholding taxes	100,015,580	10,261,114
	₱1,484,633,474	₱116,772,129

Tax Assessment
The Bank has no ongoing tax assessment as of December 31, 2023.

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SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Philippine Savings Bank
PSBank Center
777 Paseo de Roxas corner Sedeño Street
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Philippine Savings Bank (the Bank) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, included in this Form 17-A, and have issued our report thereon dated February 22, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Bank's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Veronica Mae A. Arce
Partner
CPA Certificate No. 0117208
Tax Identification No. 234-282-413
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-135-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10079902, January 5, 2024, Makati City

February 22, 2024

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PHILIPPINE SAVINGS BANK
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

I. Reconciliation of Retained Earnings Available for Dividend Declaration (Annex 68-D)

II. Map of the Relationships of the Companies within the Group

III. Supplementary Schedules Required by Annex 68-J
   A. Financial Assets
   B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
   C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
   D. Long-term Debt
   E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)
   F. Guarantees of Securities of Other Issuers
   G. Capital Stock

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PHILIPPINE SAVINGS BANK

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION (ANNEX 68-D)
AS OF DECEMBER 31, 2023

Unappropriated Retained Earnings, beginning of reporting period		**₱19,360,774,280**
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(1,280,578,248)	
Retained Earnings appropriated during the reporting period	(2,419,758)	(1,282,998,006)
Unappropriated Retained Earnings, as adjusted		**18,077,776,274**
Add/Less: Net Income (loss) for the current year		**4,531,061,864**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	28,740,923	
Unrealized foreign exchange gains (losses), except those attributable to cash and cash equivalents	(1,003,240)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	1,322,352	
Unrealized fair value gain of Investment Property	1,193,116,225	
Sub-total		**1,222,176,260**
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	(5,952,704)	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(6,620)	
Reversal of previously recorded fair value gain of Investment Property	1,198,878,404	
Sub-total		**1,192,919,080**
Adjusted Net Income/Loss		**4,501,804,684**
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		(850,339,510)
Total Retained Earnings, end of the reporting period available for dividend		**₱21,729,241,448**

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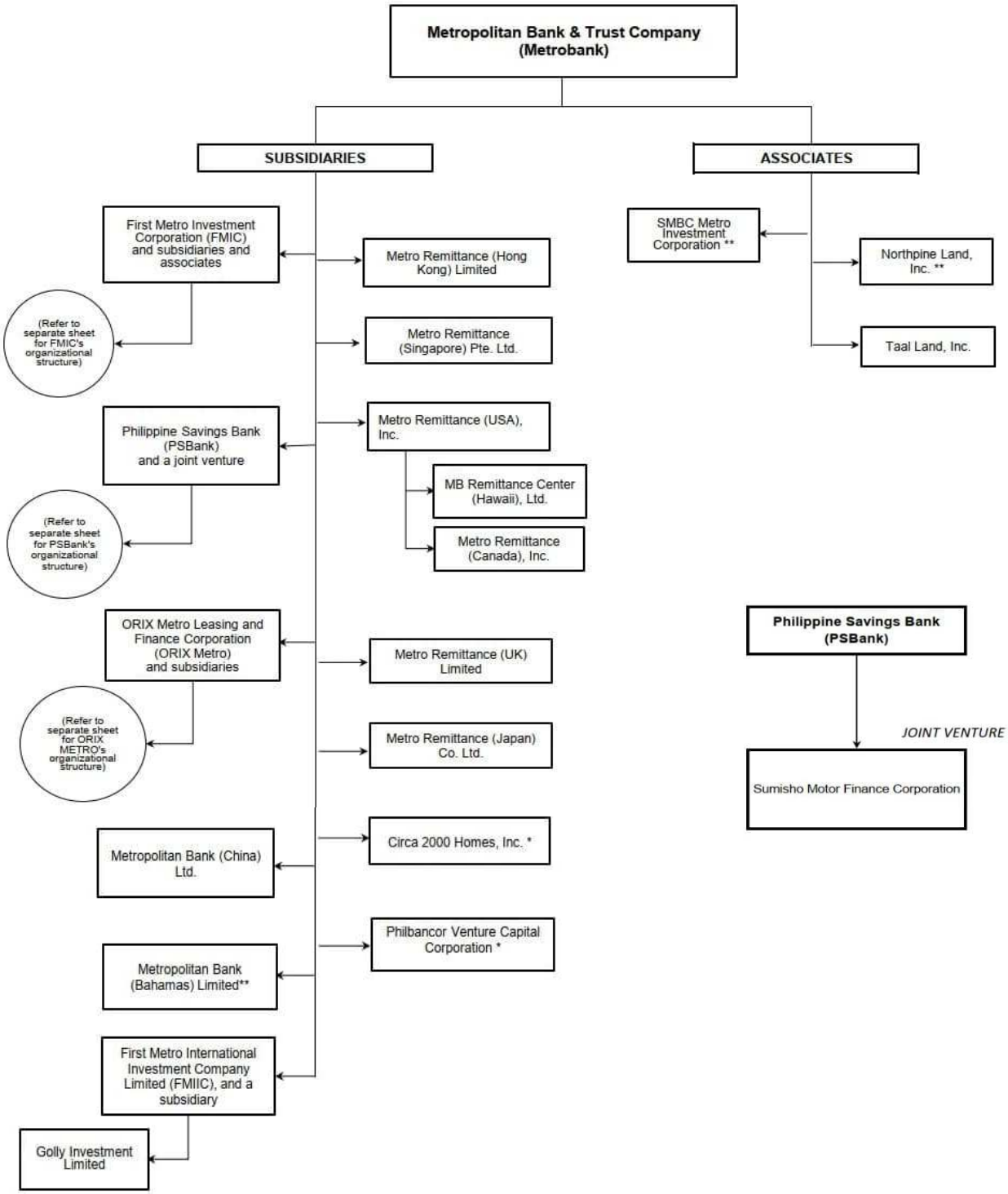
PHILIPPINE SAVINGS BANK

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP AS OF DECEMBER 31, 2023



** In process of dissolution*
*** In process of liquidation*

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PHILIPPINE SAVINGS BANK

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
SCHEDULE A – FINANCIAL ASSETS
AS OF DECEMBER 31, 2023

Name of Issuing Entity and Association of Each Issue (i)	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Condition (ii)	Valued based on Market Quotation at End of Reporting Period (iii)	Interest Income Accrued as at End of Reporting Period
Fair Value through Profit or Loss (FVTPL) Investments				
Government Bonds	**400,046,521**	**₱414,298,313**	**₱414,298,313**	**₱9,565,253**
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)				
Debt Securities				
Government Bonds				
Peso-denominated	51,000,000,000	₱50,889,402,209	₱50,889,402,209	₱ –
Treasury Notes				
Peso-denominated	1,750,606,467	1,809,726,638	1,809,726,638	40,993,209
Private Corporation				
Peso-denominated	1,650,000,000	1,633,147,238	1,633,147,238	14,988,335
	54,400,606,467	54,332,276,085	54,332,276,085	55,981,544
Equity Securities	6,594,720	27,417,546	27,417,546	–
	54,407,201,187	**₱54,359,693,631**	**₱54,359,693,631**	**₱55,981,544**
Investment Securities at Amortized Cost				
Government Bonds				
Dollar-denominated	9,165,506,840	₱11,401,610,963	₱11,401,610,963	₱279,718,326
Treasury Notes				
Peso-denominated	16,523,557,000	16,474,351,855	16,474,351,855	171,581,376
Private Corporation				
Peso-denominated	1,399,980,000	1,396,629,892	1,396,629,892	10,802,286
Dollar-denominated	611,838,500	620,575,333	620,575,333	8,780,557
	27,700,882,340	**₱29,893,168,043**	**₱29,893,168,043**	**₱470,882,545**
	82,508,130,048	**₱84,667,159,987**	**₱84,667,159,987**	**₱536,429,342**

(i) Each issue shall be stated separately, except that reasonable grouping, without enumeration may be made of (a) securities issued or guaranteed by the Philippine Government or its agencies and (b) securities issued by others for which the amounts in the aggregate are not more than two per cent of total assets.

(ii) State the basis of determining the amounts shown in the column. This column shall be totaled to correspond to the respective Statements of Condition caption or captions.

(iii) This column may be omitted if all amounts that would be shown are the same as in the immediate preceding column.

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PHILIPPINE SAVINGS BANK

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
AS OF DECEMBER 31, 2023

Name and Designation of Debtor (i)	Balance at Beginning of the Period	Additions	Amounts Collected (ii)	Amounts Written-off (iii)	Current	Not Current	Balance at End of Period

NONE TO REPORT

Note: Transactions to these parties are made in the ordinary course of business.

(i) Show separately accounts receivables and note receivable. In case of notes receivable, indicate pertinent information such as the due date, interest rate, terms or repayment and collateral, if any.
(ii) If collection was other than in cash, explain.
(iii) Give reasons for write-off.

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SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023

Name and Designation of debtors	Balance at Beginning of Period	Additions	Amounts Collected (i)	Amounts Written Off (ii)	Current	Not Current	Balance at End of Period

NOT APPLICABLE

(i) If collection was other than in cash, explain.
(ii) Give reasons for write off.

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SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
SCHEDULE D – LONG-TERM DEBT
AS OF DECEMBER 31, 2023

Title of Issue and Type of Obligation (i)	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Statement of Condition (ii)	Amount shown under Caption "Long-Term Debt" in related Statement of Condition (iii)	Interest Rate	Maturity Date

NOT APPLICABLE

(i) Include in this column each type of obligation authorized.
(ii) This column is to be totaled to correspond to the related Statements of Condition caption.
(iii) Include in this column details as to interest rates, amounts or number of periodic installments, and maturity dates.

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SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
AS OF DECEMBER 31, 2023

Name of Related Party (i)	Balance at Beginning of Period	Balance at the End of Period (ii)

NONE TO REPORT

(i) The related parties named shall be grouped as in Schedule C. The information called for shall be stated separately for any persons whose investments were shown separately in such related schedule.

(ii) For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of ten per cent (10%) of the related balance at either the beginning or end of the period.

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PHILIPPINE SAVINGS BANK

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS OF DECEMBER 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding (i)	Amount Owned by Person for which Statement is Filed	Nature of Guarantee (ii)

NONE TO REPORT

(i) Indicate in a note any significant changes since the date of the last Statements of Condition filed. If this schedule is filed in support of Consolidated Financial Statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the Consolidated Statements of Condition.

(ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of interest", or "Guarantee of dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

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SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
SCHEDULE G – CAPITAL STOCK
AS OF DECEMBER 31, 2023

Title of Issue (i)	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Condition Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties (ii)	Directors, Officers, and Employees	Others (iii)
Common Stock - ₱10 par value	600,000,000	426,859,416	–	377,279,068	4,457,668	45,122,680

(i) Include in this column each type of issue authorized.
(ii) Related Parties referred to include persons for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.
(iii) Indicate in a note any significant changes since the date of the last Statements of Condition filed.

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SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Philippine Savings Bank
PSBank Center
777 Paseo de Roxas corner Sedeño Street
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Philippine Savings Bank (the Bank) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and have issued our report thereon dated February 22, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Bank's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Bank's financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Veronica Mae A. Arce
Partner
CPA Certificate No. 0117208
Tax Identification No. 234-282-413
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-135-2021, November 10, 2021, valid until November 9, 2024
PTR No. 10079902, January 5, 2024, Makati City

February 22, 2024

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PHILIPPINE SAVINGS BANK

SUPPLEMENTARY SCHEDULE ON FINANCIAL SOUNDNESS INDICATOR (ANNEX 68-E)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31, 2023	December 31, 2022
PROFITABILITY RATIOS		
Return on Assets		
Net Income / Average Total Resources	**1.80%**	1.40%
Return on Equity		
Net Income / Average Stockholders' Equity	**11.72%**	10.21%
Net Interest Margin		
Net Interest Income / Average Earning Assets	**5.18%**	4.66%
Cost to Income Ratio		
Operating Expenses Excluding Provision for Impairment and Credit Losses and Income Taxes / Net Interest Income + Operating Income	**58.89%**	60.06%
SOLVENCY RATIOS		
Debt to Equity Ratio		
Total Liabilities / Total Stockholders' Equity	**4.94:1**	6.11:1
Asset-to-Equity Ratio		
Total Assets / Total Stockholders' Equity	**5.94:1**	7.11:1
Interest Rate Coverage Ratio		
Earnings Before Interest and Taxes / Interest Expense	**1.84:1**	2.52:1
LIQUIDITY RATIOS		
Liquidity/Current Ratio		
Current Assets / Current Liabilities	**48.89%**	62.41%
Loans to Deposit Ratio		
Gross Loans* / Total Deposits	**65.97%**	52.11%
Capital Adequacy Ratio		
Total Qualifying Capital / Total Risk-Weighted Assets	**24.46%**	24.85%

**Loans and receivables, net of unearned discounts and capitalized interest (before allowance for credit losses)*

Exhibit 9

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Our Sustainability Report

2023 Financial Year

PSBank
PHILIPPINE SAVINGS BANK
Metrobank Group

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ABOUT PSBANK

Philippine Savings Bank (hereafter referred to as "PSBank" or the "Bank"), a subsidiary of the Metropolitan Bank and Trust Company (Metrobank), is headquartered in Makati City. To date, its physical channel footprint is composed of 250 branches and 556 onsite and offsite ATMs strategically located nationwide. It offers a wide range of banking products and services: deposits, loans, treasury products, digital banking services, bancassurance, credit card, and trust. PSBank has for its core customers those in the consumer and retail markets.

Throughout its more than 60 years of operation, the Bank's service philosophy is to always be responsive to the needs of clients and deliver them exceptionally and consistently across all touch points. As the Bank gears towards being more sustainable and attain its commitments for Sustainable Finance, it continuously improves its products, service channels and overall customer service experience to provide more positive social and environmental impact. PSBank takes advantage of available and emerging technologies, not just to introduce innovative product offerings but also to improve on systems and processes for better operational efficiency and lower operating costs.

With its customers in mind, the Bank strives to consistently make its banking processes simpler, thus allowing customers to perform their banking needs the fastest, simplest and safest way possible. Through its Online and Mobile Banking facilities, existing and new clients can, among others, open and maintain their accounts, send money and pay bills conveniently anytime and anywhere from the comfort of their homes thus allowing them to save time and lower their carbon footprint.

The Bank provides affordable and competitive loan products which are easily accessible to the market thru various channels including its online platform. It makes banking convenient by means of swift transactions and seamless processing and documentation across its loan products. Its processing for auto loan applications remains to be the benchmark of the industry with its 24-hour approval TAT consistently executed, about 30% of which were completed within 3 hours. Its home loan processing time is the fastest at 1 day loan decision for brand new condominium units and properties from accredited developers and 5 days or less for other facilities. Personal loan processing time is the shortest in the market within 24 hours from loan application to decision, and 1 day for booking of approved loan application.

The Bank increasingly considers the economic, environmental and social impacts of its banking operations cognizant of the inherent risks and strategic opportunities it may bring. Through continuing education, engagement, community partnerships, and financial inclusion measures, it aims to address and mitigate more complex risks and issues associated with financial assets and investments. It recognizes the need to manage investments based on local and global norms to prevent reputational harm, brand damage, or even taxes and lawsuits. It continues to intensify the protection of data privacy and security. It aims to improve energy efficiency and tap alternative sources to reduce reliance on purchased electricity. With these efforts, the Bank can, directly or indirectly, reduce the likelihood of extraordinary expenses, improve market share, or even decrease liabilities.

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INTRODUCTION

THE BANK'S CONTINUING JOURNEY TOWARDS SUSTAINABILITY

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

Its Board of Directors firmly believes it has a role in promoting sustainable development. In pursuit of this commitment, the Bank started reporting its environmental, social, and governance (ESG) impacts beginning in 2019.

In compliance with BSP Circular 1085, its Board of Directors approved a Transition Plan in October 2020, marking a pivotal step towards integrating sustainability into its corporate principles. This comprehensive plan delineated the roadmap for adopting a Sustainable Finance Framework, with emphasis on incorporation of environmental and social (E&S) risk considerations into its governance and risk management frameworks. The embedding of sustainability principles and roles within its Corporate Governance Committee, Audit Committee, and Risk Oversight Committee Charters in December 2020 underscored its commitment to align its strategic objectives with sustainability imperatives.

The appointment of the Chief Risk and Sustainability Officer in March 2021 reinforced its dedication to navigating PSBank's sustainable finance journey. Together with the Senior Management, the sustainability principles are integrated into its day-to-day business operations and strategic objectives. Subsequently, in September 2021, the Board approved the Bank's Sustainable Finance Framework which delineated its guiding principles on environmental sustainability, social sustainability, and good governance. These principles support the Philippines Development Plan and UN Sustainable Development Goals by (1) increasing the Bank's capabilities and adhering to local and international standards on limiting adverse effects on E&S and thus transition to a low-carbon economy; and (2) funding loans and projects that support economic growth and provide a lasting benefit for both clients and society while reducing pressures on the environment. The framework serves as a basis for defining the Bank's targets and metrics for sustainable operations and financing to deliver on its commitment to support sustainable economic growth and the transition to a low-carbon economy through the Bank's three focus Sustainable Development Goal (SDG). These are: (1) SDG 8 – Decent Work and Economic Growth, (2) SDG 9 – Industry, Innovation and Infrastructure, and (3) SDG 13 – Climate Action.

In July 2022, its Board approved the Sustainable Finance Framework's supplement, the Environmental and Social Risk Management (ESRM) Policy Manual. It provides the guidelines for addressing environmental and social risks in its operations and credit business. The ESRM system adopts a five-point cycle that includes Risk Identification & Assessment, Risk Measurement, Risk Mitigation & Control, Monitoring and Reporting of E&S risks. These points enable robust policies, processes, and controls to meet the Bank's low appetite for E&S risks and strengthen its capability to withstand disruptions, quickly resume operations, and continue to provide financial services to its clients.

The Bank introduced assessments of physical risks involving its assets, loans with collateral, and third-party service providers. In 2023, these were refined to consider climate hazards' severity and frequency, enabling the Bank to mitigate and further reduce residual risk exposure. The Bank developed tools that allow measurement and management of its E&S risk and physical risk exposures based on industry-acceptable parameters. Further, its Internal Capital Adequacy Assessment Process (ICAAP) exercise was expanded to include an assessment of its resilience against transition risk arising from aggressive government push on environmental, social and governance initiatives and a geopolitical crisis. The results are reported regularly to the Bank's Risk Oversight Committee.

As of May 2023, the Bank successfully served and delivered on its Board-approved Transition Plan to comply with the BSP Circular 1085 on Sustainable Finance Framework.

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CAPACITY BUILDING

To ensure organization-wide acceptance and understanding of the Bank's transition plan and frameworks, sustainable finance training and awareness campaigns were initiated in February 2022. These were expanded in 2023 to provide comprehensive insights into each employee's role in achieving our sustainable finance goals. Among these efforts were the Thought Leadership Series and Corporate Governance trainings conducted by GT Capital that provided the Bank's senior management and Directors with invaluable insights into climate change and sustainability strategies.

The Bank's collaboration with key suppliers for Sustainability Knowledge Sharing Forums, in coordination with Meralco's Sustainability team, exemplified its commitment to engage stakeholders across the spectrum. This forum facilitated in-depth discussions on value creation, strategic target setting, and plausible sustainability initiatives, paving the way for actionable solutions aligned with the Bank's sustainability aspirations.

In tandem with these efforts, select risk officers underwent formal courses and certification trainings to enhance their capacity and understanding of E&S-related risks. Participation in courses such as the GARP Sustainability and Climate Risk certificate, Applied Sustainability Management in Asia Pacific, ISO training on Quantification and Verification of Carbon Footprint (ISO 14064-1:2018 / 2019), Quantifying the Carbon Footprint of Products (ISO 14067:2018), GRI Professional Certification Program and various BSP-conducted trainings equipped its teams with the requisite knowledge to navigate the evolving sustainable finance landscape effectively.

REDUCING CARBON FOOTPRINT

Gaining exposure in sustainable practices, the Bank aspires to go beyond compliance and continue to implement meaningful and impactful initiatives for carbon footprint reduction. It recognizes that these can be achieved on three fronts: adoption of circularity in operations, use of renewable energy and management of materials.

ADOPTION OF CIRCULARITY

The Bank retires its assets (i.e. furniture, fixtures and equipment) after long periods of use, wear and tear, and obsolescence. It recognizes that this provides an opportunity for circularity. In early 2023, it introduced a screening process before asset disposal to determine if such assets could have extended life and purpose through refurbishment, repair, recycling, upcycling, or upgrading. This reduced the Bank's non-hazardous waste and caused savings from unpursued new asset acquisition. The Bank likewise engaged its employees in circularity by launching the Donate a Recyclable campaign during its 63rd Anniversary. This enabled collection of recyclables consisting of aluminum, E-waste (cellphones etc.) paper, and PET bottles.

USE OF RENEWABLE ENERGY

In alignment with the Philippine Energy Plan, the Bank successfully converted 100% of its Head Office energy to renewable sources as of March 2022. It continued this effort for a branch in Los Banos in September 2023, causing 40% of the Branch's energy requirement to come from solar power.

MANAGEMENT OF MATERIALS

As a service institution, the Bank uses mostly paper in its operations. However, it uses lesser paper each year because with technology, it continues to convert its paper-based correspondences, deposit statement of accounts and pin mailers to digital formats. These projects not only cause reduction in paper usage, but also reduction in physical delivery trips.

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SCOPE

The scope of the Bank's 2023 ESG Report includes information and progress of the Bank's sustainable finance goals for the period 1 January 2023 to 31 December 2023 in line with common sustainability reporting frameworks and disclosure requirements of the Philippine Stock Exchange (PSE), the Securities and Exchange Commission (SEC), and select sustainability reporting frameworks. The Report should be read together with PSBank Annual Report 2023.

It also discusses the steps the Bank took to incorporate the Sustainable Finance agenda in the Bank's policies, processes, and systems. Additional information included in this report is the computed GHG emission for Scope 1 emission of the Bank covering its mobile and stationary combustion using diesel and fuel emission factor from UK Department for Environment, Food and Rural Affairs (DEFRA) UK Government GHG Conversion Factors for Company Reporting and Scope 2 emission of the Bank in 2022 to 2023 using the latest Department of Energy (DOE) emission factors.

All quantitative and qualitative information for relevant indicators have been disclosed for a minimum of two years where applicable, to the best of the Bank's knowledge and in good faith. These may be amended or revised as necessary without prior notice.

