

PHILIPPINE BUSINESS BANK

CONSUMER PROTECTION PROGRAM

A. OVERVIEW

The issuance of Bangko Sentral ng Pilipinas (BSP) Circular No. 857 Series of 2014 – BSP Regulations on Financial Consumer Protection underscores that financial consumer protection is a fundamental responsibility of BSP-Supervised Financial Institutions (BSFIs) corporate governance and culture. All Banks shall be governed by the basic principles and ethical business practices in dealing with their consumers. Likewise, BSFIs are expected to observe the Consumer Protection Standards at all times in all dealings with Financial Consumer.

B. CONSUMER PROTECTION OVERSIGHT FUNCTION

B.1 ROLES AND RESPONSIBILITIES OF THE BOARD AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

The Board shall be primarily responsible for approving and overseeing the implementation of policies governing major areas of the Bank's consumer protection program, including the mechanism to ensure compliance with the set policies.

The Roles of the Board shall include the following:

- a) Approve the Consumer Protection policies;
- b) Approve Risk Assessment Strategies relating to Effective Recourse by the Consumer;
- c) Provide adequate resources devoted to Consumer Protection;
- d) Review the applicable policies periodically

SENIOR MANAGEMENT

The Senior Management shall be responsible for proper implementation of the Consumer protection policies and procedures duly approved by the Board. Also, its role shall focus on ensuring effective management of day-to-day consumer protection activities.

B.2 CONSUMER PROTECTION RISK MANAGEMENT SYSTEM (CPRMS)

The Bank's Consumer Protection Risk Management System (CPRMS) shall form part of the Corporate-wide Risk Management System. It is a means to identify, measure, monitor and control consumer protection risks. Risk Management Strategies shall include appropriate management controls and reasonable steps to ensure that:

- a) it identifies and remedies any recurring or systematic problems; and
- b) identifies weaknesses in internal control procedures or process.

This may be done by:

- analyzing complaints/requests data;
- analyzing causes for complaints/requests;
- consideration whether such identified weaknesses may also affect other processes or products, including those not directly complained of/requested; and
- correcting; whether reasonable to do so, such causes taking into consideration the concomitant costs and other resources.

B.3 BOARD AND SENIOR MANAGEMENT OVERSIGHT

The Board shall be responsible in developing and maintaining