BOARD STATEMENT

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

The Philippine Savings Bank - www.psbank.com
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MILESTONES IN SUSTAINABLE FINANCE

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MILESTONES IN SUSTAINABLE FINANCE

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

HIGHLIGHTS	PERFORMANCE UP TO 2022	PERFORMANCE IN 2023
Sustainability Principles	• Board-approved transition plan and ESRMS action items • Sustainability principles embedded in Corporate Governance and Risk Management Committee Charters • Board-approved Sustainable Finance Framework (SFF) and Environmental and Social Risk Policy Manual • Appointed Chief Risk and Sustainability Officer • SFF Training and awareness campaigns with ESRM • Integrated ESRM in policies, processes, manuals, and forms	• Board-approved Sustainability Reporting Policy Manual • Improved SFF Training and awareness, highlighting the roles and responsibilities of each employee and business unit • Expanded loan review for E&S risks • Refined Physical Risk Mapping to consider hazard incidents and severity • Engaged Senior Management and the Board of Directors in GT Capital's Thought Leadership Series and Corporate Governance trainings on sustainability
ESG Materiality Matrix	• 21 high material topics • Formalized the Management Approach in the SR • Updated Materiality Process and Management Approach	• 21 high material topics retained • Streamlined the Materiality Process and Management Approach
ECONOMIC IMPACT		
Financial Inclusion and Literacy	• Continued the Be Aware! Campaign, and released 290 materials (2021), 308 materials (2022) • Nine (9) active communication platforms • 3.52 million reached in 2021 and 2022	• Continued the Be Aware! Campaign, and released 322 materials • Nine (9) active communication platforms • 3.2 million reached in 2023
ENVIRONMENTAL IMPACT		
Operational Greenhouse Gas Emission	• Scope 2 absolute emission computed using DOE published emission factor for purchased energy	• Scope 1 absolute emission which includes the Bank's mobile combustion and fugitive emissions calculated using DEFRA emission factor • Scope 2 absolute emission computed using the same DOE published emission factor for purchased energy
Energy Consumption	• Furniture, Fixtures and Equipment: Introduced inverter appliances, converted to LED lights, and decommissioned old servers beginning in 2021. 34.38% Head Office lights converted to LED lights in 2022 • Head office energy: Lower consumption due to skeletal workforce onsite and partly renewable energy in 2021, 100% renewable energy in 2022. • Appointment and certification of Energy Manager in 2022 • Outsourced third-party service provider for energy audit in 2022	• 66.65 % of Head Office lights converted to LED lights • Energized 1st solar-powered branch • Head office continues to be powered by green energy
Fuel Consumption	• Continued decrease in fuel consumption	• Fuel consumption of generators in Head Office increased due to the isolated extended (2 weeks) use of 2 head office generators
Water Consumption	• Continued decrease in water consumption in 2021 due to skeletal workforce on site. The opposite trend was observed in 2022.	• Increased water consumption due to isolated preventive maintenance of the chillers for the air-conditioning of the Head Office • Observed decrease in the water consumption of branches caused an overall decrease in the Bank's water consumption
Waste Disposal and Management	• Documented guide on waste disposal • Implemented waste segregation in Head Office in 2022 • Continued decrease in waste • Replaced plastic utensils and cups with biodegradable or plastic alternates in its Head office canteen in 2022	• 1st step in circularity through the redeployment of furniture, fixtures, and equipment after successful refurbishment and repair • Introduced recycling through the Donate-A-Recyclable campaign during the Bank's 63rd Anniversary
Operations	• Hybrid work arrangement continued • Issued corporate tablets and laptops for business continuity during the pandemic beginning in 2020 • Various process enhancements and automation • Continued adoption of DevOps methodologies for systems and projects for improved collaboration, performance, and delivery • Decreased paper consumption. Saved 328 reams of 8x13 paper and 450 reams of account opening forms in 2022	• Continued agile, lean work arrangement and DevOps methodologies • Converted paper-based statements of account for current accounts to electronic SOA, resulting to a reduction by 110 reams of 8x13 paper or savings of Php2.3Mn • Implemented phase 1 of Green Pin to replace paper-based pin mailers for Flexi loans and Online On-Boarding clients • Reduced motorized delivery for more than 69,000 current accounts due to eSOA conversion and 2,451 delivery trips due to Green Pin implementation

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HIGHLIGHTS	PERFORMANCE UP TO 2022	PERFORMANCE IN 2023
SOCIAL IMPACT		
Workplace Diversity	As of December 2022: Employee population: 2,766 ▪ 64% female, 36% male ▪ 70.79% age 30 to 50 y.o. ▪ 21.69%: <30 y.o. ▪ 7.52 %: >50 y.o. Board of Directors mix: 2 female, 7 male	As of December 2023: Employee population: 2,834 ▪ 63% female, 37% male ▪ 69.00% age 30 to 50 y.o. ▪ 23.00%: <30 y.o. ▪ 8.00 %: >50 y.o. Board of Directors mix: 2 female, 7 male
Workplace Safety and Labor Practices	▪ Increased employee wellness programs with #Weekday-Wellness Yoga and Zumba Sessions for Head Office and Branches, PSBank basketball Elite team ▪ Constantly issued health, safety, and mental wellness advisories ▪ Continued bank-wide trainings on Occupational Health and Safety (OHS), including 4 Mental Health Webinars ▪ Delegation and Certification of Additional Health and Safety Officers ▪ Launched Mobile Annual Physical Examination (APE) ▪ Relaunched Blood Donation drive in partnership with Manila Doctors Hospital ▪ Reinforced the Bank's Emergency Response team through the Appointment of a new Chief Emergency Brigade Officer (CEBO) and Assistant Chief Emergency Brigade Officer (ACEBO) ▪ TRIR is 22.86% in 2021 and 20.16% in 2022	▪ Improved employee wellness programs based on data from the Annual Physical Exam (APE) results; ▪ Continued programs for overall wellness and wellbeing ▪ Reinforced the Bank's pool of 160 newly-certified First Aiders and 51 newly-certified Safety Officers. ▪ Introduced a spiritual break program to promote spiritual well-being. ▪ TRIR increased to 35.07% due to better monitoring and reporting process implemented in the PSBank Clinic TRIR is the Total Recordable Incident Rate.
Employee Training and Development	▪ Better trainings (i.e. increased frequency of existing courses and ladderized training programs, new training courses for specific jobs, added virtual methods) ▪ Reinforced comprehensive Succession training program ▪ Completed employee development programs for 57 employees in 2021, 163 employees in 2022. ▪ Conducted 655 trainings in 2021 and 587 in 2022.	▪ Introduced IT Officership Program (ITOP) for adequate and effective IT Development and Operations team, with 11 graduates ▪ Localized SPEED AX-L program, bringing the Bank's Branch Officership program to different provinces, with 60 graduates ▪ Conducted Branch Operations Upgrade Training (BOUT) in 2023. ▪ Completed employee development programs for 200 employees ▪ Increased trainings conducted to 1,053 due to the introduction of new training courses.
GOVERNANCE		
Data Security Framework	▪ Enhanced Data Security Framework ▪ Internal policies and guidelines provide the minimum-security measures required ▪ Tightened cybersecurity risk measures for remote work setup ▪ Regular data security awareness campaigns and information security risk assessments ▪ Continued to strengthen data security tools and improved metrics. ▪ Continued Anti-Phishing campaigns and exercises, achieving a click rate below the industry average.	▪ Maintained the highest level of security controls, awareness and adherence to the Bank's security processes. ▪ Re-launched the security awareness training for third-party service providers ▪ Deployed system enhancements for the Bank's customer due diligence, fraud screening and waring processes. ▪ Continued data security awareness campaigns and information security risk assessments ▪ Continued Anti-Phishing campaigns and exercises, achieving a click rate below the industry average.
Data Privacy	▪ Appointed Deputy Data Protection Officer in 2021 ▪ Data protection policies in place ▪ Regular data privacy trainings bankwide ▪ Maintained 0 data privacy breach	▪ Continued annual Data Privacy refresher training course for all Bank employees and relevant service providers with entailing online assessment exams ▪ Renewed the Bank's registration with the National Privacy Commission (NPC) as a Personal Information Controller (PIC) in its new National Privacy Commission Registration System (NPCRS) ▪ Re-registered the Bank's Data Processing Systems (DPS) in the NPC's new NPCRS ▪ Completed the Privacy Impact Assessments (PIAs) for all of the Bank's client-facing DPS ▪ No data privacy breach required to be reported to the NPC
ICAAP	▪ Semi-annual ICAAP Exercise ▪ Expanded capital planning with environmental risks ▪ Expanded stress scenarios with The Big One: Major Earthquake in the West Valley Fault Line	▪ Expanded stress scenarios to include aggressive government push on environmental, social and governance initiatives and geopolitical crisis.
Business Ethics	▪ Strong compliance with anti-money laundering laws ▪ Anti-money laundering policies in place ▪ Whistleblower protection policies in place ▪ Anti-corruption policies in place	▪ Performed annual review and updating of the Bank's Money Laundering and Terrorism Financing Prevention Program (MTPP) ▪ Continued annual Anti-Money Laundering/Combating Terrorism Financing and Targeted Financial Sanctions refresher training courses for all bank employees with entailing online assessment exams ▪ Maintained strong compliance

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ESG MATERIALITY AND MANAGEMENT APPROACH

MATERIALITY PROCESS

The concept of materiality is central to sustainable business practices as it helps in determining the critical ESG issues to address and report on. The Bank follows an internal process review to define issues that are significant to environmental, social, governance and economic priorities and their impacts to both our business and stakeholders.

The Bank adopted the process initially endorsed by a third party service provider to identify material topics relevant to its business. In the recent years, the Bank included research, trends and gap analysis as benchmarking activities for its material topic identification. The gaps are now part of the assessment of the material topics. Exhibit 1 shows the Board-approved internal practices performed by the Bank to identify and assess high materiality topics.

EXHIBIT 1. MATERIALITY PROCESS

Stakeholder Analysis: Using the mission, vision and results of embedded feedback mechanisms, the Bank analyzes issues and concerns raised by its customers, employees and other stakeholders that directly affect the Bank's operations and business decision-making.

Research and Trends: The Bank may conduct ad hoc material issue research, peer benchmarking, trends or best practice analysis to enhance the materiality assessment.

Analysis: The Bank ranks and prioritizes topics considering a range of internal and external perspectives through cross functional meetings, alignment with enterprise risk management, and relevance checking versus sustainability reporting frameworks.

Prioritization: The prioritization of topics is based on the significant impact on the Bank's business success or those which would substantively influence the assessments and decisions of stakeholders.

The material ESG issues are identified under four categories: Material to both sector and organization, Material to sector, Material to organization, and Immaterial. The following 21 issues are material to the Bank on sectoral and organizational level.

Economic (6)

1. Financial Performance
2. Market Presence
3. Geographical Positioning and Management
4. Brand Positioning and Management
5. Innovation and Digitization
6. Customer Experience

Environment (1)

1. Environmental Compliance

Social (6)

1. Customer Health and Safety
2. Diversity and Equal Opportunity
3. Non-discrimination
4. Workplace Health and Safety
5. Labor Relations
6. Talent Acquisition and Retention

Governance (8)

1. Anti-Fraud and Anti-Bribery
2. Data Management and Security Practices
3. Customer Privacy
4. Anti-Corruption /Whistleblower Protection
5. Ethics and Integrity
6. Human Rights Protection
7. Financial Risk Management
8. Regulations and Compliance Management

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MANAGEMENT APPROACH

True to its mission and vision to be the country's consumer and retail bank of choice, the Bank continuously works to provide its clients competitive products and services while ensuring safe and positive banking experience as it strives to adhere to sustainable finance principles and standards.

With its Board of Directors, senior management and employees, the Bank strategizes to ensure that material topics with high impact on business and customers are managed well. This section describes how the Bank manages its identified material topics to deliver its commitment to the banking public and actively participate in the Philippine banking industry's goal to accomplish its sustainable finance initiatives and help the Philippine Government with its own Nationally Determined Targets.

ECONOMIC ASPECT

FINANCIAL PERFORMANCE

PSBank's Finance Group, guided by approved policies and practices, is responsible for monitoring the Bank's financial performance. The Bank undertakes Internal Capital Adequacy Assessment Planning (ICAAP) exercise which helps in the proactive determination of whether the Bank's qualifying capital can support its mid-term risk asset growth based on various economic and regulatory factors, both domestic and international.

Financial projections are generated based on the Bank's outlook over a 5-year period, under normal economic growth indicators. The Bank uses various scenarios or simulations to stress the base case with minimal or no management intervention to obtain a "black swan" environment, if possible, to test the Bank's capital strength and resilience against adverse conditions.

MARKET PRESENCE

The Bank is able to improve on its strong presence with respect to loan products by providing competitive interest rates, flexible repayment options, and the maintenance of good relationships with its partner providers (like auto dealers and real estate developers). Its delivery and distribution channels include physical branches, ATM network and digital banking platforms. Its thematic and tactical marketing campaigns focus on the promotion of financial products and services as well as information on how clients can maximize them. By virtue of changing market behavior, the Bank utilizes digital platforms and thereby minimize the use of paper marketing materials.

GEOGRAPHICAL POSITIONING AND MANAGEMENT

The Bank strategically places its physical branches and ATMs nationwide in locations within communities that are easily accessible by clients.

Leveraging on digital innovation and technology, the Bank continues to improve its online and mobile banking facilities to enable its clients to perform their banking needs in a safe and more convenient way.

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BRAND POSITIONING AND MANAGEMENT

True to its tagline, “Simple lang. Maasahan”, the Bank ensures that the delivery of products and services are made simple and easy to use while providing features that help its retail, SME, and corporate clients meet their requirements and improve their financial welfare.

INNOVATION AND DIGITIZATION

The Information Technology (IT) Group of the Bank together with its Marketing and Information Security groups work together to ensure that all systems are user-friendly, fast and secure for the customers. Systems are regularly reviewed and monitored for possible improvements and upgrades using the latest in available technologies.

The Bank also continues to rationalize existing systems infrastructure, pursue needed investments in technology, and perform continuous research to substantially improve IT operations, reduce system incidences and energy consumption and most of all, improve customer experience.

CUSTOMER SERVICE

The Bank continuously strives to be the country's consumer and retail bank of choice, by conforming to the highest standards of integrity, professionalism and teamwork. The Bank commits to provide its customers superior products and reliable services that contribute to social and environmental sustainability.

ENVIRONMENTAL ASPECT

ENVIRONMENTAL COMPLIANCE

PSBank continues to manage the environmental impacts of its owned buildings and operations. Its policies and processes are reviewed at least annually to ensure that they remain in accordance with existing and new laws and regulations. In 2021, the Bank appointed Pollution Control Officers and Managing Heads for the head office and branch clusters across the country. In 2022, the Energy Manager was likewise appointed and certified.

SOCIAL ASPECT

CUSTOMER HEALTH AND SAFETY

To ensure that both customers and employees are able to engage with each other comfortably and safely amidst any rise of health issues and concerns, the Bank maintains strong and effective health and safety protocols. It has measures to ensure that these are strictly followed by employees, customers and visitors. The Bank’s IT Group and business units deliver enhanced online banking and digital products and services to ensure that identified environmental and social risks do not disrupt the Bank’s services to its banking public.

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DIVERSITY AND EQUAL OPPORTUNITY

The Bank believes in the importance of diversity in promoting innovation, inclusive growth, and maintaining a collaborative working environment. The Bank employs and promotes competent individuals regardless of gender, age, socioeconomic status, religion and cultural ethnicity.

NON-DISCRIMINATION AND LABOR RELATIONS

The Bank ensures strict implementation of its Code of Conduct and maintains a strong partnership with its Employee Union. Through CXHRG – People and Labor Relations Department, the Bank closely monitors the compliance of its branches and head office units with all necessary DOLE certification and requirements. This contributes to the Bank's satisfactory rating in all the DOLE audit exercises.

WORKPLACE HEALTH AND SAFETY

The Bank treats with high importance its employees' wellness and well-being on all fronts – physically, mentally, emotionally, socially, and spiritually. It has programs consisting of knowledge bits issued via the Bank's intra network, webinars, in person trainings, and employee engagement activities. Among these is the Mandatory Employee Safety and Health (MESH) training conducted annually. The Bank intensifies its employee awareness and educational drive with hybrid symposiums facilitated by external medical experts and in-house psychologists.

The Bank complies with the required city health clearance certificates for head office-based employees.

TALENT ACQUISITION AND RETENTION

The Bank believes that each employee should be given equal opportunity to improve oneself and attain one's highest potential. It uses a Competency Framework to ensure that all employees' skill sets are considered, and matched with existing and future talent requirements of the business. The said framework helps strengthen the Bank's succession planning initiatives to identify, grow and retain internal talents while ensuring a sustainable manpower pool for business continuity.

HUMAN RIGHTS PROTECTION

PSBank, governed by its policies and code of conduct, upholds the human rights of its stakeholders, customers and employees.

GOVERNANCE ASPECT

ANTI-FRAUD AND ANTI-BRIBERY; GOVERNANCE ASPECT / ANTI-CORRUPTION / WHISTLEBLOWER PROTECTION

The Bank's Code of Conduct and Whistleblowing policies are in place to guide employees in reporting impropriety or malpractice committed by co-employee(s) or third party(ies). The whistleblower is protected from any form of harassment or retaliation as a result of any disclosure done in good faith. The Bank's Fraud Management Group uses several tools and industry best practices for early detection, prevention, and management of internal and external fraud.

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DATA MANAGEMENT AND SECURITY PRACTICES

The Bank's Data Privacy policies support the Data Security Framework. They ensure that all personal data and information are properly protected throughout their lifetime in the Bank – from the encrypted collection of data to storage and processing, and secured sharing and disposal should the need or requirement arise. These apply to its customers, third parties, employees and other stakeholders.

CUSTOMER PRIVACY

The Bank protects customer data through multiple layers of security, as well as policies that are closely intertwined with its business processes. The Data Protection Officer (DPO) is responsible for ensuring compliance with the guidelines and directives of the country's strict data privacy and confidentiality laws.

ETHICS AND INTEGRITY

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

FINANCIAL RISK MANAGEMENT

In managing its stakeholder value, the Bank ensures its enterprise risk management remains effective, robust and relevant through the major risk areas of credit, market and operational risks. The risk management activities cover: regular review and updating of risk management policies, risk limits and triggers, and tools, exposures identification, measurement and assessment, monitoring, control and reporting and promoting operational efficiency, compliance, risk awareness and management. These help the Bank maintain risk levels within low or zero appetite.

The Bank employs Sustainable Finance Framework (SFF) and Environmental and Social Risk Management (ESRM) policies to ensure integration of environmental, social, and governance criteria into its day-to-day business operations and its financial products and services.

On a regular basis, the Bank's Board reviews and ensures that the Bank's capital is strong, adequate and resilient to deliver its strategic plan and protect shareholder value within its risk appetite and tolerance.

For a complete discussion, please refer to the Annual Report disclosures on Risk Management.

REGULATIONS AND COMPLIANCE MANAGEMENT

The Bank continually strives to maintain a strong compliance culture in the midst of an ever-dynamic banking regulatory landscape. It proactively identifies, monitors, assesses, and addresses emerging compliance issues. It vigorously promotes continuing education through formal and informal trainings, compliance awareness programs, compliance testing, and advisory services through clear and open communication lines. The Bank also fosters a good corporate governance culture by benchmarking against industry best practices and standards.

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ECONOMIC IMPACT

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed

The country's economy continues to manifest signs of recovery from the disruptive changes brought about by the pandemic. Amongst the industry players that turn learnings to bring forth new strategies to help the economy build-back better, the Bank boosts its portfolios and ensures its risk mitigating measures remain robust to handle present and evolving risks, including environmental and social risks. The Bank meets its commitments to internal and external stakeholders through continuous rationalization such as for adequate and effective manpower complement, efficient operations, and adoptive strategies. These enabled the Bank to maintain its direct economic value at Php13.85 billion in 2023.

Shareholders and other capital payments amounted to Php1.28 billion or same level as the previous year. Employees' wages and benefits amounted to Php3.81 billion, or slightly higher by 4.70% than the cost incurred last 2022.

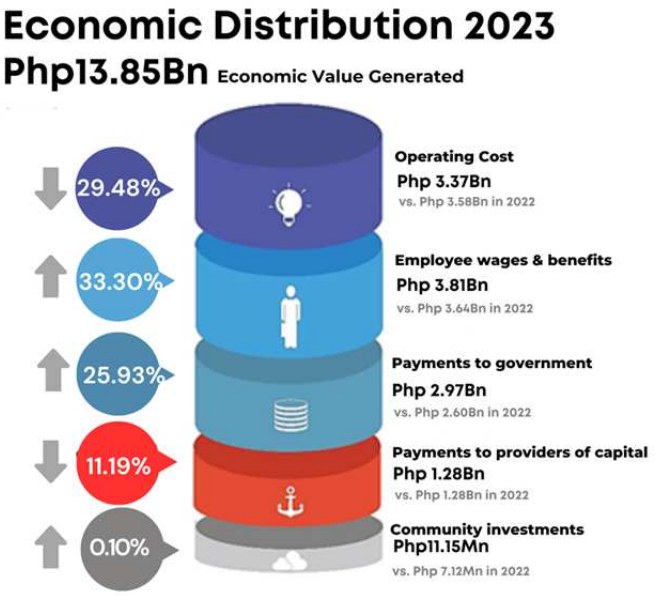
The Bank's operating cost for 2023 was Php3.37 billion which is lower by 5.86% compared to the Php3.58 billion in 2022.

Contributions to the government through tax payments and licenses amounted to Php2.97 billion, while contributions to the community through donations was Php0.01 billion.

EXHIBIT 2. ECONOMIC VALUE, December 2022 VS December 2023

ECONOMIC METRICS*	2022 DEC 31	2023 DEC 31	CHANGE	% CHANGE
Economic value generated	13.85	13.85	(0.003)	(0.02%)
Operating cost	3.58	3.37	(0.210)	(5.86%)
Employee wages and benefits	3.64	3.81	0.171	4.70%
Payments to providers of capital	1.28	1.28	0.000	0.00%
Payments to government	2.60	2.97	0.365	14.02%
Community investments	0.01	0.01	0.004	56.52%

* In PhP billion, except for Community investments



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PROCUREMENT PRACTICES

The Bank has internal procurement policies for submission, canvassing, approval, awarding, notification and recording of product or service requirements. It maintains its pool of accredited service providers or vendors based on sound criteria. The Bank may engage Metrobank-accredited partners whenever warranted. Purchase requests that are categorized for canvassing shall require price quotations from at least three service providers or vendors on the accredited list. The purchase shall be awarded based on economic cost and business benefits. Internal policies and regulatory requirements on Related Party Transactions are strictly enforced. The Bank ensures that it prioritizes its pool of local suppliers in every purchase and engages international suppliers as its last resort. In 2023, 79% of total spending or Php 3.4 billion was paid to its local suppliers. This share is higher by 7% compared to 2022 spending, and by 12% versus 2021 spending.

SUPPLY CHAIN MANAGEMENT

The Bank maintains a pool of more than 1500 active accredited local (98%) and international (2%) suppliers and service providers for operational needs. Prior engagement, suppliers are subjected to appropriate review process depending on the type of service if local or international, and whether the service falls under simple accreditation or qualifies as outsourcing. For continuing engagement, the Bank conducts annual performance evaluation of all its outsourced service providers.

The Bank enhances its review process based on evolving regulatory requirements and risk environment. In 2023, it added the Environmental and Social (E&S) Risk Assessment to the risk scoring of the outsourced service providers during initial approval and annual review for continuing engagement. In the next few years, the Bank shall help its suppliers and service providers to measure their environmental impact using tools that are widely accepted, and incorporate the results in their risk scoring.

ANTI-CORRUPTION

The Bank's anti-corruption programs and procedures are documented in the Bank's policies and procedures re: Reporting of Impropriety or Malpractice and Code of Conduct which include policies against Bribery and Corruption and provisions on (1) Disciplinary process; (2) General policies to establish a professional working environment and secure a favorable reputation for the Bank; (3) Corrective measures for unacceptable behavior or failure to comply with rules, such as on Financial Consumer Protection and on Anti-Money Laundering/Terrorism Financing/Proliferation Financing policies and procedures; (4) Schedule of penalties for attendance and punctuality, required corporate attire, conduct and behavior, dishonesty, health, safety and security, reporting of violations, and information security; and; (5) Provisions on management of personal finances, conflict of interest, bribery and corruption, anti-sexual harassment, non-disclosure of information, data privacy and information, and insider information.

GRIEVANCE MECHANISM FOR WHISTLEBLOWERS

The Bank believes that to be a successful financial institution, all its employee should conduct themselves with the highest level of integrity, honesty and professionalism.

The Whistleblowing policies require its employees to report any form of dishonesty, fraud, impropriety or malpractice committed by co-employee/s or third party or parties to the Group Heads or to the Customer Experience and Human Resources Group Head, the Fraud Management Group Head/Division Heads, or the Chief Audit Executive/Internal Audit Group Head, for evaluation if the case would warrant an investigation. Under the Code of Conduct, concealment or non-reporting is considered as an impropriety or malpractice in itself.

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A whistleblowing report must be made in good faith, believing it is true and not made maliciously or for personal gain. The whistleblower's identity and right to privacy is protected by the Bank to ensure that he/she is protected from any form of harassment or retaliation. The policies consider any attempt to determine the whistleblower's identity as a breach of confidentiality which is subject to disciplinary sanctions.

For 2023, there were no legal and regulatory fines and settlements associated with financial industry regulation that resulted from whistleblowing actions.

FINANCIAL INCLUSION AND LITERACY

The Bank continues to provide financial literacy to the country's banking public through its flagship campaigns – "Be Aware" and "Good to Know".

The Be Aware campaign aims to educate, update and increase the awareness on the latest scams and modus operandi that try to victimize unsuspecting clients as they perform their financial transactions. In 2023, the Bank released 322 materials through its Be Aware campaign on phishing, pharming, vishing, skimming, SMShing, email scam, social media scam, identity theft, check fraud, clickbaits, shopping scam, travel scam, unwanted loans and obligations, employment scam, and ransomware.

The Good to Know Campaign, on the other hand, aims to cultivate the value of saving and investing. It provides financial tips and trends to provide customers with comprehensive understanding of both existing and new bank products and services. This enables them to make informed decisions regarding saving and investment strategies. There are three (3) social media initiatives under the Good-to Know campaign. These are: (1) PSBankabulary which defines banking and financial concepts in a more "down-to-earth" language; (2) Simpleng Tanong (translates to Simple Questions) features actual frequently-asked questions raised by customers as a reaction to the ads posted on the Bank's social media pages; and (3) How To which guides users on how to access PSBank services/facilities and perform transactions like PaSend, mobile check deposit, mobile TD placements, and paying bills, among others.

The campaigns are presented in a consumer-relatable format that makes use of witty anecdotes and catchy phrases to ensure that the information can be understood and remembered by the banking public from all walks of life. These show how banking can be accessible, convenient and "simple lang" for everyone. The materials are released using 9 different channels to ensure wider reach: (a) PSBank Website "What's New" Section, (b) PSBank Social Media (Facebook, Twitter, Instagram), (c) PSBank Mobile app advisories/reminders (d) PSBank Online (Inbox) (e) Email blast to clients' personal email; (f) Press Releases; (g) SMS blast; (h) PSBank newsletters; (i) PSBank branch Q monitors.

In total, the Financial Inclusion and Literacy programs of the Bank reached 3.2 million in 2023 – excluding press releases issued in media for the general public.

EXHIBIT 3. FINANCIAL INCLUSION AND LITERACY REACH. FY 2022 VS FY 2023

2023
3.2M REACHED

2022
3.5M REACHED

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The Bank actively promotes financial literacy training within its workforce. In 2023, the Bank conducted 26 in-person targeted programs and deployed resources to better equip its manpower with the knowledge and skills necessary to make informed personal financial decisions. These were participated by 375 new employees and 80 existing personnel.

EXHIBIT 4. FINANCIAL LITERACY TRAINING. FY 2023

Name of Training / Seminar	Number of Runs	Target Participants	Total Participants
Financial Literacy for New Employees	23	New Employees	375
Financial Wellness	3	Branch and Head Office personnel	80

RESPONSIBLE INVESTMENT

The Bank's contribution to SDG 8 – Decent Work and Economic Growth as defined in its Sustainable Finance Framework is to promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all by increasing its non-retail portfolio specially its Small and Medium Enterprise (SME) loan portfolio. The Bank offers term loans, credit lines, letters of credit and trust receipts, bills purchase, and discounting lines which are integral to support SME capital requirements, acquisition of fixed assets, and funding for day-to-day operations. By financing the requirements of the country's SME sector, the Bank indirectly supports employment growth and boosts production of goods and services which in part contributes to the Philippine's National Development Goals to lower the country's unemployment rate by 2030.

Along with the country's continued economic expansion in 2023, consumer demand, supply chain and financial facilities opened up for the SME businesses. In support, the Bank increased grant of SME loans, ending at Php4.70 billion as of December 2023, or 14.17% higher than the Php4.12 billion from previous year. This covered several sectors, with the largest exposure attributable to Wholesale and Retail Trade & Repair of Motor Vehicles and Motorcycles at 23%, followed by Financial and Insurance Activities at 22.5%, and outperformed the Electricity, Gas, Steam and Air Conditioning Supply sector at 21.99%. In addition, the Bank's outstanding investment for community development stood at Php11.58 million and for ESG themed projects at Php498.42 million.

Total SME loans extended by the Bank to new clients reached Php2.23Bn in 2023, or representing a 76.50% increase over the previous year. This achieved 228.90% of the Bank's target contribution to SDG 8 – Decent Work and Economic Growth, and benefited the sectors of Non-Life Insurance, Services, Real Estate Buying, Selling, Leasing, Public Transportation and Construction.

The Bank anticipates further growth of SMEs throughout 2024, driven by factors such as a slowdown in inflation, expected easing of interest rates by BSP in the latter part of the year, ongoing government infrastructure spending and a vibrant economy.

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EXHIBIT 5. CREDIT LENDING FOR COMMUNITY AND SMEs, FY2022 VS FY2023

CREDIT LENDING	2022	2023
Credit Lending for Community		
Total amount of loans outstanding qualified to promote community development (Php)	24.02 million	11.58 million
Total number of loans outstanding qualified to promote community development	13	11
Credit Lending for SMEs		
Total amount of loans outstanding qualified to promote small business (Php)	4.12 billion	4.70 billion
Total number of loans outstanding qualified to promote small business	1,251	1,248

The Bank supports the Philippine government's move towards a greener mobility by financing hybrid and electric vehicles (EV) through its Auto loan facility. With the combined effort of its sales team from its branches and partner dealers, the Bank grew its hybrid and EV loan portfolio by more than 20% in 2023.

The Bank's approach to address climate change risks in its lending business continues to evolve. Diligent review of its existing processes, policies, and tools is carried out with the collaboration of the Bank's Credit, Risk Management and business units to ensure continued relevance, comprehensiveness and effectiveness.

EXHIBIT 6. SECTOR WISE CREDIT LENDING (COMMERCIAL & INDUSTRIAL CREDIT). FY 2022 VS FY 2023

UN SUSTAINABLE DEVELOPMENT GOAL CONTRIBUTIONS	INDUSTRY	2022		2023	
		Amount (in billion PhP)	% Share	Amount (in billion PhP)	% Share
1 – No Poverty	Loans to Individual for household and personal consumption	0.010	0.16%	0.010	0.14%
2 – Zero Hunger	Agriculture, Forestry and Fishing	0.071	1.09%	0.073	1.07%
	Human Health and Social Activities	0.061	0.94%	0.046	0.67%
4 – Quality Education	Education	0.015	0.23%	0.011	0.16%
6 – Clean Water and Sanitation	Water Supply, Sewerage, Waste Management and Remediation Activities	0.006	0.09%	0.013	0.19%
7 – Affordable and Clean Energy	Electricity, Gas, Steam and Air Conditioning Supply	1.336	20.61%	1.010	14.87%
8 – Decent Work and Economic Growth	Accommodation and Food Services Activities	0.049	0.76%	0.055	0.80%
	Activities of Households as Employers and Undifferentiated Goods-and-Services-Producing Activities of Households for Own Use	0.225	3.47%	0.155	2.29%
	Administrative and Support Service Activities	0.046	0.71%	0.074	1.08%
	Arts, Entertainment and Recreation	-	0.00%	0.016	0.24%
	Financial and Insurance Activities	1.263	19.49%	1.467	21.61%
	Manufacturing	0.311	4.80%	0.298	4.39%
	Other Service Activities	0.366	5.64%	0.560	8.25%
	Professional, Scientific and Technical Services	0.098	1.51%	0.106	1.56%
	Real Estate Activities	0.587	9.06%	0.652	9.60%
	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.251	19.31%	1.494	21.99%
9 – Industry, Innovation and Infrastructure	Construction	0.383	5.92%	0.390	5.74%
	Information and Communication	0.026	0.40%	0.023	0.34%
	Mining and Quarrying	0.001	0.02%	0.001	0.02%
11 – Sustainable Cities and Communities	Transportation and Storage	0.373	5.76%	0.338	4.98%
	TOTAL	**6.479**	**100%**	**6.791**	**100%**

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The Bank has identified three sustainable development goals as its areas of focus up to 2030 and plans to expand on its capabilities for the inclusive growth of the Philippines' Social and Environmental areas in the coming years.

SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK & ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable growth, full and productive employment and decent work for all.

2.23Bn new SME loans granted in 2023, or 220.89% achievement vs target

9 INDUSTRY, INNOVATION & INFRASTRACTURE

Build resilient infrastructure, promote inclusive and sustainable industralization and foster innovation.

16 Sustainable Technology solutions deployed in 2023 or 320% achievement vs. target

13 CLIMATE ACTION

The urgent action to combat climate change and its impact.

100% renewable energy for head office, **3.85% decrease in energy use**, or 123.20% achievement vs. target.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL COMPLIANCE

The Bank continues to manage the environmental impacts of its owned buildings and operations. Indirectly, it manages for its leased buildings through the lessors. Its certified Pollution Control Officers (PCOs) and Managing Heads (MH) for the head office and branch clusters across the country help monitor and report the Bank's compliance to environmental laws. It engages service providers as needed, to assist in meeting the various requirements for different environmental laws like RA 8749 known as the Philippine Clean Air Act of 1999, RA 6969 known as the Toxic and Hazardous Substances and Nuclear Wastes Control Act of 1990 and RA 9275 known as The Philippine Clean Water Act of 2004. In 2023, the Bank complied with the Environmental Compliance Certificate (ECC) requirement for cited one leased property and settled the applicable charges.

The Bank also complies to energy laws like RA 11285 or Energy Efficiency and Conservation Act. Its milestones include the migration to renewable energy source of its head office and one provincial branch. In 2023, it engaged a third party to perform level one (1) Energy Audit. Beginning 2024, the Bank will formalize its energy management plan and further rationalize its energy consumption. It will ensure the training and certification of select personnel as Energy Conservation Officers who shall assist the certified Energy Manager in the delivery of the energy management plan.

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EXHIBIT 7: ENVIRONMENTAL COMPLIANCE. FY 2022 VS FY 2023

	2022	2023
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Php20,000.00	Php10,000.00
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None	None
No. of cases resolved through dispute resolution mechanism	1	2

ECOSYSTEMS AND BIODIVERSITY

The Bank is conscious of the impact of its products, services and operations to the environment. For lending and investment, it implements limitations and exemptions on specific industries, such as those that may pose significant harm to the environment. This is complemented by the Bank's ongoing commitment to improve its capabilities in facilitating more sustainable finance practices.

Given available means and tools to reduce Green House Gas Emission (GHG), the Bank shall be more active in deploying its programs for improved energy consumption, such as regular energy audit, energy management plan, energy-efficient technologies, renewable energy, and modified procurement logistics.

The Bank has policies for selection of locations of its branches, off-site ATMs and warehouses. The standards include environmental and social risk assessment and mitigation.

In 2022, the Bank opened Rooftop 777 or the Bank's old rooftop that was transformed into a garden by its employees. The 306 sqm garden remained well kept and maintained in 2023, causing the Bank's People Experience Division to recognize and award employee groups that manifested exemplary plant upkeep, and greatest engagement of employees while using sustainable materials. The awarding is held quarterly and included the sharing by environmental practitioners on sustainability topics like urban farming and biking as an alternative transportation.

The Bank supports community initiatives, such as clean up drives and planting events. Five (5) Eco-Warrior club members participated in the Marikina River Clean-Up Drive on June 17, 2023. The clean-up drive removed trashes and litters along the walkways of Marikina River. In addition, four (4) eco-warriors participants joined the annual International Coastal Clean-Up Day on September 16, 2023, at SM by the Bay, Pasay City. The activity is one of the largest volunteer efforts for marine environment - gathering thousands of volunteers who helped in removing wastes and marine debris at the coasts of Manila Bay. Total of 5.7kg worth of trash was collected during the activity. Moreover, 6 eco-warriors club volunteers, participated in the Earth Day celebration by re-bagging 1,985 saplings at Million Trees Nursery and Eco-Learning Center, La Mesa Watershed, Quezon City. This is part of a bigger drive to plant 10 million trees by 2030 to save critical watersheds in the country.

OPERATIONAL GREENHOUSE GAS EMISSIONS

The Bank began measuring its GHG emission in 2019 with the help of an external service provider. It has since improved the data collection for energy, fuel and water consumption. This enabled the Bank to accurately measure the consumption based on actual data in its branch network, head office and warehouses. Automated teller machines (ATM) network continued to be measured in terms of averages.

It improved its internal capability to compute GHG emission with 2 risk officers trained in 2023 on technical GHG verification and calculation. It likewise maintained its bankwide GHG inventory to measure air pollutants in its premises.

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EXHIBIT 8: SCOPE 1 GHG CALCULATION. FY2022 VS FY 2023

Scope 1	2022	2023
Absolute emission (tCO2e)	85.98	68.30
Emission Intensity (tCO2e per million Php Revenue)	0.02	0.02
Emission Intensity (tCO2e per Full Time Employee)	0.03	0.02
Emission Intensity (tCO2e per Square Meter of Premises)	0.001	0.0005

The Bank used emission factor for diesel and petrol from UK Government GHG Conversion Factors for Company Reporting version 2023 and 2022 for applicable reporting years.

EXHIBIT 9: SCOPE 2 GHG CALCULATION. FY2022 VS FY 2023

Scope 2	2022	2023
Absolute emission (tCO2e)	3,777	3,643
Emission Intensity (tCO2e per million Php Revenue)	1.03	0.80
Emission Intensity (tCO2e per Full Time Employee)	1.37	1.29
Emission Intensity (tCO2e per Square Meter of Premises)	0.03	0.02

The Bank used 0.507 (t-cO2/MWh) emission factor for coal powered source as published by DOE for 2015 to 2017 power statistics.

ELECTRICITY CONSUMPTION

Majority of the Bank's energy consumption are attributed to the 250 branches (57.65%), followed by its head office (34.60%). Its ATM network consumed 6.97%, while warehouses at 0.78%. In 2023, the Bank's total renewable energy (RE) consumption is 5,939,515.07 KWH.

All of the Bank's renewable energy consumption in 2023 was for its head office. This registered a decrease of 3.76% (equivalent to 231,960.18 KWH) from the 6,171,475.25 KWH consumed last 2022. On the other hand, energy consumption from its branches in 2023 totaled to 9,895,898.15 KWH registering a 4.06% (418,844.41 KWH) decrease from the 10,314,742.56 KWH consumed in 2022.

The decrease in the energy consumption is attributed to the 100% conversion to LED light fixtures and signages in head office. There is also conscious energy saving efforts through the turning off of lights during lunch breaks from different head office units. In the branches, LED light fixtures and signages were installed to replace busted lights. Seven (7) branches that were relocated in 2023 used 100% LED in their light fixtures facilities.

In alignment with the Philippine Energy Plan, the Bank successfully powered its head office with 100% renewable energy source since March 2022. It continued its efforts on this front and energized its 1st solar branch in Los Banos, Laguna in September 2023, causing 40% of the Branch's energy requirement to come from solar power. This reduced the Branch's energy cost by P17,000.00 each month. The Bank will assess other branches that are qualified for conversion to solar power energy.

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FUEL CONSUMPTION

The Bank consumes fuel for both mobile and stationery combustion. In 2023, mobile combustion from bank owned vehicles used for collections, general services operations and other bank car services accounted for 87.30% at 110,666 liters. On the other hand, stationery combustion accounted for 12.70% or 16,094 liters for generator sets (genset) servicing the head office, branches and warehouses nationwide.

The absolute fuel consumption of the Bank stood at 126,760 liters for 2023, registering a reduction of 16.80% from its 2022 level (152,363 liters). This improvement is observed in its mobile combustion (lower by 20.32%). This can be attributed to improved bank vehicle trip itinerary planning, discontinuance of bank-owned armored vehicles effective June 2023 and is now outsourced to Metrobank Cash Center.

Fuel consumption of generators in Head Office increased by 36.29%, as compared to 2022. This is partly due to an isolated issue encountered on automatic transfer switch control panel that caused extended use of the 2 generators for 2 weeks. Branch fuel consumption for its generators likewise increased by 17.51% as compared to 2022. Fuel consumption for branch generator set was computed based on the total price of fuel bought divided by average price of diesel fuel for 2022 as published in doe.gov.ph.

EXHIBIT 10. FUEL CONSUMPTION. FY2022 VS FY2023 (in liters)

Fuel Consumption	2022	2023	% Change
Generator set – Head Office	1,400	1,908	36.29%
Generator set - Branches	12,072	14,186	17.51%
Transportation	138,891	110,666	(20.32%)
Total Consumption	**152,363**	**126,760**	**(16.80%)**

WATER USE

Water for the head office is supplied by a local water utility provider, while only a majority of the leased and owned facilities are supplied by local water utility providers.

For 2023, total water consumed at the head office was 29,791 cubic meters (m^3), which is 1.90% higher compared to 2022 level. This can be attributed to an isolated preventive maintenance of the chillers for the air-conditioning of the head office. An additional 404.12 m^3 of purified drinking water supplied by a service provider was also consumed in the Head Office for 2023. This compares to 320.10 m^3 consumed in 2022.

In total, water consumed by the Bank was 63,179 m^3, which is 20.13% lower compared to the updated 2022 level inclusive of HO mineral water (79,100 m^3). The branch network accounted for higher share in water consumption at 49.34% (31,935m^3). Head office registered 47.79% share at 30,195 m^3 while the leased warehouses' share stood at 1.66% (1,048 m^3).

There are 2 owned properties and 5 leased properties that used extracted water from natural resources (deep well). Their consumption was minimal at 765 m^3 and higher by 51.13% versus 506 m^3 level in 2022. Consumed water is discharged through the Bank's drainage system.

The Bank shall endeavor and explore efficient ways on how it can reuse or recycle its consumed water.

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EXHIBIT 11. WATER CONSUMPTION. FY2022 VS FY2023, (in m^3)

SOURCE	2022	2023	% CHANGE
Water Supplied	78,594	62,415	(20.59%)
Water Extracted	506	765	51.13%
Total	**79,100**	**63,179**	**(20.13%)**

Water use intensity normalized by square meter of floor area, employee and revenue were 0.414m^3/m^2, 22.02 m^3/full time employee and 13.77 m^3/mPHP revenue, respectively.

WASTE MANAGEMENT

The Bank continues to observe the proper disposal and segregation of physical wastes both in Head Office and its branches. This is enforced and monitored through the Greenhouse Keeping Program where departments are enjoined to participate and get evaluated based on their compliance. Non-hazardous and hazardous wastes continue to be disposed through city-accredited garbage collectors. In 2023, the Bank worked with its third-party service providers, requiring them to provide certification of proper disposal and handling of hauled wastes from its head office.

Total waste generated in 2023 was 247.92 tonnes, consisting of 99.59% non-hazardous waste and 0.41% hazardous waste. Non-hazardous wastes increased by 1.38% while hazardous wastes decreased by 94.08%.

As a service institution, the Bank's non-hazardous wastes come from paper, plastics, and scraps from its furniture, fixtures, equipment. Several initiatives came about to reduce these non-hazardous wastes. Single use plastic containers were banned from the Bank's canteen. Paper-based correspondences were converted to digital forms. Likewise, paper-based Statement of Account (SOA) and pin mailers were converted to electronic SOA and Green Pin. The Green Pin enabled clients to activate their PSBank ATM cards and change their PIN online through the PSBank corporate website, mobile and online banking channels. The projects caused a reduction in paper usage of 110 reams for e-SOA conversion and 2,451 Green PIN cards without PIN mailers, which also led to a reduction of 14,940 trips from the removal of physical statement deliveries for e-SOA and PIN mailers. With the Online account opening gaining traction, the Bank was able to conserve around 31,428 sheets of paper relative to the online opening of 10,476 new deposit accounts.

Wastes from scraps come from retired assets (i.e. furniture, fixtures and equipment) after long periods of use, wear and tear, and obsolescence. The Bank recognizes that this provides an opportunity for circularity. In early 2023, the Bank introduced a screening process before asset disposal to determine if such assets could have extended life and purpose through refurbishment, repair, recycling, upcycling, or upgrading. This resulted in a total of 68 office furniture and equipment with a weight of 1,878kg to become useful again and available for bank users. This reduced the Bank's non-hazardous waste and caused a P1.5Mn savings from unpursued new asset acquisition. In total, non-hazardous wastes consisted of 2.2% recycled by the service providers and 1.81% reused by the Bank.

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The Bank engaged its employees in circularity by launching the Donate a Recyclable campaign during its 63rd Anniversary. This was participated by seven (7) Head Office groups and generated 90.79kg of recyclables consisting of aluminum, E-waste (cellphones etc.) paper, and PET bottles.

EXHIBIT 12. WASTE DISPOSAL. FY2022 VS FY2023, (in tonnes)

TYPE	2022	2023	Total % CHANGE	Total % RECYCLED
Non-Hazardous Waste	243.53	246.90	1.38%	2.20%
Hazardous Waste	17.20	1.02	(94.08%)	0.00%
Total Wastes	**260.73**	**247.92**	**(4.91%)**	**2.20%**

SOCIAL IMPACT

PSBank has always been mindful of its social impact relative to providing financial products and services and its overall operations.

WORKFORCE DIVERSITY

The Bank believes in the value of diversity to promote innovation, inclusive growth, and a collaborative organizational environment.

It has 2,834 employees – 63.27% are female employees, and 36.73% are male. In terms of age, 68.81% are between ages 30 to 50 y.o., followed by the ones below 30 y.o. at 22.97% and those over age 50 y.o. at 8.22%.

The Bank's Board of Directors has 9 members, 2 of which are female or 22.22% of the board make-up.

EXHIBIT 13. PERMANENT/FULL TIME EMPLOYEES. December 2023

JOB LEVEL	AGE	GENDER		GRAND TOTAL
		Female	Male	
Rank and File	Under 30 y.o.	334	203	537
	30 to 50 y.o.	669	342	1,011
	Above 50 y.o	66	27	93
	Subtotal	1,069	572	1,641
Junior Management	Under 30 y.o.	57	52	109
	30 to 50 y.o.	299	180	479
	Above 50 y.o	12	9	21
	Subtotal	368	241	609
Middle Management	Under 30 y.o.	4	1	5
	30 to 50 y.o.	255	171	426
	Above 50 y.o	70	24	94
	Subtotal	329	196	525
Senior Management	Under 30 y.o.	0	0	0
	30 to 50 y.o.	16	18	24
	Above 50 y.o	11	14	25
	Subtotal	27	32	59
Grand Total		**1,793**	**1,041**	**2,834**

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WORKPLACE SAFETY AND LABOR PRACTICES

The Bank regularly launches programs to protect and sustain its workforce. Its spectrum covers mental health, physical fitness, workplace wellness, social connection, spiritual consciousness, and environmental stewardship. Proper health and sanitation protocols continued to ensure the safety of PSBankers.

In 2023, the total recorded incident rate (TRIR) ended at 35.07%, higher by 14.91% due to increase in medical consultation by employees. Near Miss Frequency Rate (NMFR) recorded at 0%. There was no incident of work-related death in the reporting year.

EXHIBIT 14. WORKPLACE SAFETY. FY2022 VS. FY2023

WORKPLACE SAFETY	2022	2023	% CHANGE
Total recordable incident rate (TRIR)	20.16%	35.07%	14.91%
Near miss frequency rate (NMFR)	0.00%	0.00%	0.00%

The Bank ensures it provides a competitive compensation and benefit package for its employees based on remuneration policies approved by the Board. In addition, it recognizes employees that meet and exceed performance standards. This is determined by measuring output versus committed plans which include activities for the Bank's sustainable operations, products and services.

As a unionized organization, the Bank maintains an agreement with the PSBank Employee's Union (PSBEU) with the intent and purpose of promoting and improving the economic and social relationship between the Bank and the Union through the Collective Bargaining Agreement (CBA) held every three years. The CBA covers 58.93% of the Bank's workforce covering all rank and file employees including probationary employees. It establishes a better understanding relative to the rates of pay, hours of work and other terms and conditions of employment, providing expeditious means for the amicable adjustment of all industrial disputes, and to otherwise mutually confirm industrial peace and harmony. It also highlights the commitment of both management and union to help combat climate change. Section 21, Article XIV of the CBA Handbook stipulates this: *"The BANK and the UNION jointly agree to actively discuss the challenges of Global Climate Change in the regular dialogues set forth by both parties. Climate Change awareness shall be discussed during the Labor-Management Council and/or disseminated through BANK media channels."*

Section 17 of the CBA Handbook also states *that, "The BANK and the UNION agree to cooperate in promoting and developing measures to eliminate gender-based violence, harassment, and discrimination in the workplace. The Bank and UNION shall ensure that the laws, rules, and regulation protecting and recognizing the rights of the employee based on gender, including but not limited to, Republic Act No. 9262 or the Anti-Violence Against Women and their Children Act of 2004, and Republic Act No. 6725, or the 'Act Strengthening the Prohibition on Discrimination Against Women with Respect to Terms and Conditions of Employment', are observed at all times".*

EXHIBIT 15. COLLECTIVE BARGAINING AGREEMENT. FY2022 VS FY2023

Collective Bargaining Agreement	Unit of Measurement	2022	2023
Coverage	# of Employees covered (members and non-members)	1,593	1,571
Union Members	# of Employees	1,593	1,571
Total Population of Eligible Rank-and-File	# of Employees	1,593	1,571

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The Bank and PSBEU continue to align regularly through the Labor Management Council (LMC) appropriately called Talks on Employee Affairs and other Matters or TEAM. The Council is composed of three representatives each from management and union and meets once a month to discuss any or all matters affecting the employees of the Bank.

Employee discipline management under People and Labor Relations Department registered faster average turnaround time for employee case handling from 9.37 days in 2022 to 7.5 days in 2023.

There were no legal actions nor employee grievances involving forced or child labour, gender-based violence, harassment and discrimination during the year.

EMPLOYEE BENEFITS

The Bank has always been committed to provide several government-mandated and voluntary benefits to its employees such as leaves, salary loans, several loans options, medical benefits, and other benefits. Many of the benefits administration activities are done via the Bank system for greater efficiency of service delivery to employees and their dependents. Exhibit below shows the benefits availed by its employees for 2023.

EXHIBIT 16. EMPLOYEE BENEFITS AVAILMENT. FY2023

EMPLOYEE BENEFITS	TYPE	Female	% to Total	Male	% to Total
Statutory: SSS	Salary / Emergency Loan	392	18%	179	7%
	Sickness Benefit	28		17	
	SSS Maternity Benefit	87		0	
Statutory: PhilHealth	HMO In Patient Report	109	4%	36	1%
Statutory: Pag-IBIG	MPL / Calamity Loan	189	7%	70	2%
PSBank Medical Benefit	Medical Subsidy	1809	64%	1032	36%
PSBank Loan	Home Equity Loan	50	1%	30	1%
	Salary Loan	29		27	
	Car Loan	2		0	
PSBank Teller's Incentive *(Entitlement based on internal policies)*	Teller's Incentive Allowance	559	74%	200	26%
PSBank Burial Assistance	Burial Assistance	103	4%	59	2%
PSBank Board Passer's Incentive	Board Passer's Incentive	1	0%	2	0%
PSBank Group Life Insurance	Death Benefit	3	0%	3	0%
Company stock options		N/A	N/A	N/A	N/A
Telecommuting		N/A	N/A	N/A	N/A
Flexible work arrangement		1,793	63%	1,041	37%

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EXHIBIT 17. LABOR PRACTICES. FY2023

LABOR PRACTICES	2022	2023
Voluntary turnover rate for employees	10.27%	10.07%
Involuntary turnover rate for employees	0.93%	0.83%
Total amount of monetary losses as a result of legal proceedings associated with labor law violations and /or employment discrimination	None	None
Percentage of employees earning minimum wage	0.00%. The Bank provides wages above minimum rate.	

The compulsory retirement age for regular employees (officers and staff) is at 55 years old based on the Bank's Retirement and Gratuity Plan duly approved by the Bureau of Internal Revenue. To aid in workforce planning, HR reviews the roster of employees and prepares for these expected employee movements for a smooth transition for both the retiring employee and affected business unit. The Bank accords deferential treatment and provides off-boarding kit containing send-off tokens and mementos to retired employees.

Voluntary turn-over rate in 2023 was lower at 10.07% alongside a lower involuntary turnover rate for employees at 0.83%. The decrease was caused by many factors, such as improved employee satisfaction and better employee engagement based on WES 60 survey results.

EXHIBIT 18. BASIC REMUNERATION. FY2022 VS. FY2023

RATIO OF BASIC SALARY AND RENUMERATION OF MEN TO WOMEN	UNIT OF MEASUREMENT	2022	2023
Rank-and-File	Ratio	Approx. 1:1	Approx. 1:1
Junior Management	Ratio	Approx. 1:1	Approx. 1:1
Middle Management	Ratio	Approx. 1:1	Approx. 1:1
Senior Management	Ratio	Approx. 1:1	Approx. 1:1

EXHIBIT 19. EMPLOYEE TURN OVER-RATES. FY2022 VS. FY2023

DEMOGRAPHY	UNIT OF MEASUREMENT	VOLUNTARY TURN OVER				INVOLUNTARY TURN OVER			
		2022		2023		2022		2023	
		Female	Male	Female	Male	Female	Male	Female	Male
BY RANK									
Rank-and-File	Rate	4.29%	3.33%	5.19%	6.53%	0.45%	0.70%	0.28%	0.38%
Junior Management	Rate	2.26%	4.13%	2.45%	2.02%	0.06%	0.10%	0.11%	0.29%
Middle Management	Rate	1.86%	3.12%	1.78%	1.83%	0.34%	0.30%	0.28%	0.58%
Senior Management	Rate	0.00%	0.20%	0.06%	0.38%	0.06%	0.00%	0.06%	0.00%
BY AGE									
Under 30 y.o	Rate	1.66%	1.45%	2.22%	1.62%	0.11%	0.04%	0.14%	0.11%
30 to 50 y.o	Rate	3.25%	2.75%	3.56%	2.19%	0.04%	0.25%	0.28%	0.32%
Over 50 y.o	Rate	0.47%	0.61%	0.21%	0.14%	0.43%	0.11%	0.04%	0.04%

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EMPLOYEE WELL-BEING AND ENGAGEMENT

Physical Well-being

The over-all employee well-being and workforce wellness remain in the Bank's top priorities. In 2023, the Bank organized campaigns for wellness based on the results of the annual physical exam of its employees. These include the following programs:

- Funwalk for head office and Metro Manila-based employees in Quezon Memorial Circle
- Localized sportsfests (1 for Cebu-based employees, 1 for South Luzon - Batangas, Cavite, Quezon, and Laguna branches, 1 for North and Central Luzon-based employees, 1 for Davao and Mindanao-based employees). The activities included Zumba, nature walk, cheerdance, basketball, beach volleyball, badminton, and other fun indoor games.
- Basketball tournament for men with 2 seasons in 2023 and consisted of 12 to 14 teams. This compares to 0 tournament during pandemic.
- Volleyball tournament for women which consisted of 4 teams.

Access to medical assistance and services are always readily available to the Bank's employees.

- Health insurance plan renewed annually for its employees and enrolled dependents
- Annual Physical Exams. Availment through the mobile APE increased to 247 employees in 2023 from 101 in 2022.
- Vaccinations such as for flu, pneumococcal and cervical vaccines. Availment for flu vaccine increased to 418 in 2023 from 246 in 2022, while pneumococcal vaccine increased to 89 from 85 in 2022. Cervical vaccines were availed by 47 female employees in 2023.

Other programs facilitated by the Bank for its employees are the following:

- Wellness forums. Total 299 employees participated.
- Blood donation drive. Total donated bags increased to 101 bags in 2023 from 31 bags in 2022.
- Bike ride activities. 18 members of PSBikers' Klub joined for wellness, while 2 joined the Pedal for People and Planet campaign in Quezon City in 2023.

Mental and Spiritual Well-Being

The Bank continues its mental and emotional support initiatives:

- Wellness infographics and video series. 35 infographics and 4 video materials were released in 2023.
- Psychological consultations and voluntary mental and well-being check-up with the Bank's resident psychologists
- Online and hybrid forums on mental health. There were 4 sessions attended by over 100 participants.
- Celebration of mass and religious fellowships

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EXHIBIT 20. MENTAL HEALTH FORUM ATTENDANCE. FY2023

DEMOGRAPHY OF PARTICIPANTS		FEB-IBIG MENTAL HEALTH FORUM		BE KIND TO YOUR MIND: A TALK ON STRESS		EMOTIONAL RESILIENCE: MANAGING LIFE'S UPS AND DOWN	
		Count	% to Total	Count	% to Total	Count	% to Total
Non-Executive (Rank and File)							
Gender	Male	8	22%	17	25%	4	9%
	Female	28	78%	50	75%	41	91%
Age	Under 30 y.o	13	36%	30	45%	8	18%
	30-50 y.o.	19	53%	35	52%	32	71%
	Above 50 y.o.	4	11%	2	3%	5	11%
Location	Branch	21	58%	28	42%	23	51%
	Head Office	15	42%	39	58%	22	59%
Subtotal		36		67		45	
Executive (Officers)							
Gender	Male	4	13%	13	22%	8	13%
	Female	27	87%	46	78%	53	87%
Age	Under 30 y.o	3	10%	7	12%	4	6%
	30-50 y.o.	24	77%	46	78%	54	89%
	Above 50 y.o.	4	13%	6	10%	3	5%
Location	Branch	12	39%	30	51%	26	43%
	Head Office	19	61%	29	49%	35	57%
Subtotal		31		59		61	

Occupational Safety and Health

The Bank ensures it has adequate pool of first aiders and safety officers. In 2023, there were 160 newly certified First Aiders and 51 newly-certified Safety Officers after completing trainings on Occupational First Aid and Basic Occupational Safety and Health.

The Bank ensures preparedness for emergency situations with continuous awareness through virtual training, mandatory exam, media releases, general assemblies, and huddles across the Bank. Emergency drills are carried out to reinforce the learning. In all the drills, the employees are expected to bring their grab bags which contain the minimum emergency supplies such as water, bandage, flashlight, biscuit, among others. The basic earthquake drill exercise was conducted for all head office units on November 17, 2023. All Branches, on the other hand, held their drill from October 20 to November 15, 2023. Fire safety drills were likewise conducted during the drill.

Employee Engagement

The Bank continues to commit to better employee engagement and sound employee experience. A combination of in-person and virtual platforms is used to connect with colleagues across the Bank.

To know, understand and take action on the voice of the employees, the Bank issues the internally-developed annual survey on Workforce Engagement (WE) consisting of 60 items. The methodology uses a 5-point scale "Strongly disagree, Disagree, Neutral, Agree, Strongly Agree" to generate a WE-Score or WES-60 and the universal employee-Net Promoter Score (e-NPS).

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Results for 2023 are provided below:

- For WES-60 – All dimensions of workforce engagement were rated very high as follows:
  - Dedication (3.86/4.00)
  - Job Performance (3.81/4.00)
  - Working Relationships (3.82/4.00)
  - Company Support (3.71/4.00); and
  - Company Policies and Goals (3.90/4.00)

- For e-NPS, the Bank registered +85, with only 45 detractors bankwide.

EXHIBIT 21. EMPLOYEE ENGAGEMENT. FY2022 VS FY2023

EMPLOYEE ENGAGEMENT SURVEY PARTICIPATION	UNIT OF MEASUREMENT	2022	2023
Male Employees	% Participated in survey	99%	99%
Female Employees	% Participated in survey	99%	99%

Employee Training and Development

The Bank remains cognizant that training and education are critical components of the goal to strengthen employee skills and competencies, aside from professional and personal development. To achieve these, mandatory courses and minimum training hours are defined by job function.

The PSBank Business Campus (PBC) operates as a strategic business hub, deploying accelerated, targeted, and immersive programs for continuous employee learning and development. In 2023, it conducted 1,053 internal training programs, an increase by 79.39% compared to prior year. In terms of training hours, 2023 training hours completed totalled at 99,808 hours or higher by 125.52% versus last year.

EXHIBIT 22. EMPLOYEE TRAINING AND DEVELOPMENT. FY 2022 VS FY 2023

EMPLOYEE TRAINING	2022	2023	Change
Total training hours completed	44,256	99,808	125.52%
Total training hours conducted	44,256	45,344	2.46%
Total expenditure on employee training programs (Php)	4,904,393.00	5,510,595.37	12.36%
Total trainings conducted	587	1,053	79.39%
Percentage of employees receiving regular performance and career development reviews	100%	100%	0%

Other milestones include the following:

- 375 new employees attended in-person New Employees Orientation (NEO). They also participated the year-end session for new hires to amplify the Voice of the Employees through sharing of ideas, suggestions and concerns, and improve the employee on-boarding experience / journey.

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- 105 graduates participated the Commencement Exercises of the PSBank Business Campus from the following programs:
  - Management Training/Ladderized Programs. A total of 45 management trainees completed the Ladderized Programs for the following teams: Branch Banking (1), Credit and Collections (5), CX Operations (2), Decision Management and Analytics (3), Human Resources (3), Finance (2), Fraud Management (1), Indirect Sales Channel (3), Information Security (3), Information Technology (14), Internal Audit (4), Marketing (2), Support Services (2). As part of the Bank's Succession Planning, these trainees filled vacancies for Junior Officer roles.
  - The Bank's first countryside run of Staff Professional Enhancement and Educational Development – Accelerated Learning Program (SPEED AX-L). A total of 11 branch personnel from Visayas and Mindanao branches completed the program.
  - IT Officership Program. This is the Bank's flagship management program to develop Systems Analysts, Network Specialists, and Systems Engineers. A total of 11 new hires completed the program in 2023.

- 26 faculty members of the PSBank Business Campus attended proficiency building session for improved syllabus design and training plans. This was facilitated by an external provider.

- 53 junior officers assigned in head office joined the leadership summit on June 15, 2023.

- 84 newly-certified CSA-NACs were also produced in the four (4) cycles of NAC Step-Up Program in 2023.

- 439 Branch Banking personnel attended the Branch Operations Upgrade Training (BOUT) to reinforce roles and responsibilities on internal controls, risk management, customer experience, employee engagement and discipline, and operational efficiency.

- 34 participants from Eco-Warriors Club, PSBikers Klub, and Adopt-a-Green Spot leads joined the forum on Green Normal: An ECOnversation for the People and Planet, to promote alternative mobility measures, and eco-friendly practices.

- 10 Adopt-a-Green Spot leads joined the half-day urban farming workshop on Take a Root Farm Day by Move to Change Foundations Inc last September 16, 2023, and learned farmers' tips on urban farming and circular economy.

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EXHIBIT 23. EMPLOYEE TRAINING AND DEVELOPMENT – LEARNER'S DIVERSITY. FY2022 VS FY2023

LEARNERS' DIVERSITY	DEMOGRAPHY	2022		2023	
		TRAINING HOURS	% to Total	TRAINING HOURS	% to Total
Age	Under 30 y.o	9,600	21.69%	29,312	29.37%
	30-50 y.o.	31,328	70.79%	67,088	67.22%
	Above 50 y.o.	3,328	7.52%	3,408	3.41%
Gender	Male	15,888	35.90%	34,867	34.93%
	Female	28,368	64.10%	64,942	65.07%
Rank	Non-officers	26,080	58.93%	51,749	51.85%
	Officers	18,176	41.07%	48,059	48.15%

JOB LEVEL	AGE	2023 TRAINING HOURS BY GENDER		GRAND TOTAL
		Female	Male	
Rank and File	Under 30 y.o.	13,094.50	9,768.00	22,862.50
	30 to 50 y.o.	16,525.00	7,895.50	24,420.50
	Above 50 y.o	432.00	344.00	776.00
	Subtotal	30,051.50	18,007.50	48,059.00
Junior Management	Under 30 y.o.	4,038.00	2,297.50	6,335.50
	30 to 50 y.o.	22,440.50	10,389.50	32,830.00
	Above 50 y.o	817.00	140.00	957.00
	Subtotal	27,295.50	12,827.00	40,122.50
Middle Management	Under 30 y.o.	62.50	51.50	114.00
	30 to 50 y.o.	5,871.00	3,390.50	9,261.50
	Above 50 y.o	1,211.00	218.00	1,429.00
	Subtotal	7,144.50	3,660.00	10,804.50
Senior Management	Under 30 y.o.	0	0	0
	30 to 50 y.o.	242.00	334.00	576.00
	Above 50 y.o	208.00	38.00	246.00
	Subtotal	450.00	372.00	822.00
GRAND TOTAL		**64,941.50**	**34,866.50**	**99,808.00**

Customer Management

The Bank's vision and mission are directed towards prioritizing its stakeholder experience. It continues to provide top-quality customer service experience by using the latest technology and robust customer handling processes.

It ensures that its clients can easily raise their concern through its different customer touchpoints. Any inquiry, request, or complaint can be submitted via the 24/7 CX support (available via chat in the Bank's digital platforms and call using the hotline), 2-way SMS, e-mail, official social media accounts or in-person at any branch or in the head office.

A total of 717,305 concerns and requests were received and addressed by the Bank for 2023.

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EXHIBIT 24. UTILIZATION PER CHANNEL. FY 2022 VS 2023

CHANNEL	2022	2023
CX Hotline	212,227	224,243
Email	575,525	206,226
CX Email	305,268	115,268
Online Banking	186,640	60,285
Collections	83,617	30,673
Walk-in	10,979	10,307
Live Chat	74,211	81,168
Social Media	214,209	133,439
2-way SMS	2,336	61,922
TOTAL	**1,089,487**	**717,305**

Average handling time is 8 minutes for calls received via PSBank Hotline, 4 minutes for Live Chat, and 10 minutes for walk-in clients. In 2022, Bayanihan 2-related inquiries were received via email and social media. The same nature of inquiries reduced in 2023, causing the drop in total channel utilization. It was observed also that customers utilized the 2-way SMS more in addressing immediate concerns.

Customer concerns are addressed and resolved using the 4 step-customer issues process within established turnaround time standards, in accordance with the regulations of BSP and the policies established by the Bank. Customer Experience Operations Division and the Bank's CX Council manage, escalate and monitor the issues and complaints from the time of receipt until full resolution.

With the adoption and integration of digital technology, coupled with strong data analytics, the Bank is able to generate better customer insights and identify process improvements or system enhancements whenever necessary to live up with the customer expectation.

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GOVERNANCE

DATA PRIVACY AND INFORMATION SECURITY

The Bank takes data privacy and information security very seriously. It protects its subjects' (i.e. employees, clients and customers, suppliers, and other stakeholders) data through multiple layers of security in its infrastructure and policies, which are closely intertwined with business processes, such as but not limited to the following:

- Bank applications that collect data from clients use strong network encryption and go through a rigorous and regular application security testing by both internal and 3rd-party security testing teams.
- Critical databases in the Bank are actively monitored for suspicious activities.
- Additional approvals from the Data Protection Officer (DPO) and the Chief Information Security Officer (CISO) are required before any client data can be exported, extracted, processed or shared with other groups in the Bank or with 3rd-party entities.
- Secure disposal of hard drives is in place such that digital data are securely wiped out and the drives physically destroyed beyond recovery.
- Security controls are in place for remote VPN and Bring Your Own Device (BYOD) users where the Bank utilizes Mobile Device Management (MDM) technologies to separate company data from personal data in the personal devices of employees.

These are aligned with the Bank's processes that adhere 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).

Aside from the Bank's Information Security and Cyber Security policies and procedures, its Board-approved Data Privacy Policy Manual 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 its 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.

The Bank's Data Protection Officer (DPO) is responsible for ensuring compliance with the guidelines and directives of the country's strict data privacy laws and is also tasked with creating a culture of heightened awareness in data privacy within the Bank through employee trainings and awareness campaigns. The Information Security Division (ISD) supports this objective with the mandatory information security training for the Bank employees, security awareness campaign for its partners and third-party service providers and the "Be Aware!" fraud awareness program for its customers. Security awareness modules are likewise included in the Bank's ladderized program curricula. The learning collaterals are released every month through the Bank's internal Workplace platform. Phishing email simulations are conducted throughout the year to ensure that all employees and business partners remain vigilant and adhere to the Bank's security processes for a more secured banking. In 2023, simulation victim rate was 1.67%, lower than the industry level of 20%. The Bank's Code of Conduct provides a handling process for repeat victims of the simulation.

As of December 31, 2023, a total of 862,433 individual customer data were maintained by PSBank and, to date, the Bank has not suffered any data security breaches in its systems. There was no incident of data privacy breach required to be reported to the NPC. For more information on PSBank's Data Privacy Policy, you may refer to: https://www.psbank.com.ph/footer/privacy-policy.

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SYSTEMIC RISK MANAGEMENT

PSBank undertakes ICAAP exercise which helps in the proactive determination of whether the Bank's qualifying capital can support its mid-term risk asset growth based on various economic and regulatory factors, both domestic and international. Financial projections are generated based on the company's outlook over a 5-year period, under "normal" economic growth indicators. This base case scenario is then subjected to stress indicators, which include assumptions to stress the Bank's Capital Adequacy Ratio (CAR). The Bank uses various scenarios or simulations to stress the base case with minimal or no management intervention to obtain a "black swan" environment, if possible. This includes impact assessment of environment-related events such as earthquake and volcanic eruption. The purpose of these stress scenarios is to test the Bank's capital strength and resilience against adverse conditions.

In the past 3 years, the stress scenarios used were as follows:

- COVID-19 Pandemic / Prolonged Pandemic
- Global Economic Recession
- Real Estate Bubble
- Auto Industry Stress from Domestic and/or International Issues
- The Big One: Major Earthquake in the West Valley Fault Line
- Aggressive Government Push on Environmental, Social and Governance Initiatives
- Geopolitical Crisis: China-US Proxy War Breaks Out within Philippine Territory and West Philippine Sea

Embedded in the ICAAP process is the determination of remedial actions to mitigate the effects of financial decay during stress situations that may result in the deterioration of the capital adequacy ratio. These remedial action plans include, among others, reduction of operating and capital expenses, evaluation of investment strategies, sale of non-performing assets and additional capital infusion.

Results of the ICAAP exercise show that the Bank is in a strong capital and liquidity position. Based on each stress scenario, the Bank has an appropriate recovery strategy and is capable of weathering these stresses for the next five years.

BUSINESS ETHICS

PSBank subscribes to and adopts the State's policy to protect the: (1) integrity and confidentiality of accounts and to ensure that they shall not be used as a vehicle to legitimize the proceeds of unlawful activity, facilitate/finance terrorism, or proliferate/finance the proliferation of weapons of mass destruction; and (2) life, liberty and property from acts of terrorism by condemning such acts and those who support and finance them as a crime against the Filipino people, against humanity and against the law of nations. PSBank ensures that it executes all transactions with its customers in accordance with the Anti-Money Laundering (AML) / Counter Financing of Terrorism (CFT) / Counter Proliferation Financing (CPF) policy guidelines, procedures, tools, and controls set forth in its regularly updated Money Laundering and Terrorism Financing Prevention Program (MTPP). Its MTPP, as posted in its intranet site for the guidance of all implementing personnel, primarily revolves around the basic AML/CFT/CPF controls required under existing AML/CFT/CPF laws, rules and regulations, namely:

1. Know Your Customer (KYC)/Customer Due Diligence (CDD) and Know Your Employee (KYE).
2. Ongoing monitoring of customers and their transactions.
3. Covered and Suspicious Transactions Reporting.
4. Records keeping and retention.
5. Employee training and continuing education.
6. Compliance with Freeze Orders, KYC requests, bank inquiries, Targeted Financial Sanctions and other AML/CFT/CPF rules and regulations of the Anti-Money Laundering Council (AMLC) and the Bangko Sentral ng Pilipinas (BSP).

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Compliance with the requirements of this MTPP is continuously monitored by the Board-designated AML Compliance Officer (AMLCO) under the Compliance Office as the lead implementer.

PSBank values all information received from whistle blowers and/or anonymous sources. It encourages all stakeholders to communicate, confidentially and without the risk of reprisal, legitimate concerns about illegal, unethical or questionable practices and transactions entered by any of its employees and officers. Its whistleblowing policies provide guidelines for reporting and handling of incidents.

The anti-corruption policies of the Bank form part of the Bank's Code of Conduct, particularly under its provisions for anti-bribery and corruption. Violation of this Code merits the imposition of disciplinary sanctions/penalties ranging from reprimand, suspension to dismissal. The anti-corruption programs and procedures such as Reporting of Impropriety or Malpractice are likewise embodied in the Bank's whistleblowing policies.

EXHIBIT 25. GOVERNANCE INDICATORS. FY2023

GOVERNING POLICIES	
Total amount of monetary losses as a result of legal proceedings associated with money laundering	None
Anti-money laundering policy in place?	Yes
Whistle-Blower Protection Policy in place?	Yes
Anti-corruption policy in place?	Yes

STAKEHOLDER MANAGEMENT

PSBank defines "stakeholders" as those individuals and organizations that are affected or affect the Bank's business. It is committed to use its resources and relationships to influence its stakeholders to adopt and integrate sustainable business practices. Its stakeholders are classified into groups based on their interests and needs.

For its **customers**, PSBank provides products and services that are known for being simple and maaasahan (reliable). In addition to having a network of 250 branches and 556 ATMs strategically located nationwide, it offers 24/7 banking services through PSBank Mobile and PSBank Online. The Bank is also accessible to customers through its Customer Experience Hotline, PSBank LiveChat, ISSA Chatbot, PSBank Official accounts on social media and thru 2-way SMS. Its Interactive SMS facility enables loan borrowers to inquire and get loan balances real time. With PSBank QR and a few taps on PSBank Mobile or a few clicks on PSBank Online, client may instantly (a) request or receive funds; (b) send or transfer funds from PSBank account, third party accounts, or other QRPh participating institutions; and (c) pay to QRPh participating merchants.

PSBank also continues to provide financial literacy through its award-winning financial literacy campaigns, "Be Aware!" and "Good to Know". The Bank has adequate information security and data protection policy guidelines, procedures, and control measures pursuant to regulatory and industry standards on data privacy, cyber security and financial consumer protection.

PSBank places high importance on the well-being, diversity, and development of its **employees.** It ensures a workplace that promotes safety, teamwork, and work-life balance, thus, helping them achieve their potentials. The Bank provides comprehensive compensation and benefit packages; and strives for employee retention through talent management and professional development programs. Its Personnel Committee (PERCOM) oversees the evaluation of performance and career advancement of its employees, provides decisions on employee offenses/administrative cases, and reviews personnel policies and procedures, including the Code of Conduct. Its Retirement Committee exclusively administers its Gratuity and Retirement Benefit Plan.

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For its **service providers**, PSBank abides by Board-approved policies and regulations on engaging third-party suppliers or service providers covering accreditation, outsourcing, performance monitoring and renewal. These include materiality assessment for outsourced services, covering (1) importance and impact, (2) cost efficiency, (3) exposure to service provider, (4) controls and compliance and (5) data protection. The criteria for Environmental and Social Risks assessment are provided in the outsourcing scorecard.

MARKETING AND LABELLING

The Bank's Financial Consumer Protection (FCP) policies provide due guidance and direction for implementing the Bank's consumer protection standards and strategies. One way these are adopted is through sound and compliant marketing and labelling practices and materials resulting from defined layers of review and approval from relevant product managers and business units. Third party service providers for marketing undergo accreditation process and are required to comply with the Bank's standards on consumer protection. In 2023, the Bank did not receive any citation of non-compliance concerning product and service information and marketing communications.

INNOVATION AND TECHNOLOGY

The third focus SDG of the Bank is SDG 9 – Industry, Innovation and Infrastructure. The Bank endeavours to contribute and continue to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Its initiatives aim to benefit its stakeholders through sustainable innovations on people, property and facilities, systems, policies and procedures, and products and services.

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In order to support the development of sustainable products and services, and deployment of efficient operations, the Information Technology Group is beefed up with highly skilled personnel who are up to date with latest and more effective technology solutions. They undergo professional development programs relevant to the product or project requirements.

In 2023, the Information Technology Group considered inclusion of the sustainability benefits (and impact) in the documentation and review of system requirements and IT projects. Likewise, 28 technology projects were deployed, with highlights described below.

1. **People**

   To improve both employee and client experience and service, in-house system enhancements were deployed during the year. For employees, their training and health data and certificates are recorded and accessible any time through in-house iWORX, the Bank's HR-system. For clients, transaction data retrieval has more ease for faster processing of requests and compliance to regulatory requirements.

2. **Property, Facilities and Systems**

   Migration to Confluent Kafka Cloud was completed in 2023, resulting to faster and more stable inward and outward InstaPay processing of the Bank's Payment Gateway.

   The Bank's system upgrade projects continue to address risks associated with obsolescence or unsupported application. Its systems keep on improving for better security and performance. Digitization efforts are pursued to further reduce paper consumption for Bank transactions and correspondences. Systematic and efficient means of tracking the Bank's furniture, fixtures and equipment provide useful tool for practicing circularity.

3. **Products and Services**

   The Online and Mobile Banking facilities were enhanced to provide clients the facility to request ATM card, activate card, change/nominate pin in place of the existing pin mailer.

   The system security controls were strengthened through: (1) application of stricter customer due diligence, (2) implementation of non-reusable One Time Pin (OTP) that is valid for 1 minute only, (3) implementation of 2-way SMS in registering new device, and (4) real-time monitoring and alerts on customer transactions for fraud prevention.

   Payment to Biller (P2B) via QR Codes was also introduced for QRPh participating billers. This makes bills payment more convenient for clients.

   Migration of twenty-eight (28) major systems to LinuxOne Mainframe and FS9200 Storage was completed, resulting to faster processing and higher availability of the production systems.

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SUSTAINABILITY DATA MAPPING PER SEC GUIDELINES

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

SEC Standard Disclosure Requirement	PSBank Sustainability Report Section
Contextual Information	About PSBank; Board Statement; Introduction; Management Approach - Geographical Positioning and Management, Brand Positioning and Management; Scope
Materiality Process	ESG Materiality and Management Approach
ECONOMIC	
Economic Performance – Direct Economic Value Generated and Distributed	Economic Impact - Economic Performance
Climate-related risk and opportunities	Economic Impact: Financial Inclusion and Literacy Responsible Investment; Governance – Systemic Risk; Management Approach – Economic Aspect, Market Presence
Procurement Practices – Proportion of spending on local suppliers	Economic Impact - Procurement Practices
Anti-corruption – Training on Anti-Corruption Policies and Procedures, Incidents of corruption	Economic Impact - Anti-Corruption; Governance-Business Ethics; Grievance Mechanism for Whistleblowers; Management Approach – Anti-Fraud and Anti-Bribery; Anti-Corruption / Whistleblower protection
ENVIRONMENT	
Resource Management – Energy consumption within the organization	Environmental Impact - Electricity Consumption, Fuel Consumption; Our Sustainability Performance - Energy Consumption, Fuel Consumption
Resource Management – Reduction of energy consumption	
Resource Management – Water consumption within the organization, Reduction of Consumption	Environmental Impact - Water Use; Our Sustainability Performance – Water Consumption
Resource Management – Materials used by the organization	Environmental Impact - Waste Management; Our Sustainability Performance – Waste Disposal and Management
Resource Management – Ecosystems and Biodiversity	Environmental Impact - Ecosystems and Biodiversity
Environmental Impact Management – Air Emissions - GHG	Environmental Impact - Operational Greenhouse Gas Emissions; Our Sustainability Performance - Operational Greenhouse Gas Emission
Environmental Impact Management – Air Pollutants	
Solid and Hazardous Wastes - Solid Waste	Environmental Impact - Waste Management
Solid and Hazardous Wastes – Hazardous Wastes	
Solid and Hazardous Wastes – Effluents	Environmental Impact - Waste Management; Water Use
Environment: Environmental Compliance - Non-compliance with Environmental Laws and Regulations	Environmental Impact - Environmental Compliance; Management Approach - Environmental Aspect - Environmental Compliance
SOCIAL	
Employee Management – Employee Hiring and Benefits – Employee data	Social Impact - Workforce Diversity; Management Approach - Social Aspect - Diversity and Equal Opportunity
Employee Management – Employee Benefits	Social Impact - Employee Benefits
Employee Management – Employee Training and Development	Social Impact - Employee Training and Development
Employee Management – Labor-Management Relations	Social Impact - Workplace Safety and Labor Practices
Employee Management – Diversity and Equal Opportunity	Social Impact - Workforce Diversity
Employee Management – Workplace Conditions, Labor Standards, and Human Rights – Occupational Health and Safety	Social Impact - Workplace Safety and Labor Practices
Employee Management – Workplace Conditions, Labor Standards, and Human Rights – Labor Laws and Human Rights	Social Impact - Workplace Safety and Labor Practices
Supply Chain Management	Economic Impact - Supply Chain Management; Governance - Stakeholder Management
Relationship with Community- Significant impacts on Local Communities	Economic - Responsible Investment - Credit Lending for Community and SMEs; Ecosystems and Biodiversity; Governance - Stakeholder Management
Customer Management – Customer Satisfaction	Governance - Stakeholder Management; Social Impact - Customer Management
Customer Management – Health and Safety	Governance - Stakeholder Management; Management Approach - Customer Health and Safety
Customer Management – Marketing and Labelling	Governance - Marketing and Labelling
Customer Management – Customer Privacy	Governance - Data Privacy and Information Security; Management Approach - Customer Privacy; Our Sustainability Performance - Data Privacy
Customer Management – Data Security	Governance - Data Privacy and Information Security; Our Sustainability Performance - Data Security
UN SUSTAINABLE DEVELOPMENT GOALS	
UN Sustainable Development Goals - Product of Service Contribution to UN SDGs	Economic Impact - Responsible Investment; Governance - Innovation and Technology; Environmental Impact - Ecosystems and Biodiversity, Electricity Consumption, Fuel Consumption, Water Use, Waste Management

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Exhibit 10

PHILIPPINE SAVINGS BANK
PSBank Centre, 777 Paseo de Roxas, Makati City

LIST OF STOCKHOLDER AND THEIR STOCKHOLDINGS
As of March 1, 2024

	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
1	000008020	A.V. CASTILLO & SONS, INC.	4,114	
2	000000002	ABAD, LUZ A.	699	
3	000000003	ABALOS, MARINA S.	1,354	
4	000001935	ABAY, MARTIN CO	23	
5	000002294	ABEJO, SALUD	842	
6	000006476	ABELLA, PETER	836	
7	000002222	ABORDO, LUIS A.	397	
8	000000004	ABRATIQUE, FRANCISCO M.	1,191	
9	000000005	ABRERA, ROSALINA S.	582	
10	000011036	ABUEG, JOSE MARTE A. &/OR BETHINA ABUEG	943	
11	000000006	ACAP, MARLYN P.	699	
12	000011175	ACAS, LEAH S.	334	
13	000008910	ADAMOS, CHARITY ANNE Q.	417	
14	000011115	ADVINCULA, ANITA I.	306	
15	000000007	AFRICA, ANTONIO L.	325	
16	000000008	AFRICA, JOSE L.	23,961	
17	000009204	AGREGADO, BELLA	73	
18	000004728	AGREGADO, ELIZABETH V.	84	
19	000008944	AGRINTER CORPORATION	5	
20	000003146	AGUILA, SUSAN DE MESA	699	
21	000000580	AGUILAR, EDMOND T.	21,559	
22	000011120	AGUILERA, FELICIDAD	46	
23	000009439	AGUSTIN, RHODORA M.	120	
24	000011399	AH, ESTER C.	1,343	
25	000011398	AH, PAMELA ANN C.	1,343	
26	000000009	ALBANIA, PEDRO	1,026	
27	000003225	ALCANTARA, FEDERICO C.	382	
28	000000010	ALCANTARA, JOSE C.	3,015	
29	000011360	ALDE, JOSE VICENTE L.	111	
30	000009225	ALEJANDRO, IMELDA A.	69	
31	000008033	ALFA CREDITORS FUND	2,820	
32	000003237	ALFONSO, ALFONSO JOSE A.	842	
33	000000011	ALFONTE, DOMINADOR M.	407	
34	000011318	ALIGGUY, JOAQUIN	445	
35	000002286	ALIMURUNG, NATIVIDAD N.	280	
36	000000012	ALMAZAN, PEDRO	792	
37	000006085	ALUNAN, GILDA BRIGIDA C.	178	
38	000001933	AMISTOSO, MA. DULCE S.	1,409	
39	000009826	AMON SECURITIES CORPORATION A/C# 3	7	
40	000007794	AMON SECURITIES CORPORATION A/C#00100001	59	
41	000007833	AMON SECURITIES CORPORATION A/C#00109001	7	
42	000009825	AMON SECURITIES CORPORATION FAO: MARGARITA O. RECTO	7	
43	000004437	AMPIL, JR., FERNANDO R.	3	
44	000000013	ANAMA, FELIX D.	5,468	
45	000001764	ANG GUAN PIAO	6,309	
46	000001579	ANG PO	838	
47	000006114	ANG, EDGARD O.	838	
48	000006113	ANG, ERICSON O.	838	
49	000006112	ANG, ERNESTO O.	838	
50	000003079	ANG, FE MA	838	
51	000001580	ANG, LEON	838	
52	000003400	ANG, LILY T.	947	
53	000000403	ANG, LUCIO T.	543	
54	000000014	ANG, MARCELINA	11,173	
55	000007516	ANG, PUE TIN	2,820	
56	000011182	ANG, RODOLFO M.	30	
57	000003276	ANG, SONIA ONG	838	
58	000007200	ANG, SUSAN SI	209	
59	000003078	ANG, TEDDY N.	838	
60	000010904	ANGANGCO, RAOUL R.	84	
61	000000015	ANGELES, CARLO G.	36	
62	000000019	ANGELES, FRANCISCO M.	5,983	
63	000000021	ANGELES, GLORIA Y.	74	

	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
64	000000022	ANGELES, IRENE G.	1	
65	000000023	ANGELES, JOSE C.	466	
66	000000027	ANGELES, ROSA C.	21	
67	000000028	ANGELES, SIXTO C.	21	
68	000005589	ANICETO, OSCAR S.	30	
69	000009837	ANTONINO, ARTHUR W.	14	
70	000006126	ANTONIO, JR., ALBERT G.	142	
71	000005977	ANTONIO, ROBERTO VIAJE	1,097	
72	000011227	AQUINO, ALEX &/OR MARIA TERESA	765	
73	000000029	AQUINO, DIOSDADA F.	792	
74	000004633	AQUINO, MANOLO E.	145	
75	000011026	AQUINO, ROSALIE A.	1,913	
76	000001792	ARAGON, ADOLF BAUTISTA	1,051	
77	000006008	ARAULLO, JOSE G.	1,400	
78	000005972	ARCEBAL, DULCE DAYAN	699	
79	000003175	ARCIAGA, ELVIRA M.	334	
80	000011334	ARCINAS,BENEDICTO JOSE R.	111	
81	000004031	ARENAS, CARMELITA M.	1,973	
82	000011261	ASILO, LIWANAG D.	453	
83	000008599	ASPERILLA, CONSOLACION O.	106	
84	000006652	ASPERILLA, DOMINADOR O.	188	
85	000005012	ASPERILLA, SYLVIA R.	316	
86	000003849	ATILANO, EMMANUEL S.	2,820	
87	000011277	AU, OWEN NATHANIEL S.	5	
88	000011297	AU, OWEN NATHANIEL S. ITF LI MARCUS AU	17	
89	000000031	AURELIO, ELISEO G.	13,978	
90	000011268	AURELIO, MARGIE F.	306	
91	000009206	AVENA, PATRICIA G.	1,532	
92	000006703	AW, BASILIO Y.	842	
93	000006702	AW, BETTY DANTE	842	
94	000000032	BACANI, INOCENCIA S.	1,019	
95	000009187	BADURIA, JR., JOSE ANTONIO C.	919	
96	000005791	BAGATSING, RAMON D.	1,127	
97	000001403	BALDEROSA, BUENAFE A.	393	
98	000000033	BALDOVI, VICTORIANO F.	1,191	
99	000010031	BALLESTEROS, MA. NELIA	306	
100	000000034	BANARES, CORAZON R.	1,354	
101	000000035	BANARES, LINO B.	1,097	
102	000000036	BANGAYAN, SEVERINA L.	792	
103	000008275	BAQUIRAN, LAURA B.	79	
104	000006058	BAQUIRAN, SERGIO A.	2,820	
105	000000037	BARAZON, HERMINIA S.	1,214	
106	000000038	BARCELLANO, ERLINDA R.	26	
107	000005954	BARCELLANO, ERLINDA R.	842	
108	000002443	BARCELON, TERESITA A.	871	
109	000011292	BARRETTO, MA. ASUNCION C.	344	
110	000001894	BARRETTO, MA. ROSARIO T.	115	
111	000011284	BARRETTO, MA. THERESA G.	3,963	
112	000000040	BARTOLAY, ADELINA	534	
113	000000041	BARTOLOME, JOSE	186	
114	000000042	BASA, LUZ	3,973	
115	000000043	BASILIO, ILUMINADA	89	
116	000000044	BATUGAL, ONDRICO A.	534	
117	000000046	BAUTISTA, BASILISA B.	1,729	
118	000004383	BAUTISTA, FELICISIMA	699	
119	000003374	BAUTISTA, JOSE	104	
120	000009234	BAUTISTA, MA. LUISA C.	3	
121	000003969	BAUTISTA, PATRICIA M.	368	
122	000009487	BAUTISTA, TEOFILA M.	124	
123	000003091	BELMONTE, ROSE ANNE	559	
124	000006188	BENEDICTO, JUANITO L.	104	
125	000001337	BENJAMIN CO CA & CO., INC.	202	
126	000002345	BERNALDO, ANGELO D.	842	
127	000004569	BERNALDO, ROSARIO S.	127	
128	000010111	BERNARDO, ALLAN	152	
129	000000047	BERNARDO, JR., HUMAWI	511	
130	000011390	BIASON, ANA SOFIA A.	61	
131	000011391	BIASON, JOSE LUIS A.	62	
132	000010313	BIENVENIDA, ALBERTO E.	381	

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	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
133	000003192	BISNAR, LUISA L.	699	
134	000011400	BLANCO, OFELIA R.	100	
135	000009786	BOMBEO, KATHERINE G.	46	
136	000000996	BONA, NELSON M.	3,755	
137	000000049	BONIFACIO, LOURDES	534	
138	000009177	BONNEVIE, MA. LUTGARDA B.	91	
139	000005068	BONOAN, TINA M.	3,506	
140	000010598	BORJA, JR., ROBERTO C.	20	
141	000010695	BORRES, JUN M.	4,596	
142	000002780	BORROMEO, MILAGROS N.	838	
143	000007645	BORROMEO, VIRGINIA A.	842	
144	000010225	BPI T/A# 13301417	111	
145	000000525	BT BROKERAGE (PHILS.), INC.	456	
146	000010390	BT BROKERAGE (PHILS.), INC. FAO DF20617	3	
147	000003172	BUENAVENTURA, MELANIO	699	
148	000010438	BUENVIAJE, RESTITUTO C.	38	
149	000000667	BUGAYONG, FIDEL A.	21	
150	000000083	BUMATAY-CRUZ, ROSALINA T.	676	
151	000003457	BUNCIO, JOCELYN DY	104	
152	000003456	BUNCIO, MARTIN DY	14,121	
153	000005930	BURGOS, FISCAL FRANCISCO C.	699	
154	000005932	BURGOS, FRANCO E.	947	
155	000011346	CABA,JR., CATALINO IMPERIAL	3,973	
156	000011328	CABAL, AMELIA B.	111	
157	000000053	CABALES, JULITA	3,177	
158	000009117	CABATIT, BONIFACIO M.	306	
159	000000054	CABATUANDO, JOSE A.	473	
160	000004138	CABILANGAN, EMMELINE &/OR LORENZO	1,120	
161	000000055	CABRERA, ABALEA A.	955	
162	000011388	CABREZA, JUAN CARLOS V.	55	
163	000011389	CABREZA, MARIETTA V.	55	
164	000006106	CAGALINGAN, ALICE GO	699	
165	000003566	CALACDAY, JUAN L.	1,051	
166	000004555	CALIXTO, LUIS I.	210	
167	000007067	CALIXTO, SOCORRO MARIA I.	104	
168	000008674	CALLEJA, ROY	852	
169	000002644	CALO, MARISSA S.	842	
170	000002238	CALUMPANG, LOURDES EMEE A.	239	
171	000009747	CAM, EVELYN CRISTINA A.	4,596	
172	000000056	CAMACLANG, GREGORIO	466	
173	000005248	CAMANAG, JOSEFINA ALARILLA	849	
174	000005987	CANCERAN, NYDIA S.	943	
175	000002328	CANCIO, DONNA NATIVIDAD T.	365	
176	000005180	CAOILI, JENNIFER A.	232	
177	000000057	CARAG, AGAPITA	4,792	
178	000001053	CARANDANG, NIDA P.	101	
179	000000058	CARINGAL, DANIEL R.	980	
180	000000059	CARLOS, ROGELIO V.	115	
181	000010463	CARLOS, SR., JUAN J.	424	
182	000004039	CARNATE, JOSE M.	1,409	
183	000006750	CARONAN, WANG TIYENG A.	842	
184	000000060	CASAS, THELMA S.	511	
185	000003468	CASIMIRO, LOURDES C.	86	
186	000000061	CASTANEDA, CONSOLACION E.	1,067	
187	000005838	CASTANEDA, CORAZON O.	6	
188	000006767	CASTILLO, DR. GERARDO M.	947	
189	000004727	CASTILLO, MA. ASUNCION T.	2,818	
190	000000063	CASTILLO, TERESITA REYES	395	
191	000010786	CASTRO, CONSOLACION M.	21	
192	000006010	CASTRO, LILIA F.	838	
193	000006051	CATAQUIZ, LOURDES S.	4,675	
194	000006061	CATIPAY, ERASTO BENITEZ	154	
195	000009205	CATOLOS, JONATHAN	919	
196	000010502	CATUBAY, MILAGROS M.	88	
197	000000064	CAUSAPIN, CATALINA J.	7,969	
198	000011348	CAWAI, LOURDES R.	16,162	
199	000011351	CBNA MLA OBO AC 6011800001	1	
200	000000065	CELESTINO, DOMINADOR	71	
201	000009124	CEREZO, ROBERTO	30	

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	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
202	000007329	CHAM, JESUS C.	104	
203	000011264	CHAM, MARGARET TY	111	
204	000006901	CHAN, ALEXANDER C.	842	
205	000006907	CHAN, ALFRED	842	
206	000006710	CHAN, ALICE TIU	842	
207	000009042	CHAN, ANDRES	50	
208	000007157	CHAN, ANITA L.	842	
209	000006903	CHAN, ANTHONY C.	842	
210	000006906	CHAN, BENITO L.	842	
211	000006713	CHAN, CAROLINA W.	842	
212	000011369	CHAN, FU LIN	842	
213	000003540	CHAN, HENRY	699	
214	000010952	CHAN, HSIEN-CHING	15,320	
215	000011233	CHAN, JACQUELINE H.	349	
216	000006904	CHAN, JANET C.	842	
217	000000810	CHAN, JONATHAN	1,000	
218	000005821	CHAN, LETTY A.	933	
219	000004125	CHAN, MAN CHI	699	
220	000007542	CHAN, NORMA L.	171	
221	000006902	CHAN, RUBY C.	842	
222	000009167	CHANG, WILLIAM	1,754	
223	000010933	CHAVEZ, JOSELITO R.	1,120	
224	000006941	CHAVEZ, MAEBEL V.	838	
225	000011072	CHEN, DAVID DARREN	1,337	
226	000001264	CHEN, HIU LENG	609	
227	000011397	CHENG, BERCK Y. OR ALVIN Y. CHENG OR DIANA Y. CHENG OR CHERYL Y. CHENG	50,138	
228	000009902	CHENG, BOTSCHAFT	92	
229	000010981	CHIN, TOMMY N. &/OR CHIN SIU HUA	1,378	
230	000007214	CHING, ANTONIO M.	176	
231	000005990	CHING, JEHNNY DE LARA	842	
232	000001250	CHING, LORENZO	3,524	
233	000004098	CHIONGBIAN, VICTOR S.	1,061	
234	000006469	CHIU, CHRISTOPHER TE	873	
235	000010737	CHOA, JOHNNY K.	72,247	
236	000011037	CHOA, VICTOR K.	38,021	
237	000010911	CHOA, VICTORIA K.	68,940	
238	000006616	CHOACHUY, JR., DEWEY	1,070	
239	000000761	CHOI, FAILAN A.	838	
240	000002675	CHU, AIDA	383	
241	000006797	CHU, ANTHONY FREDERICK YU	842	
242	000003416	CHU, ANTONIO C.	1,051	
243	000006182	CHU, CARLSON G.	3,942	
244	000010791	CHU, CONNIE	306	
245	000009114	CHU, HENRY	2,612	
246	000009113	CHU, JAIME	613	
247	000010585	CHU, NELSON	152	
248	000006822	CHUA BUN KIONG, JUAN	765	
249	000003710	CHUA TEC	3	
250	000007402	CHUA, AMELIA S.	699	
251	000003648	CHUA, BEATRIZ LIM	276	
252	000006770	CHUA, BETTY K.	1,000	
253	000002797	CHUA, BIDING	104	
254	000010164	CHUA, BONIFACIO SO	3,446	
255	000001422	CHUA, CHARLENE GRACE YAO	7	
256	000006285	CHUA, CONSTANTINO	63	
257	000011274	CHUA, DAVID O.	111	
258	000003048	CHUA, EDWARD L.	838	
259	000007070	CHUA, ELIZABETH GO	1,051	
260	000003738	CHUA, EMMA	699	
261	000007577	CHUA, ESTEBAN	838	
262	000002930	CHUA, EVELYN UY	699	
263	000006771	CHUA, FELICIDAD	68	
264	000007244	CHUA, GEORGE	75	
265	000007576	CHUA, GEORGE	699	
266	000003467	CHUA, JACQUELINE C.	1,051	
267	000011342	CHUA, JEANNE FRANCES T.	111	
268	000000071	CHUA, JOSE A.	980	
269	000007476	CHUA, JUAN G.	699	
270	000007559	CHUA, JUDY	838	

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	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
271	000006053	CHUA, MELESA D.	8,414	
272	000006284	CHUA, PACITA	63	
273	000007386	CHUA, RICARDO J.	842	
274	000006101	CHUA, ROBERT LIM	838	
275	000003049	CHUA, SUNNY L.	838	
276	000002674	CHUA, SUSAN	383	
277	000007089	CHUA, SUSAN DEE	188	
278	000002720	CHUA, TERESITA ONG	509	
279	000001421	CHUA, TIFFANY Y.	7	
280	000011140	CHUA, VICENTE EUTY	3,064	
281	000007160	CHUA, VICTOR	2,101	
282	000009898	CHUA, WARLITO T. &/OR BETTY CHUA	3,254	
283	000003159	CHUACUCO, ALLAN TAN	545	
284	000004808	CHUANG, CHRISTINE NG	4,229	
285	000010553	CHUNG, DOMINGO L.	27,854	
286	000002874	CHUNG, LIAO HIN	3	
287	000003321	CHUNG, LIN LIN G.	842	
288	000006235	CHY, VICENTE	1,409	
289	000000073	CINCO, JOVENCIO F.	139	
290	000004980	CINCO, TERESA L.	686	
291	000011203	CINVESCO CREDIT, INC.	7,660	
292	000010154	CITICORP SECURITIES INT'L (PHILS.), INC.	958	
293	000011042	CITICORP SECURITIES INT'L (PHILS.), INC. FAO MERLE E. VILLACORTA	144	
294	000011043	CITICORP SECURITIES INT'L (PHILS.), INC. FAO HERNANDO SUAREZ &/OR KIMBERLY	111	
295	000011051	CITICORP SECURITIES INT'L (PHILS.), INC. FAO MA. TERESITA GONZALEZ	18	
296	000008176	CITYTRUST SECURITIES CORPORATION #94-267	5	
297	000003083	CLAIR, ELENA T.	699	
298	000000476	CLARAVALL, MA. LOURDES A.	307	
299	000011135	CLEMENTE, EMILIA DIAZ	371	
300	000009592	CLIMACO, HENRY &/OR JOHN MICHAEL CLIMACO &/OR HANNIE JOY CLIMACO	375	
301	000006212	CO, CARLSON	1,409	
302	000002992	CO, EMERITA O.	699	
303	000011126	CO, JANET	3,829	
304	000002991	CO, JOHNNY G.	699	
305	000006320	CO, JUAN C.	30	
306	000003268	CO, KENNEDY	842	
307	000007350	CO, KENNEDY	842	
308	000003412	CO, LUIS U.	699	
309	000008437	CO, LYNNE	1,167	
310	000011141	CO, MICHAEL	375	
311	000006480	CO, NORA C.	1,901	
312	000010707	CO, SALLY	91	
313	000011394	CO, VICTOR AND/OR ALIAN CO	5	
314	000006279	COJUANGCO, JR., RAMON O.	11,219	
315	000009248	CONMIGO, MARTINI U.	3	
316	000007765	CONNELL SECURITIES, INC.	213	
317	000009241	COO, CRISTETA	1	
318	000000075	CORDERO, EDMUNDO B.	232	
319	000004849	CORPORATE PARTNERSHIP FOR MANAGEMENT IN BUSINESS	850	
320	000009193	CORPUS, MA. VICTORIA &/OR CARLOS V. CORPUS	3	
321	000010079	CORRO, TOMAS &/OR CAN SIU YAT	306	
322	000006351	COSTA, AIDA	16 116	
323	000000078	COSTALES, REMEDIOS	395	
324	000011122	COTTURE, MARIA LEONORA MONTENEGRO	122	
325	000000080	CRISOSTOMO, ANGELITA	395	
326	000000082	CRUZ, GONZALO MA.	395	
327	000011330	CRUZ, MARIA VICTORIA DE CASTRO	573	
328	000005280	CRUZ, TERESITA S.	38	
329	000003625	CU POE KEE	786	
330	000004660	CU UNJIENG, ANNE MARIE	3,506	
331	000010811	CU UNJIENG, GIL	6	
332	000004576	CU, DIONNE D.	1,267	
333	000011106	CU, JACKSON	74	
334	000001995	CU, MARJORIE L.	1,051	
335	000006150	CUA YAN NUAN	699	
336	000009393	CUA, ANITA	155	
337	000006854	CUA, DR. LEONCIO	1,048	
338	000006905	CUA, LILY U.	842	
339	000003649	CUA, PAULINO	504	

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	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
340	000007575	CUA, REGAN CHAN	842	
341	000000085	CUENCA, SABINA L.	630	
342	000002355	CUETO, DOMINADOR S.	11	
343	000011315	CUNA, JR., VICENTE R.	111	
344	000004934	DACANAY, AURORA S.	187	
345	000004770	DASWANI, JANKI	2,336	
346	000010863	DASWANI, JETHANAND &/OR JANKI DASWANI	21	
347	000011164	DATUKAN, MAYMONA B.	612	
348	000001756	DAVID, ANITA T.	2,889	
349	000000086	DAVID, CONSOLACION K.	792	
350	000009284	DAVID, MA. CARMENCITA	92	
351	000009245	DAVID, SINFOROSA L.	1	
352	000009566	DAYANGHIRANG, JR., VICENTE S.	306	
353	000003991	DBP PROVIDENT FUND	27,077	
354	000011331	DE CASTRO, FERDINAND VECINO	573	
355	000000088	DE GUIA, CASIMIRO M.	4,822	
356	000010595	DE GUZMAN, CORAZON O.	2,963	
357	000000089	DE JESUS, ANDREA G.	254	
358	000010130	DE LA PENA, LINA E.	74	
359	000011290	DE LEON, ALVIN BENJAMIN SERRANO	2,716,290	
360	000011288	DE LEON, GIAN CARLO SERRANO	3,054,440	
361	000011291	DE LEON, KEVIN ANTHONY SERRANO	2,682,950	
362	000011289	DE LEON, LEONARD FREDERICK SERRANO	2,895,061	
363	000011295	DE LEON, MARIA SOLEDAD S.	26,982,149	
364	000002054	DE LIMA, II, VICENTE M.	459	
365	000010761	DE LOS REYES, JENNIFER ANNE F	152	
366	000000091	DE LOS SANTOS, LUZ C.	2,383	
367	000000092	DE MENDIOLA, VIRGINIA P.	254	
368	000009029	DE PERALTA, PURISIMO A.	91	
369	000011376	DE VERA, ROSANNA FAJARDO	111	
370	000006567	DEE, GABRIEL A.	4,138	
371	000009012	DEE, MARCELA CHUA	18	
372	000011245	DEL PAN, LEE ANTHONY	1,052	
373	000003455	DEL PILAR, DAVID TIU	842	
374	000009753	DEL ROSARIO, ANTONIO	838	
375	000011107	DEL ROSARIO, EDNA	1,080	
376	000002095	DEL ROSARIO, JR., RAMON R.	1,445	
377	000004123	DEL ROSARIO, JR., RODOLFO	549	
378	000011307	DEL ROSARIO, JR., RODOLFO GARCIA	208	
379	000002096	DEL ROSARIO, VICTOR J.	13,148	
380	000011325	DEL ROSARIO, VICTOR J. OR MA. RITA S. DEL ROSARIO	2,494	
381	000003639	DELA CRUZ, LEONARDO T.	842	
382	000011332	DELA CRUZ, MARIA FLORDELIZA D.	577	
383	000005859	DELA CRUZ, REBECCA M.	3,036	
384	000006311	DELA PAZ, YOLANDA L.	1,913	
385	000011329	DELA PEÑA, ROSALINDA DE CASTRO	573	
386	000004759	DELA ROSA, CARLOS S.	3	
387	000004059	DESALES, CARMINA C.	7,012	
388	000005331	DEZA, JR., INOCENCIO B.	807	
389	000003754	DHARMALA SECURITIES PHILIPPINES, INC.	11	
390	000000095	DIAZ, MANUEL	3,084	
391	000000096	DIMAANO, ANTONIO	792	
392	000003529	DIMAANO, NARCISO DY	699	
393	000006016	DIMALALUAN, CORAZON	1,691	
394	000000098	DIONISIO, VELERIANA	15,059	
395	000011374	DIPASUPIL, CHRISTIAN FANDIALAN	426	
396	000000099	DIPASUPIL, EUSEBIO	167	
397	000011371	DIPASUPIL, MARGARITA FANDIALAN	420	
398	000000100	DISPO, DOMINADOR	395	
399	000011195	DIVINAGRACIA, NELSON	94	
400	000008427	DIZON, ELMA U.	101	
401	000000101	DIZON, LIGAYA V.	345	
402	000000102	DOLOR, DANILO L.	100	
403	000011260	DOMINGO, BERNANI P.	453	
404	000003031	DOMINGO, FRANKIE GO	838	
405	000011256	DOMINGO, JR., JOSE P.	453	
406	000000108	DOMINGO, VITALIANO M.	211	
407	000002250	DOMINGUEZ, LEONARDO R.	842	
408	000004837	DOMINICAN PROVINCE OF THE PHILS., INC.	1,400	

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409	000002905	DUENAS, MERLYN E.	842	
410	000010562	DULALIA, ELIAS B.	27	
411	000009106	DULIN, CECILIA T.	50	
412	000000110	DULLAVIN, EUGENIO C.	1,471	
413	000011257	DUQUE, LIGAYA D.	454	
414	000002784	DURAN, RODOLFO M.	239	
415	000007033	DURAN, SOCORRO Z.	699	
416	000007697	DY BUNCIO, ANJANETTE TY	42,710	
417	000006814	DY BUNCIO, JOCELYN	5,118	
418	000007368	DY BUNCIO, MARTIN	29,653	
419	000009788	DY BUNCIO, MARTIN &/OR ANJANETTE TY	3,172	
420	000010890	DY BUNCIO, MARTIN &/OR JOCELYN DY BUNCIO	1,722	
421	000006240	DY SY, EDWARD	1,585	
422	000010936	DY, AURORA	13	
423	000005912	DY, DELFIN	842	
424	000006711	DY, FRANCIS RICO TIU	947	
425	000006516	DY, JAYSON T.	91	
426	000003320	DY, JOEL S.	842	
427	000002159	DY, JOHN &/OR ANDRA LEE	492	
428	000003319	DY, JOHN S.	842	
429	000006067	DY, JOSE MICHAEL SANTOS	1,585	
430	000006025	DY, LUCINA &/OR YU TOKLEN	334	
431	000011064	DY, MANUEL	34	
432	000006070	DY, MARIE RACHEL SANTOS	1,585	
433	000007641	DY, NATY T.	699	
434	000007390	DY, ROSALINA C	699	
435	000010654	E. N. MADRAZO CORPORATION	335	
436	000000560	EBC SECURITIES CORPORATION	346	
437	000009216	ECHAUS, CARISSE P.	368	
438	000011363	EDEZA, TERESA C.	904	
439	000009183	EDQUIBAN, STELLA R.	183	
440	000000111	EDROSA, ANGEL	3,574	
441	000000112	EDUQUE, VALENTIN M.	35,936	
442	000000113	ELEPANO, ANABELLA	395	
443	000011377	ELIZABETH A. PALTING	11,109	
444	000000114	ELIZAN, FORTUNATO C.	534	
445	000000115	ENCARNACION, ALICE O.	352	
446	000009226	ENCARNACION, ELLIADITA D.	551	
447	000007018	ENG, PAN CHI	699	
448	000011304	ENRIQUEZ,JR., JOSE TOLENTINO	3,692	
449	000001493	ENSIGNE, LENY B.	375	
450	000011150	ERIGA, MARIE LEONORE H.	171	
451	000011200	ESCALER, JUAN MIGUEL L. &/OR MARK VINCENT L. ESCALER	563	
452	000000118	ESPINOLA, LEONARDO	511	
453	000000119	ESPINOSA, ROSARIO	225	
454	000003772	ESTEBAN, RAUL N.	1,167	
455	000011372	ESTERO, FELICITAS DIPASUPIL	418	
456	000000120	EUSTAQUIO, PRIMO S.	792	
457	000004560	FABELLA, MARIA PAZ K.	1,681	
458	000000485	FACUNDO, JOSE MICHAEL K. &/OR JOSE R. FACUNDO	176	
459	000009032	FAJARDO, NORMA	368	
460	000005508	FAJUTAGANA, NIMFA H.	306	
461	000009043	FALCON, ARLENE V.	62	
462	000003409	FAREN, VIRGINIA C.	699	
463	000011131	FAROLAN, FRANCISCO J.	245	
464	000000121	FELICIANO, ROSARIO	395	
465	000011322	FELICIO, MARY GRACE P.	700	
466	000011401	FELICIO, MARY GRACE P. &/OR ROBERT JOSEPH L. PAULINO	1,400	
467	000003877	FERNANDEZ, JOSEPH &/OR MA. LOURDES FERNANDEZ	2,336	
468	000002416	FERRER, TEODORO L.	618	
469	000005884	FERRERIA, TESSIE LYNNE A.	435	
470	000006054	FIDELINO, ANDRES S.	3,524	
471	000000123	FINEZA, NICANOR D.	957	
472	000004155	FLOIRENDO, MARGARITA M.	1,167	
473	000000125	FLORES, RAUL	792	
474	000000126	FLORES, ROSALIE P.	1,986	
475	000003173	FLORES, RUBEN T.	699	
476	000005338	FLORES, WALDO Q.	745	
477	000005986	FONACIER, TERESITA V.	2,336	

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478	000004697	FONG, SOCORRO C.	316	
479	000003080	FORTICH, DOMINGO C.	1,918	
480	000008051	FRANCISCO ORTIGAS SECURITIES, INC. A/C# 7170	75	
481	000002340	FRANCISCO, CARMEN T.	699	
482	000000511	FRANCISCO, JAYME D.	1,585	
483	000007289	FRANCISCO, JUANITA T.	842	
484	000010159	FREIGHT MANAGEMENT WORLDWIDE SERVICES, INC.	1,225	
485	000000127	FRIAS, CASIANO A.	1,587	
486	000003674	FUERZAS, ROSALINDA P.	699	
487	000000592	G & L SECURITIES CO., INC.	1,661	
488	000009239	G & L SECURITIES CO., INC. A/C#01	1	
489	000006369	GABALDON, MIGUEL	838	
490	000000128	GABRIEL, ANDRES S.	957	
491	000005834	GACUTAN, ESTRELITA G.	5	
492	000011234	GAISANO, EDMUND S.	1,000	
493	000011244	GAISANO, EDMUND S.	1,250	
494	000005008	GALANG, ORLANDO	9,466	
495	000007482	GALANG, ORLANDO L.	9,466	
496	000002085	GALLAGA, RAFAEL C.	30	
497	000000129	GALLARDO, AGAPITO R.	254	
498	000005344	GAMBOA, JOSEFINO R.	28	
499	000000130	GARADO, PAZ *** DECEASED ***	466	
500	000000131	GARADO, PEDRO *** DECEASED ***	161	
501	000002414	GARCHITORENA, VICTORIA P.	1	
502	000010006	GARCIA III, GUMERSINDO M.	44	
503	000011224	GARCIA III, PASCUAL M.	111	
504	000010008	GARCIA JR., ROBERTO M.	44	
505	000011176	GARCIA, ALAN A.	139	
506	000010007	GARCIA, BETTINA M.	61	
507	000008388	GARCIA, GILBERT C.	1,409	
508	000003110	GARCIA, JUAN T.	699	
509	000009374	GARCIA, MARCOS D.	81	
510	000000132	GARCIA, PRISCILLA B.	115	
511	000006091	GARCIA, PROCERFINA P.	142	
512	000009668	GARCIA, WILLIE L.	152	
513	000000133	GARGANTIAL, CONCHITA C.	646	
514	000005493	GARLITOS, CARMINA J.	4,672	
515	000004032	GARLITOS, VICTOR G.	2,465	
516	000001259	GATCHALIAN, DEE HUA T.	334	
517	000009182	GAVINO, JOSELITO S.	30	
518	000010354	GAVINO, PEPITO B.	4	
519	000003739	GAW, SERGIO	699	
520	000001537	GENESIS GLOBAL SECURITIES, INC.	45	
521	000000134	GERONA, RICO T.	816	
522	000011357	GIANAN, SIMEON C.	306	
523	000011343	GILI, JR., GUILLERMO F.	22	
524	000002927	GO ENG BOK CHU	838	
525	000003703	GO KUAI TEE	180	
526	000006227	GO, ANGELES	190	
527	000003657	GO, ANTONIO MELLIZA	139	
528	000004210	GO, ARTURO	842	
529	000011326	GO, DAVID T.	111	
530	000001543	GO, DOMINGO C.	54	
531	000006017	GO, EFREN A.	842	
532	000003658	GO, ELADIA LIBAGO	139	
533	000006925	GO, ELIZABETH TING	3,524	
534	000011225	GO, ELVIRA L.	661	
535	000003659	GO, ELVIRA LIBAGO	46	
536	000002273	GO, ELVIRA YAP	3,506	
537	000003285	GO, GENESIS UY YCO	947	
538	000006840	GO, GEORGE Q.	842	
539	000003734	GO, GEORGE QUA	842	
540	000003714	GO, GEORGIE S.	838	
541	000002885	GO, GLORIA QUA	842	
542	000005831	GO, HAROLD Y.	602	
543	000003438	GO, HUNG YU	75	
544	000000137	GO, JAMES	334,723	
545	000007748	GO, JOHNNY	104	
546	000004145	GO, JOHNY CHU /OR CHRISTINE NGO /OR SAMUEL NGO	699	

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547	000007393	GO, JUAN D.	699	
548	000007391	GO, JUANA TAN	334	
549	000007587	GO, LILING	842	
550	000007047	GO, LINDA	842	
551	000007392	GO, MARIA C.	699	
552	000007127	GO, NELLY DY	842	
553	000007488	GO, PETER TIONG SUY T.	842	
554	000000139	GO, REYNALDO	5,983	
555	000003735	GO, SHIRLEY D.	842	
556	000007495	GO, SUSAN	842	
557	000007258	GO, TOMAS	838	
558	000003203	GO, WILSON H.	190	
559	000000140	GOCHANGCO, EPHRAIM	4,173	
560	000011373	GOCO, MARIA ANNA EUGENIA P.	5,640	
561	000004871	GOKONGWEI, LANCE YU	43	
562	000002245	GONZALES LAO, EMILIO H.	383	
563	000006573	GONZALES, EDELINE G.	699	
564	000000141	GONZALES, ESTER G.	824	
565	000000142	GONZALES, FLORENCIA	792	
566	000009325	GONZALO, DOMINGO N.	1,846	
567	000000144	GORDON, JOHN J.	1,026	
568	000004390	GORREZ, MARIETTA C.	3,462	
569	000011411	GOSECO, RONALD LUIS SIBAL	100	
570	000000937	GOTUACO, LAWRENCE J.	256	
571	000003230	GOZO, ANTONIETA B.	209	
572	000008710	GRANADOS, WILSON	1,537	
573	000011392	GRAND ASIA REALTY INVESTMENT CORPORATION	325,958	
574	000002075	GUAMIL, BRENDA G.	1,051	
575	000000145	GUANZON, ANITA G.	1,025	
576	000001872	GUANZON, ANTONIO A.	20	
577	000000146	GUARIN, AVELINO	1,191	
578	000009022	GUBRICKY, JAMES D.	6	
579	000002955	GUERRERO, ALVIN E.	63	
580	000000147	GUERRERO, SAMUEL I.	1,448	
581	000007426	GUIAM, AMANDA S.	563	
582	000011333	GUILD SECURITIES, INC.	105	
583	000000148	GUTIERREZ, PETRA L.	1,986	
584	000006943	GUZMAN, REYNALDO E.	838	
585	000004821	HAEL, DINA B.	142	
586	000010605	HAIN, JOSE BONITA	436	
587	000003396	HALLARE, ROBERTO	699	
588	000000149	HANSON, HARRY A.	3,973	
589	000000775	HAO, EDDIE	261	
590	000008925	HATAGUE, DIANA SIMTOCO	3,986	
591	000003135	HATE, FEDERICO P.	3	
592	000009033	HECETA, ESPIRIDION	335	
593	000000889	HEREDIA, RENATO F.	1,400	
594	000011356	HERMANS, SEVERINUS PETRUS PAULUS	111	
595	000009200	HERNANDEZ, ANGELINA D.	919	
596	000000150	HERNANDEZ, DIONISIO C.	1,112	
597	000000152	HERNANDEZ, JUSTINA	410	
598	000010706	HERNANDEZ, MA. ZARAH C.	1,722	
599	000001099	HERRERA, LENG NGAR A.	551	
600	000000153	HILIS, LORENZO P.	466	
601	000010060	HIPOLITO, GIL &/OR WINEFILDA HIPOLITO	21	
602	000000154	HITACHI UNION, INC.	557	
603	000010869	HO, LILY S.	1,532	
604	000007509	HONG, HERBERT CHUNG BUN	699	
605	000008960	HOTTICK DEVELOPMENT CORPORATION	699	
606	000003439	HOUNG, TAN	838	
607	000011232	HSBC SECURITIES (PHILIPPINES.), INC.	1	
608	000011214	HU, ROSA D.	5,743	
609	000006712	HUAN, CHAN BUN	842	
610	000007679	HUANG, ALEX YU	63	
611	000009343	HUANG, ANDREW L. &/OR RHODA A. HUANG	228	
612	000003852	HUANG, DENNIS B.	842	
613	000000496	HUANG, JUDITH G.	5,013	
614	000002652	HUANG, JUDITH G.	3,342	
615	000002785	HUANG, PHILIP TAN	842	

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616	000003850	HUANG, THEODORE G.	2,255	
617	000006717	HUI, CHARLIE	842	
618	000006470	HUI, TY TIAO	699	
619	000000155	IBANEZ, LEONORA	490	
620	000000156	IBAY, FRANCISCA D.	138	
621	000011197	IGNACIO, MAYBELLINE T.	91	
622	000003228	ILAGAN, MARISTELA AMBRAY	3	
623	000000157	ILOS, ANTONIO	1,191	
624	000000158	ILUSORIO, POTENCIANO	4,847	
625	000007618	IP, MING TEK	699	
626	000000159	ISIDRO, CONSUELO V.	980	
627	000005816	ISON, MA. CARLA CHITA B.	933	
628	000010244	ITURRALDE, JOSE RENE	83	
629	000005069	J. L. HOLDINGS CORPORATION	764	
630	000002339	JACINTO, JOSE MA. P.	933	
631	000010637	JACOB, DOLORES	459	
632	000010407	JALANDONI, ERNESTO	14	
633	000009345	JALANDONI, VENICIO MA. L.	75	
634	000006013	JAM TRANSIT INC BY ARTEMIO MERCADO & JOSEFINA MERCADO	8,414	
635	000009823	JANEO JR., RODRIGO T.	76	
636	000000161	JANTE, ROSARIO M.	19,938	
637	000006753	JAO, G. RENATO	496	
638	000009440	JAPSAY, ANNIE Y.	119	
639	000000163	JARING, MARCIAL	301	
640	000009639	JAVELLANA II, ALFREDO P.	111	
641	000008546	JAVIER, AGNES &/OR ANGELA	26	
642	000002501	JAVIER, ANGELA L.	5	
643	000000904	JAVIER, JOSE ROBERT	190	
644	000000164	JAVIER, SILVINA	582	
645	000000901	JIMENEZ, MANUEL	699	
646	000002742	JON, MANUEL	838	
647	000010759	JOSEF, FRANCISCO	4,135	
648	000006324	JUANENGO, VERONA V.	699	
649	000000475	JUGO, ALBERTO L. &/OR VIRGINIA Z. JUGO	1,681	
650	000010397	JUNSAY, LORETO D.	1,392	
651	000003014	KA, KUA CHUY	699	
652	000003863	KAHN, JR., ERNEST	6	
653	000000165	KALAW, AGNES D.	395	
654	000002212	KALAW, CARMEN M.	699	
655	000006021	KAW, KENNETH CHUN	699	
656	000011364	KAWPENG, CHRISTOPHER CHUA W.	4,980	
657	000011365	KAWPENG, DANIEL CHUA W.	4,981	
658	000011366	KAWPENG, DAVID CHUA W.	4,981	
659	000011367	KAWPENG, EDWIN CHUA W.	4,980	
660	000011368	KAWPENG, TOMAS CHUA W.	4,981	
661	000004806	KAWSEK, LINDA NG	2,818	
662	000000673	KEPPEL SEC. PHILS. INC.	5,013	
663	000006694	KHE, ROMEO	699	
664	000006933	KHO, ALFONSO	838	
665	000006777	KHO, HO KIM	842	
666	000002913	KING, TERESITA M.	842	
667	000003302	KIOK, MANUEL C.	842	
668	000002765	KOA, DOMINGA TAN	842	
669	000002766	KOA, HENRY	842	
670	000007190	KOA, MARILYN	3	
671	000009877	KOKSENG, EARL	1	
672	000003647	KUA, BENITO	838	
673	000003645	KUA, KIM HOC MAMERTO ONG	838	
674	000006107	KUAN, JOSEPH F.	75	
675	000003301	LADAO, JOSEFINA C.	947	
676	000000166	LAGMAY, PATROCINIO	699	
677	000000167	LAGMAY, TERESA F.	534	
678	000003171	LAGUERTA, SIMEON A.	699	
679	000000168	LANDICHO, NORMA E.	1,262	
680	000006384	LANI, TAN SIOC LUAN	699	
681	000011189	LANUZA, MA. SOCORRO M.	29,063	
682	000004104	LAO, HONORIO REYES	3,247	
683	000006402	LAO, PHILIP CHIONG HUNG L.	943	
684	000006396	LAO, PHOEBE LIM	943	

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	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
685	000000169	LAOGAN, DANIEL Y.	668	
686	000011111	LAPERAL, MA. EDWINA C.	18,053	
687	000000170	LARA, JOSE C.	138	
688	000009051	LARGADAS, GREGORIO A.	183	
689	000000171	LARGOZA, FLORO N.	21	
690	000000172	LARIOSA, BENJAMIN	466	
691	000011251	LAUREL, IV, JOSE MACARIO L.	124	
692	000009122	LAY, ELLEN	355	
693	000006932	LAY, KHO	838	
694	000002295	LAZARO, MICHELLE B.	1,167	
695	000000174	LAZARO, REYNALDO A.	1,587	
696	000000175	LAZATIN, FELICITAS G.	1,423	
697	000002304	LAZO, AURORA Z.	307	
698	000003052	LEE VITALIANO TAN	699	
699	000011138	LEE, ANDRA O.	34	
700	000009791	LEE, ANITA	152	
701	000003109	LEE, CYNTHIA	76	
702	000006876	LEE, ERLENE CHUA O.	838	
703	000000178	LEE, JOHN C.	582	
704	000008714	LEE, JR., HENRY U. &/OR ELENA Y. LEE	560	
705	000006877	LEE, JULIANA O.	947	
706	000000671	LEE, MAY LYNN	334	
707	000004163	LEE, OSCAR T.	209	
708	000009790	LEE, ROSITA PE	152	
709	000003404	LEE, WILSON T.	77	
710	000006863	LEETIAN, LUCELIN	1,409	
711	000007695	LEETIAN, NADIA ROWENA	842	
712	000002882	LEETONG, ANGELA	509	
713	000002883	LEETONG, JOHN TI	842	
714	000002881	LEETONG, MAXIMINO	457	
715	000002544	LEGASPI, DENNIS K.	256	
716	000003652	LEGASPI, EDUARDO DION	127	
717	000006049	LEGASPI, FELICIANA	838	
718	000005927	LEI, LILLY DEE	842	
719	000009282	LEONARDO, JOSE J. &/OR TERESITA LEONARDO	25	
720	000009261	LEPARTO, FELISA	459	
721	000007161	LI, ELIZABETH	1,051	
722	000010989	LI, SOFIA S.	688	
723	000002834	LI, WILLIAM	2,690	
724	000003215	LIAO, PATRICK STEPHEN	786	
725	000000179	LIBERATO, LYDIA V.	792	
726	000003196	LIM ENG GEAN AKA TED	63	
727	000007362	LIM, ALEXANDER NG	1,051	
728	000003212	LIM, ANDREW MARCOS DE LA VINA	838	
729	000003021	LIM, ANTONIO T.	838	
730	000003199	LIM, BENEDICT	699	
731	000003029	LIM, BENJAMIN YEO	838	
732	000006842	LIM, BENSON	947	
733	000006497	LIM, BETTY C.	699	
734	000009070	LIM, CORAZON GAW	167	
735	000007569	LIM, EDWIN B.	3,643	
736	000003026	LIM, ELEANOR JAO	838	
737	000006184	LIM, EVANGELINE R.L.	811	
738	000006602	LIM, FRANCISCO L.	1,409	
739	000010624	LIM, GRACE	344	
740	000003023	LIM, HELEN T.	838	
741	000006496	LIM, HENRY GO	699	
742	000006183	LIM, HENRY L.	811	
743	000003475	LIM, JOCELYN CO	699	
744	000004198	LIM, JOSEPH T.	838	
745	000007492	LIM, JOSEPH YAP	699	
746	000003020	LIM, JUANITO T.	838	
747	000003050	LIM, JULIA	838	
748	000010388	LIM, LOURDES GUIA O. &/OR JUDE NOEL &/OR LOURDES CHARINA &/OR JUDE ERWIN O. LIM	3,064	
749	000009365	LIM, MANUEL G.	94	
750	000000180	LIM, MANUEL T.	1,259	
751	000002191	LIM, MARIE DENISSE G.	1,167	
752	000003022	LIM, MARY ANTOINETTE SUN	838	
753	000003028	LIM, MELCHOR T.	838	

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754	000006185	LIM, MICHELLE CANDIE	1,623	
755	000004153	LIM, NELSON &/OR JULIE O. LIM	1,409	
756	000009390	LIM, RAMON &/OR HILDA LIM	765	
757	000011308	LIM, SAMIE CO	111	
758	000009221	LIM, SUZANNE S.	5,543	
759	000006704	LIM, TERESITA C.	842	
760	000003213	LIM, TERESITA DE LA VINA UY	838	
761	000007251	LIM, VICTOR A	814	
762	000006720	LIM, VICTOR TAN	365	
763	000000182	LIMCUANDO, SALOME S.	511	
764	000002259	LIMON, EDGARDO L.	334	
765	000002732	LIMSUI, ANDREW ROS	699	
766	000002740	LIMSUI, HENRY ROS	1,051	
767	000002739	LIMSUI, MARIA CECILIA DIN	1,051	
768	000002738	LIMSUI, TERESITA Y.	699	
769	000009376	LIPIO, ALOYSIUS T.	113	
770	000000183	LIRA, CUSTODIO L.	863	
771	000011173	LITTON, ERNEST JOHN	79	
772	000011137	LIWAG, JR., GERVACIO	1,838	
773	000002311	LIZARES, MARIA PADILLA	3,169	
774	000000184	LLANES, ELEUTERIO	232	
775	000000185	LLANES, REGINA V.	582	
776	000011149	LO, EDUARDO	222	
777	000006140	LO, JAIME BELTRAN	2,336	
778	000004804	LO, JOSEPHINE NG	17,930	
779	000006756	LOGRADA, PEPITO	1,291	
780	000000187	LOPENA, ISABELO D.	46	
781	000000186	LOPEZ, ANTONIA S.	301	
782	000000700	LOPEZ, ARTURO F.	190	
783	000000728	LOPEZ, EUSEBIO S.	481	
784	000000714	LOPEZ, JR., EDUARDO S.	4,206	
785	000002318	LOYZAGA, ANTONIA Y.	524	
786	000002979	LOZADA, AGUSTIN THADEO D.	459	
787	000002754	LUA, JOSEFA TAN	842	
788	000002996	LUA, REBECCA OCBA	63	
789	000002995	LUA, ROLANDO PAULIN	63	
790	000005916	LUCIDO, NAOMI HERNANDEZ M.D.	1,048	
791	000010781	LUNA, MA. ROSANNA M.	421	
792	000010588	LUNA, MA. VICTORIA	94	
793	000002637	LUNA, REYNALDO H.	699	
794	000000188	MABLE, GREGORIO E.	301	
795	000000189	MABUTAS, JR., RAMON	1,288	
796	000011410	MACADAEG, JR., HIGINIO ODUCAYEN	100	
797	000006944	MACAPAGAL, AMALIA O.	838	
798	000005922	MACAPAGAL, LEONARDO DE GUIA	838	
799	000005929	MACAPAGAL, RENATO G.	699	
800	000000190	MADAMBA, ULPIANO V.	534	
801	000004705	MADDATU, JOSE E.	2,336	
802	000008882	MAGAT, MILAGROS ONG	306	
803	000010425	MAGBANUA, BENJAMIN G.	765	
804	000000191	MAGCALAS, MILAGROSA L.	232	
805	000005354	MAGSAJO, JR., FRANCISCO S.	100	
806	000000192	MAKALINTAL, QUERUBE	100	
807	000004807	MAKATI SUPERMARKET CORPORATION	31,732	
808	000003224	MALIHAN, NELIA S.	699	
809	000009723	MALIT, NATIVIDAD	13	
810	000003364	MALLARE, FLORENCIO	838	
811	000003363	MALLARE, JANE YU	838	
812	000002878	MANAHAN, DELIA L.	842	
813	000002879	MANAHAN, EMILY L.	842	
814	000002880	MANAHAN, MARIA JEAN	842	
815	000002542	MANANGHAYA, GIL L.	1,127	
816	000006087	MANCILLA, ELVIRA ENRIQUEZ	947	
817	000006041	MANDA, CONCHITA T.	1,681	
818	000008283	MANGAHAS, CONRADO R. &/OR ELENA M. MANGAHAS	628	
819	000011091	MANILA PAPER MILLS INTERNATIONAL, INC.	7,412	
820	000011409	MANOTOK, RUFINO LUIS TORIBIO	100	
821	000000193	MANUCOT, CORNELIO S.	466	
822	000000194	MANUEL, NICASIO	1,905	

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823	000010435	MANZANO, DOMINIC S.	3,064	
824	000000195	MAPA, LORETO L.	8,862	
825	000006139	MAPA, RAMON L.	5	
826	000000196	MARCAIDA, LOURDES	792	
827	000000198	MARCELO, FELISA	186	
828	000000200	MARTELINO, GLORIA	115	
829	000000201	MARTELINO, MICHELLE O. &/OR MELROSE MARTELINO	1,199	
830	000000202	MARTELINO, THELMA	67	
831	000010504	MARTINEZ, JERRY R. ITF JEFFRY P. MARTINEZ	3	
832	000010505	MARTINEZ, JERRY R. ITF JEREMY JULIAN P. MARTINEZ	5	
833	000000906	MARTINEZ, OSCAR O.	152	
834	000000203	MATURGO, FE M.	466	
835	000000204	MAURICIO, THELMA C.	676	
836	000006046	MECARAL, JOSEFINA	1,409	
837	000011038	MEDINA, LINA	1,722	
838	000010089	MEDRANO, BENJAMIN R.	140	
839	000009512	MEDRANO, JR., DR. VICTORINO S. &/OR OFELIA MEDRANO	3,304	
840	000000205	MELO, MARIA P. VDA. DE	395	
841	000000206	MENDIOLA, ALFREDO S.	301	
842	000001112	MENDOZA, ALBERTO G. &/OR JEANIE MENDOZA	16,608	
843	000000207	MENDOZA, AURORA B.	37	
844	000000208	MENDOZA, FELICIANO	1,752	
845	000003676	MENDOZA, GINA JOCSON	699	
846	000000209	MENDOZA, JIMMY B.	1,378	
847	000011056	MENDOZA, LAWRENCE &/OR ALBERTO MENDOZA	7,660	
848	000004681	MENDOZA, REX M.	838	
849	000008875	MERCADO, JOSE	128	
850	000003170	MERCADO, VICTOR A.	699	
851	000000210	METROPOLITAN BANK & TRUST COMPANY[1]	377,279,068	
852	000009373	MIB TRUST ACCT. #132	459	
853	000000211	MICAN, MELICIA T.	1,771	
854	000011275	MIJARES, ADELISA ATON	11,141	
855	000000212	MILANTE, SULPICIO	582	
856	000005950	MONSOD, MELCHOR R.	425	
857	000002587	MONTELIBANO, MA. LOURDES B.	1,539	
858	000010824	MORALES, CAROL ONG	306	
859	000006673	MORALES, DR. DANTE D.	2,479	
860	000007145	MORALES, ROMERICO C.	842	
861	000011103	MOTAS, MARIBELLE R.	124	
862	000005982	MUÑOZ, MARY GRACE	3	
863	000010986	NAKANISHI, MA. CHRISTINA T.	27	
864	000000215	NAKPIL, ANGEL E.	418	
865	000000216	NAKPIL, ANTONINO A.	138	
866	000000217	NAKPIL, CARLOS A.	115	
867	000000218	NAKPIL, CECILIA A.	115	
868	000000219	NAKPIL, JOSE A.	55	
869	000005790	NANAGAS II, VITALIANO N.	228	
870	000002127	NARANJILLA, JR., SERGIO LL.	2,803	
871	000011395	NASSR, EDMUND JAMES	2,067	
872	000006096	NATIVIDAD, JOSEFINA L.	947	
873	000000220	NAVAL, COSME	345	
874	000005818	NAVATO, HANNALEI OLIVARES	320	
875	000006006	NER, RENE P.	627	
876	000002101	NG KAWSEK, LINDA	1,761	
877	000011084	NG, BRYAN TERENCE	1,500	
878	000006450	NG, DUNHILL A.	842	
879	000010942	NG, GEORGE	980	
880	000006495	NG, JACQUELINE ADRIANO	842	
881	000011235	NG, JOHN K.C.	1,114	
882	000007669	NG, PO WING	842	
883	000007676	NGAI, CHAUN	23	
884	000000767	NGO, HENSON UY	209	
885	000002805	NGO, MARILYN K.	838	
886	000000887	NGO, MARY BELLE T.	1,859	
887	000006236	NGOSIOK, CARLOS	1,409	
888	000000221	NIETO, JR., MANUEL	23,961	
889	000011068	NIEVA, ANALIZA	553	
890	000006734	NOCOM, ANACORETA O.	3,160	
891	000008856	NOLASCO, BENJAMIN P.	933	

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892	000000222	NONATO, ANTONIO H.	21	
893	000005644	NORTHSTAR CAPITAL, INC.	3,064	
894	000011180	NSA PHILIPPINES, INC.	1,532	
895	000003167	NUGUID, AMALIA C.	228	
896	000003163	NUGUID, ARLENE	841	
897	000003229	O, CORAZON G.	699	
898	000000224	OBEN, RAMON T.	395	
899	000007498	OBEN, TERESA A.	2,521	
900	000003169	OBENA, REYNALDO D.	699	
901	000007489	OCAMPO, BEN D.	947	
902	000007491	OCAMPO, GRACE D.	947	
903	000009031	OCAMPO, LANELLE GAY S.G.	69	
904	000007414	OCAMPO, WILLIE	1,167	
905	000008474	OCAMPO, JULIO &/OR GRACE OCAMPO	947	
906	000001744	OLONDRIZ, JOSE B.	15	
907	000011033	OMENGAN, IGNACIO	69	
908	000000227	ONCENA, PURIFICACION M.	30	
909	000008909	ONG LE PHO, JAMES	250	
910	000006104	ONG, ALEX	209	
911	000003530	ONG, ANN	379	
912	000010614	ONG, ANN LESLIE D.	1,532	
913	000011092	ONG, CHRISTINE SY	3,446	
914	000009131	ONG, CRESENCIA RODRIGUEZ	564	
915	000011226	ONG, EDGAR	1,378	
916	000006882	ONG, ELENA	94	
917	000000228	ONG, EMIL L.	582	
918	000006614	ONG, FRANCISCO	38,081	
919	000010615	ONG, FRANCISCO &/OR LINA ONG	4,902	
920	000010854	ONG, JOHN C.	277	
921	000001617	ONG, JOHNSON C.	27	
922	000010905	ONG, JULIET P.	612	
923	000006780	ONG, JUVY	842	
924	000007387	ONG, KIAN	838	
925	000006606	ONG, LINA	1,409	
926	000006034	ONG, LINA D.	842	
927	000006044	ONG, LINDA C.	209	
928	000010387	ONG, LUCIANO P.	6	
929	000002735	ONG, LUIS JOSE MARIA DEE	873	
930	000009116	ONG, MILLION	27	
931	000003394	ONG, NATHALIE GO	232	
932	000010739	ONG, PETER S.	11,336	
933	000003393	ONG, RENE	699	
934	000003395	ONG, SOLEDAD	838	
935	000008605	ONGKING, JACQUELINE DYCHAUCO	424	
936	000004831	OPPEN, ANTONIO C.	4,206	
937	000000229	ORAA, GLORIA C.	138	
938	000000230	ORAA, JUAN D.	1,986	
939	000000231	ORAA, LUIS O.	582	
940	000000232	ORFIDA, FRANCISCO R.	582	
941	000000233	ORTIZ, TEODORO R.	11,173	
942	000010041	OSONG DEVELOPMENT ENTERPRISES INC.	1,459	
943	000000897	PABLO, NANETTE C.	74	
944	000009277	PACAPAC, JOSE PEPITO P.	368	
945	000011202	PACHAO, DOLORES F. & EVELYN P. GACUSANA	4,596	
946	000000234	PACIFIC BANKING CORP.	792	
947	000006942	PADILLA, MA. LUISA QUIJANO	838	
948	000005531	PADILLA, MARIO J.	1,400	
949	000006186	PADUA, JOCELYN THERESE	1,167	
950	000000235	PAEZ, FELIPE S.	511	
951	000000236	PAEZ, RAMON S.	511	
952	000000237	PAEZ, VICTOR S.	1,635	
953	000004543	PAGULAYAN, DANIELITO C.	334	
954	000004999	PALANCA, MA. CARMEN V.	15	
955	000002226	PALINES, LETICIA V.	842	
956	000010117	PANGANIBAN, LORETO G.	173	
957	000000239	PANGILINAN, JOSE B.	3,177	
958	000000240	PARDO, JOSE T.	2,063	
959	000003679	PAREDES, JOSEPH S.	699	
960	000003678	PAREDES, LORNA P.	699	

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961	000000241	PAREJA, CAROLINA P.	792	
962	000003677	PASCUAL, JR., ALFRED MELVIN S.	63	
963	000000242	PATDU, CRISPULO E.	835	
964	000000243	PATRICIO, LUCINA G.	534	
965	000011402	PAULINO, STEVE JOSEPH L.	701	
966	000010519	PAZ, CALLANO G.	139	
967	000010839	PCD NOMINEE CORPORATION (FILIPINO) [2]	5,132,464	
968	000010840	PCD NOMINEE CORPORATION (NON-FILIPINO)	2,791,413	
969	000010529	PE, FE C.	152	
970	000011246	PEDROSA, ALBERTO A.	1,114	
971	000000244	PEDROSA, CARLOS A.	139	
972	000011302	PEOPLE'S GENERAL INSURANCE CORPORATION	41,776	
973	000000247	PEREZ, JOSE R.	2,383	
974	000006260	PEREZ, MA. GEORGINA V.	44,418	
975	000000248	PEREZ, PEPITA	21	
976	000008681	PESA, RUBEN D.	277	
977	000011165	PETROENERGY RESOURCES CORPORATION	17	
978	000000249	PICACHE, BERNARDO A.	21	
979	000000252	PICACHE, TERESITA V.	47	
980	000009217	PICCIO, TERESITA	183	
981	000005967	PILARES, PERLITA PILAR A.	842	
982	000000255	PILARES, RAMONA S.	534	
983	000003130	PIMENTEL, JOSE G.	334	
984	000004601	PINEDA, JR., ROMAN D.	842	
985	000000256	PIVGETH IND. & DEV'T. CORPORATION	10,768	
986	000005225	PLACIDES, NELSA G.	1	
987	000000257	PLONDAYA, NERIO C.	747	
988	000009249	PO, CRISTINA Y.	1,454	
989	000006225	PO, FELIX N.	1,400	
990	000010950	PO, NENITA TAN	2,144	
991	000003567	PO, ROSITA T.	873	
992	000000258	POBLADOR, HONORIO	19,605	
993	000007398	POLICARPIO, CHARLIE	842	
994	000003802	POLOTAN, LUIS A.	105	
995	000010188	PONCE, ROSARIO R.	1	
996	000009008	PUA, CAROLINA Y.	668	
997	000006696	PUA, CHRISTINE S.	1,048	
998	000006697	PUA, JEFFERSON U	1,048	
999	000002954	PUA, MARILOU U.	699	
1000	000006695	PUA, VICENTA UY	188	
1001	000009619	PULIDO, JULIUS P.	152	
1002	000006072	PUNO, REGIS V.	111	
1003	000003168	PUYAT, JR., GIL GUIDOTE	699	
1004	000011408	QUE TEK, LILLIAN	1,409	
1005	000007004	QUE, ANDREW	699	
1006	000006693	QUE, ERNESTO JR.	699	
1007	000000773	QUE, JAIME S.	557	
1008	000006733	QUE, LIONG H.	75,834	
1009	000003194	QUING PEREZ, ANTONIO	842	
1010	000003195	QUING PEREZ, PRINCETON C.	842	
1011	000009174	QUINTO, MA. CRISTINA C.	91	
1012	000000259	QUIRANTE, VLADIMIR S.	1,214	
1013	000002647	QUISUMBING, TRINIDAD T.	44	
1014	000000260	QUIZON, ONOFRE	161	
1015	000001824	R. COYIUTO SECURITIES, INC.	222	
1016	000003427	R. J. DEL PAN & CO., INC.	2,112	
1017	000007570	RAFER, JR., NORBERTO	1,167	
1018	000007249	RAFER, NILA T.	1,167	
1019	000007188	RAMIREZ, CATHERINE	3	
1020	000009157	RAMOS, JOEY	34	
1021	000010138	RAMOS, MANUEL JULIAN	311	
1022	000002859	RAMOS, RUBY S.	838	
1023	000000261	RECITAS, TIBURCIO P.	528	
1024	000009824	RECTO, JR., ALFONSO M.	16	
1025	000004838	RECTO, JR., MANUEL S.	375	
1026	000011396	REGINA CAPITAL DEV. CORP., 000351	12,525	
1027	000008153	REINOSO, AGERICO	139	
1028	000006033	REMEDIO, PATROCINIO	1,400	
1029	000011285	RESURRECCION, MA. URSULA R.	11	

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1030	000011294	REYES, ADOLFO R. &/OR PEREGRINA REYES	10	
1031	000005923	REYES, BOTAN C.	1,557	
1032	000000263	REYES, ELENA V.	2,383	
1033	000004928	REYES, GLADYS MARYPET F.	557	
1034	000009711	REYES, MANUEL G.	15	
1035	000000264	REYES, MARIANO	254	
1036	000000265	REYES, NATIVIDAD M.	1,097	
1037	000003627	REYES, RAMON C.	1,896	
1038	000000266	REYES, RENATO V.	792	
1039	000000267	REYES, RUBEN A.	1,191	
1040	000006015	REYES, TERESITA FRANCO	2,803	
1041	000000268	REYES, TERESITA S.	11	
1042	000006961	REYES-LAO, HONORIO O.	2,820	
1043	000011011	RINON, ESTELITA B.	13	
1044	000008871	ROA, CAROLINA V.	1,908	
1045	000000270	ROBEL, TEODORICO C.	910	
1046	000000271	ROBES, CARLOS F.	5,585	
1047	000000272	ROBLES, CONRADO	115	
1048	000000273	ROBLEZA, NORBERTO N.	21	
1049	000011089	ROCES, RAFAEL ITF RAFAEL LUIS ROCES	2,820	
1050	000010377	ROJAS, JAYE MARJORIE R.	6	
1051	000000275	ROQUE, GENATO	676	
1052	000000276	ROS, NICANOR	395	
1053	000000277	ROSAL, MACARIO N.	26	
1054	000000278	ROSALES, ANGEL G.	1,191	
1055	000000279	ROSARIO, ROLAND R.	41,762	
1056	000006674	ROXAS, MANUEL C.	14,026	
1057	000000280	ROXAS, ROLANDO & REYNALDO C. ROXAS	55	
1058	000009318	ROXAS-CHUA, LETICIA TAN FAO NICHOLAS JAMES TAN ROXAS-CHUA	459	
1059	000002486	RUALO, MONINA T.	838	
1060	000009346	RUBIO, PAZ F.	919	
1061	000009347	RUBIO, PAZ F. ITF HYGIEA IRENE, LORENZO ELIEZER, HANNAH CARMELA A. RUBIO	367	
1062	000009348	RUBIO, PAZ F. ITF JOSE MARIA, MAR CORAZON, JAMES ALLAN G. RUBIO	367	
1063	000003178	RUBIT, JESUS G.	699	
1064	000007614	SABLOT, EMELDA O.	1,051	
1065	000007613	SABLOT, MARTIN O.	947	
1066	000011370	SAHAGUN, EDUARDO A.	111	
1067	000005935	SALAMAT, FRANCIS P.	699	
1068	000008512	SALAMAT, HERMINIA &/OR ALBERTO SALAMAT	111	
1069	000000282	SALAYSAY, ISABELITA C.	863	
1070	000000283	SALDUA, SOCORRO P.	792	
1071	000009344	SALINAS, CARLOS C.	1,057	
1072	000000284	SALINAS, WEVINIA S.	254	
1073	000010976	SALUDES, MARISSA A.	1,532	
1074	000002329	SALVADOR, BEATRIZ B.	334	
1075	000005554	SALVADOR, JOSE ENRIQUEZ	2,820	
1076	000002255	SAMONTE, EVANGELINA P.	842	
1077	000008423	SAMSON, CONSUELO A.	127	
1078	000001893	SAN AGUSTIN, MA. TERESA T.	842	
1079	000008586	SAN DIEGO, RITA	178	
1080	000000285	SANTIAGO, DANILO H.	28,222	
1081	000006732	SANTIAGO, HILARIA N.	838	
1082	000005809	SANTIAGO, MA. EDITHA S.	1,691	
1083	000004795	SANTIAGO, MA. RAMONA GERTUDES T.	699	
1084	000003511	SANTIAGO, VICTORINO L.	842	
1085	000000286	SANTOS, ADORACION	699	
1086	000003176	SANTOS, CARMELITA	699	
1087	000000287	SANTOS, CESAR S.	511	
1088	000003156	SANTOS, ERNESTO M.	699	
1089	000004418	SANTOS, GEMMA M.	30	
1090	000008066	SANTOS, LEONEL &/OR ALICIA	5	
1091	000004003	SANTOS, NORMA A.	699	
1092	000000288	SANTOS, PAULINO S.	74	
1093	000004749	SANTOS, RAMON B.	239	
1094	000000289	SANTOS, RAMON G.	301	
1095	000004450	SANTOS, RODOLFO &/OR CAROLYN SANTOS	3	
1096	000000290	SANTOS, VICTORIA I.	980	
1097	000011344	SANVICTORES, JULIUS VICTOR EMMANUEL D.	11	
1098	000000291	SANVICTORES, LEONIDA S.	534	

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1099	000005046	SATUITO, LIGAYA V.	557	
1100	000009048	SAUR, JR., DELFIN R.	61	
1101	000001092	SAW, NANCY	557	
1102	000000293	SAYCON, HONORIO M.	16,760	
1103	000000294	SCHOFIELD, VIRGINIA	1,587	
1104	000011415	SCHUBERT, FILIP SEBASTIAN	6,000	
1105	000011299	SEC ACCOUNT NO.2 FAO: VARIOUS CUSTOMERS OF GUOCO SECURITIES (PHILIPPINES), INC.	1	
1106	000006042	SEE, ANTONIA	1,691	
1107	000006499	SIA, SUET LAN	838	
1108	000003610	SILVA, SONIA L.	947	
1109	000007508	SIM, FRANCIS CHUNG BUN	842	
1110	000008935	SIMTOCO, BERNARD &/OR CIRILA SIMTOCO	352	
1111	000009185	SIMTOCO, CESAR &/OR CAROLINE SIMTOCO	229	
1112	000006883	SING, DY CHI	94	
1113	000010272	SIO, STEPHEN ROY	559	
1114	000007333	SIONG, TAN TIAN	1,575	
1115	000007144	SISON, LAMBERTO C.	152	
1116	000007191	SIY TIONG ENG, WALTER	397	
1117	000011405	SIY, MATTHEW SZARETTE O.T	210	
1118	000011403	SIY, MICHAEL O.	212	
1119	000006132	SIY, NELLY	203	
1120	000011404	SIY, SHENIELLE MINDY O.T	210	
1121	000011406	SIY, SHERISSE MIDY O.T	210	
1122	000004229	SIY, WILLY TING	873	
1123	000011362	SMITH, CHARLENE JOY T.	39	
1124	000011021	SO, WILLIAM NELSON C.	5,743	
1125	000010915	SOLCO, EMILIO &/OR LOLITA CHOA	119	
1126	000003179	SOLIS, MILAGROS	699	
1127	000011375	SOLIVEN, STEPHEN G.	55	
1128	000008902	SON KENG PO, MAURICIO	74	
1129	000001094	SON KENG PO, PABLO	1,872	
1130	000008752	SON KENG PO, PABLO &/OR DY CHIN CHIN	352	
1131	000004384	SOO, PETER S.	1,051	
1132	000007463	SOON, BEE HON NGO	838	
1133	000002094	SORIANO, EDUARDO J.	1	
1134	000007606	SORIANO, PE NG	699	
1135	000001826	SQUIRE SECURITIES, INC.	5	
1136	000002562	STA. MARIA, CEFERINO D.	933	
1137	000004216	STA. MARIA, JR., GREGORIO B.	2,336	
1138	000000297	STO. DOMINGO, BRAULIO T.	1,986	
1139	000006323	SUAREZ, ROBERT K.	76	
1140	000009623	SUAREZ, SABAS	873	
1141	000006617	-SUAREZ, SABAS UY	1,750	
1142	000010782	SUN HUNG KAI SEC. (PHILS.), INC. FAO JIMMY HAO	557	
1143	000008360	SUN HUNG KAI SEC. (PHIL) INC. A/C TI071	450	
1144	000003118	SUN, ALBERT DY	104	
1145	000006149	SUNKIM, BENITO NG	365	
1146	000011358	SUPLEO, GEORGE P.	1,540	
1147	000002736	SY, AH LI	838	
1148	000003436	SY, ALEXANDER UY	842	
1149	000007591	SY, ANTONIO O.	432	
1150	000010667	SY, BENJAMIN	417	
1151	000001254	SY, BETTY TIU	699	
1152	000003299	SY, BUENASENSO T.	79	
1153	000002039	SY, CORABELLE LIM	838	
1154	000000772	SY, CORAZON C.	842	
1155	000007621	SY, ENG BIO	838	
1156	000006484	SY, ERNESTO T.	1,028	
1157	000009186	SY, FORTUNATO &/OR ARSENIA SY	2,757	
1158	000001793	SY, GREGORIA KO	1,051	
1159	000011127	SY, IRENE	167	
1160	000006239	SY, JENNIFER YEE	1,575	
1161	000002744	SY, JOHN TAN KIAT	947	
1162	000011309	SY, JOHN TAN KIAT &/OR ERLINDA TAN KIAT SY	358	
1163	000003298	SY, JOVITA C.	3	
1164	000011253	SY, LUZ T.	5	
1165	000002910	SY, MANUEL BAUTISTA	842	
1166	000007341	SY, MARIO CO	1,409	
1167	000007528	SY, MILLY LO	842	

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1168	000007442	SY, MYRNA C.	842	
1169	000003576	SY, ROGELIO CHUA	699	
1170	000002409	SY, STANLEY C.	143	
1171	000010895	SY, VICTOR GAN	45,654	
1172	000006844	SY, VISITACION P.	190	
1173	000007213	SY, WILFREDO S.	842	
1174	000007529	SY, WILSON	842	
1175	000007443	SYKAT, RUPERT TERRENCE C.	842	
1176	000007059	SYLING, PHILIP K.	842	
1177	000005921	SYYAP, ANDREW S.	30	
1178	000000299	TAGAYUN, ENRIQUE	1,752	
1179	000003369	TAN HAI PING	838	
1180	000005606	TAN UNTIONG, WILLIAM C.	9,587	
1181	000002454	TAN, AGNES J.	642	
1182	000006178	TAN, ALAN DY	176	
1183	000003578	TAN, ALBERTO M.	838	
1184	000003725	TAN, ANTHONETTE	379	
1185	000003577	TAN, ANTONIO M.	838	
1186	000003190	TAN, ANTONIO T.	699	
1187	000006040	TAN, BENITO P.	289	
1188	000003683	TAN, BEVERLY T.	699	
1189	000003024	TAN, CATALINA	838	
1190	000000587	TAN, CECILIA L.	3,499	
1191	000003592	TAN, CHRISTOPHER GAN	1,051	
1192	000006852	TAN, CLARITA	842	
1193	000007204	TAN, CORAZON A.	188	
1194	000003670	TAN, DIONISIO C.	699	
1195	000000300	TAN, ELIZABETH P.	582	
1196	000003584	TAN, HERMINIA G.	838	
1197	000009041	TAN, IRENE	31	
1198	000003684	TAN, JESSIE F.	699	
1199	000002688	TAN, JIMMY U.	14,642	
1200	000006914	TAN, JOSE	842	
1201	000006442	TAN, JOSE J.	113	
1202	000004371	TAN, JOSE MARIANO O.	699	
1203	000007205	TAN, JOSE N.	172	
1204	000007578	TAN, JULIANA	174	
1205	000008422	TAN, LEVERLY	559	
1206	000010799	TAN, LINBETH	382	
1207	000007473	TAN, LITA YU	842	
1208	000007644	TAN, LYDIA C.	2,820	
1209	000005911	TAN, MARTINA FELICIDAD	842	
1210	000007643	TAN, MIGUEL	943	
1211	000003189	TAN, MILA Y.	699	
1212	000002275	TAN, NENA	3,172	
1213	000004370	TAN, NERIZA T.	699	
1214	000007241	TAN, PACITA S.	947	
1215	000008713	TAN, RICHARD &/OR SUSANA TAN	1,575	
1216	000005115	TAN, SILVERIO BENNY J.	2,521	
1217	000003672	TAN, TERESA L.	786	
1218	000011228	TAN, TOMAS	1,532	
1219	000003371	TAN, VIRGINIA U.	838	
1220	000006740	TAN, YOLANDA	3,524	
1221	000005300	TANCHUCO, RAMONA R.	699	
1222	000011413	TANDOC, NEIL ALVIN CRUZ	102	
1223	000011412	TANDOC, NEIL BRIAN CRUZ	102	
1224	000011414	TANDOC, NEIL CLIFFORD CRUZ	102	
1225	000000301	TANEDO, MARTIN	5,187	
1226	000006855	TANGCO, PACIANO L.	2,607	
1227	000008795	TANHUANCO, PAUL	168	
1228	000006848	TANKING, FELICIDAD	699	
1229	000006875	TANLIMCO, JANET L.	947	
1230	000011032	TANQUIENG, JULIET	2,297	
1231	000001892	TANSENGCO, MARIE ANGELI C.	38	
1232	000005155	TANTOCO, MA. CAROLINA D.	91	
1233	000002218	TAPANGCO, NICANOR P.	6	
1234	000011185	TAY, LIM	843	
1235	000009328	TAYAG, JERRY	24	
1236	000009792	TE, IRENE ONG	41	

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1237	000009793	TE, KAREN ONG	152	
1238	000011116	TE, MICHEL MARK CHIONG	2,297	
1239	000006100	TE, MYRNA Z.	1,409	
1240	000003077	TE, SONIA K.	947	
1241	000009222	TECSON, ZENAIDA C.	130	
1242	000009081	TEE, ELIZABETH A.	1,173	
1243	000002873	TEE, LERMA T.	699	
1244	000002972	TENEFRANCIA, CHARLENE JOY S.	118	
1245	000002971	TENEFRANCIA, SHERI ANN S.	158	
1246	000002969	TENEFRANCIA, VALERIE MAY S.	151	
1247	000010511	TENG, CHRISTINE DIANE	152	
1248	000009158	TENGCO, ALEJANDRO H.	792	
1249	000008969	THE PHILIPPINE FOUNDATON FOR C. E. D., INC.	1,691	
1250	000009354	THE PLAZA INC.	461	
1251	000009329	THE PLAZA RESTAURANT, INC.	230	
1252	000011157	THOMPSON, ROLLAND R.	209	
1253	000008945	THOMPSON, ROLLAND R. ITF TOMMIE THOMPSON	418	
1254	000008946	THOMPSON, ROLLAND R. ITF WEYLAN THOMPSON	418	
1255	000000302	TIBAYAN, FELICITAS O.	21	
1256	000000303	TIBUDAN, VICENTE	395	
1257	000005955	TIGAS, JUDY MONTEALEGRE	178	
1258	000003686	TING, ALBERT O.	699	
1259	000003685	TING, CLAUDINE JENNIFER CHIN	699	
1260	000006036	TIO, SILVELYN U.	1,901	
1261	000011276	TIU KENG HI	3,446	
1262	000010086	TIU, AGUSTIN GO	1,681	
1263	000007025	TIU, CHUN LIN	842	
1264	000007024	TIU, CHUN TU	842	
1265	000010999	TIU, JEFFERSON	7,660	
1266	000010057	TIU, JR., RAMON	7,008	
1267	000007022	TIU, NENA TAN	209	
1268	000001412	TIU, SAMUEL	4,920	
1269	000002778	TO CHIP, JOSE T.	63	
1270	000006371	TO, TERESITA TAN	75	
1271	000002296	TONG, PATRICK Y.	17,354	
1272	000000304	TORIO, JOVITA	699	
1273	000000305	TORRES, CARMELITA C.	395	
1274	000002974	TORRES, VALERIE MAY T.	126	
1275	000006102	TOSZAP, DOLORES	838	
1276	000000306	TOTANES, RAUL E.	67	
1277	000010894	TRAJANO, ANN MARIE C.	7	
1278	000001143	TRANSNATIONAL SEC. INC., FOR ACCOUNT OF LITO DE VEZA	699	
1279	000010797	TRINIDAD, DR. ANGEL	37	
1280	000011190	TRINIDAD, NIMFA S.	1,167	
1281	000011393	TRONGCO, EDISON CHOA	1,532	
1282	000010658	TUASON, ROSARIO G.	381	
1283	000009493	TURNER, PHILIP &/OR ELNORA TURNER	124	
1284	000003518	TY ANG, LILY	943	
1285	000000307	TY, ALEJANDRO	63,893	
1286	000002034	TY, ANITA	254	
1287	000000950	TY, ANITA N.	50	
1288	000009526	TY, ANJANETTE	5,169	
1289	000010082	TY, ARTHUR VY [3]	129	
1290	000003451	TY, EDWARD A.	1,048	
1291	000000308	TY, LEONARDO K.	11,968	
1292	000010679	TY, LOURDES	15,510	
1293	000003453	TY, LUISA W.	1,048	
1294	000002884	TY, MARILOU B.	842	
1295	000003517	TY, TERESITA	842	
1296	000000310	UBALDE, LOURDES	325	
1297	000000311	UBALDE, LOURDES-LOPEZ	466	
1298	000000312	UMALE, FE	1,587	
1299	000011220	URIARTE, JR., FILEMON	111	
1300	000003018	UY BOMPING, ALBERTO C.	838	
1301	000003015	UY BOMPING, ALFREDO KA	838	
1302	000003017	UY BOMPING, ANGELI KA	838	
1303	000003016	UY BOMPING, YOLANDA KA	838	
1304	000010163	UY MATIAO, WILKIE	3,049	
1305	000002315	UY YEKCHUNG, GEORGE O.	842	

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1306	000011327	UY, ALFONSO A.	111	
1307	000003514	UY, BERNADETTE	152	
1308	000003267	UY, ELIZABETH G.	785	
1309	000006714	UY, JEANETTE YAO	842	
1310	000004172	UY, JULIAN D.	14,726	
1311	000009359	UY, KYLE DAVIDSON	1,722	
1312	000006018	UY, LETY	114	
1313	000006315	UY, MARILYN ONG	842	
1314	000007616	UY, MARTINA Y.	11,687	
1315	000004175	UY, NELSON	699	
1316	000011407	UY, ROANNA VICTORIA	1,011	
1317	000006057	UY, ROBERTO L.	1,750	
1318	000011382	UY, SUSAN SIO TIN	334	
1319	000007088	UY, VICENTA A.	842	
1320	000006715	UY, VICTOR YU	842	
1321	000010769	UY, WALTER	1,340	
1322	000004130	UY, WILSON BAIRAN	351	
1323	000009480	UY-TIOCO & CO., INC. A/C # 0107-004-4 OL	85	
1324	000002763	UYEKLIONG, AGNES	842	
1325	000002764	UYEKLIONG, JR., MANUEL	842	
1326	000006208	UYPUANCO, VICENTE	33	
1327	000011242	VALDES, JR., ROMAN CRESENCIO G.	13	
1328	000011238	VALDES, KATHERINE GRACE G.	13	
1329	000011241	VALDES, MICHAEL JOHN VINCENT G.	13	
1330	000009490	VALDEZ, RODRIGO N.	436	
1331	000011132	VALENCIA, RENATO C.	122	
1332	000011136	VALENCIA, RENATO C.	2,451	
1333	000000315	VALENZUELA, NESTOR E.	250	
1334	000011177	VALERIANO, DIVINA P. &/OR RONNAN VALERIANO	47	
1335	000000316	VALERO, LOURDES T.	1,821	
1336	000009062	VALLEJOS, VAN P.	33	
1337	000000317	VALLINER, PLACIDA P.	1,428	
1338	000000318	VALMORES, FRANCISCO L.	534	
1339	000011384	VARGAS, AGNES MARCELO	1,729	
1340	000000319	VARGAS, FLORDELIZA A.	699	
1341	000003766	VARGAS, VICENTE S.	1,120	
1342	000007177	VELASCO, CONSUELO	699	
1343	000007242	VELASCO, MA. VICTORIA E.	947	
1344	000005875	VELASCO, MICHAEL TAN	699	
1345	000004139	VELASCO, PHILIP	786	
1346	000000722	VELASQUEZ, GENARO C.	699	
1347	000000320	VELASQUEZ, HONORIO M.	3,973	
1348	000006969	VELMONTE, AVELINO L.	1,911	
1349	000006574	VELOSO, MA. THERESA S.	699	
1350	000000321	VENTURA, CATALINA	138	
1351	000011323	VERANO, MARIA LUISA L.	1,973	
1352	000009201	VERBO, ERIC &/OR ANGELITA VERBO	7	
1353	000003809	VERDEJO, MANUEL C.	63	
1354	000010975	VERGEL DE DIOS, JR., PROCOPIO V.	5,169	
1355	000010977	VERGEL DE DIOS, PATRICK A.	1,722	
1356	000011273	VERGEL DE DIOS, PAUL RYAN A.	2,506	
1357	000002072	VICTORIA, JONAS A.	4,229	
1358	000000322	VILANUEVA, PEDRO	792	
1359	000011108	VILLANUEVA, EFREN	245	
1360	000002258	VILLANUEVA, LUCILA T. &/OR RENATO A. VILLANUEVA	209	
1361	000011385	VILLANUEVA, MILAGROS P.	55	
1362	000011387	VILLANUEVA, MYRA P.	55	
1363	000011386	VILLANUEVA, MYRNA P.	55	
1364	000000539	VILLANUEVA, ROMULO P. &/OR ERLINDA B. VILLANUEVA	162	
1365	000003742	VILLAREAL, ERNEST F.O.	763	
1366	000003560	VILLAREAL, MA. ARACELI L.	699	
1367	000002733	VILLAREAL, VICENTE E.	77	
1368	000000324	VILLARICA, HERMINIO V.	1,587	
1369	000003177	VILLARIN, RAUL V.	699	
1370	000011066	VILLAROMAN, GILBERTO S.	612	
1371	000000325	VIRAY, ANTONIO V.	2	
1372	000004835	VITAL VENTURES MANAGEMENT CORPORATION	2,537	
1373	000000326	VIZCONDE, THERESITA P.	279	
1374	000006141	WANG, ROSIE T.	2,820	

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	STOCKHOLDER NUMBER	NAME OF STOCKHOLDER	NO. OF SHARES SUBSCRIBED	NATIONALITY
1375	000007992	WEE, BELLA	1,585	
1376	000003413	WEE, CO CHIN	699	
1377	000011061	WEE, JR., ANTONIO &/OR EMMA WEE	764	
1378	000006849	WEE, LYDIA Y.	1,691	
1379	000006390	WEE, WINTHROP A.	228	
1380	000003039	WONG, ALFREDA	842	
1381	000007454	WONG, JOSEFINA KO TAH	699	
1382	000010055	WONG, JR., FREDDIE	70	
1383	000006393	WONG, MAGDALENA C.	432	
1384	000006391	WONG, MARK C.	947	
1385	000011155	WONG, SINGWA Y.	368	
1386	000005502	YAM, ELENA C.	1,973	
1387	000003711	YANG, CAREY	842	
1388	000000768	YANG, PHILIP	1,400	
1389	000006683	YAO, GAN CHIN	153	
1390	000003452	YAO, LILLIAN W.	754	
1391	000006394	YAO, MAYDA C.	432	
1392	000009017	YAO, NATALIA CHUA	1,167	
1393	000003646	YAP, JANET KEH	699	
1394	000010076	YAP, JR., ENRIQUE TC	209	
1395	000006764	YAP, LYDIA C.	947	
1396	000006779	YAP, TERESITA GO	947	
1397	000000989	YAP, VIRGINIA A.	466	
1398	000007000	YAP, WENDELL Y.	842	
1399	000011024	YBANEZ, JOSE S.	98	
1400	000007745	YEE, ELIZABETH KUAN	1,409	
1401	000007001	YIU-YAP, LORNA S.	3	
1402	000010932	YONGCO, FILEMON	151	
1403	000008578	YOUNG, JR., GEORGE U.	2,803	
1404	000007671	YOUNG, MARIO	75	
1405	000003424	YOUNG, TIFFANY	3	
1406	000003164	YRAOLA, REMEDIOS	699	
1407	000010043	YU CHUEN YAN	18,082	
1408	000003047	YU JECO, DANIEL	459	
1409	000003046	YU JECO, YVONNE C.	334	
1410	000003624	YU ROSEMARY TANG	786	
1411	000006584	YU, ADELINE ROSIE G.	1,409	
1412	000007195	YU, CAROLINE	699	
1413	000003763	YU, CAROLYN S.	1,264	
1414	000001944	YU, FERDINAND CO	1,167	
1415	000001396	YU, HENRY S.	1,409	
1416	000000426	YU, JENNIFER JAN	947	
1417	000011209	YU, JR., GREGORIO ONG	75	
1418	000000327	YU, LEONARDO D.	2,405	
1419	000011014	YU, LINDA	1,532	
1420	000003288	YU, MARY L.	25,730	
1421	000006395	YULO, LILY TAN	842	
1422	000007757	YUSON, MIRIAM M.	2,628	
1423	000000328	ZAPANTA, BERNARDO	5,025	
1424	000006081	ZARASPE, AMELITA G.	3	
1425	000000329	ZARATE, LUCIA B.	1,378	
1426	000003502	ZIALCITA, RAYMUNDO B.	699	
1427	000006615	ZOSA, JR., FRANCIS	642	
1428	000008934	ZOSA, TEOFILO &/OR TERESITA ZOSA	15,340	
1429	000000331	ZOSA, TEOFILO A.	1,905	
			426,859,416	

NOTES:

1 Includes 206,331,982 shares lodged with PCD Nominee Corp.

2 Net of 206,331,982 shares owned by Metropolitan Bank & Trust Company and 18 shares owned by Arthur Ty

3 Includes 18 shares lodged with PCD Nominee Corp.

NOTED BY:

MA. ANNETTE VALENE A. BAUTISTA
Assistant Manager

MA. KRISTINA ANNA S. REYES
Senior Manager

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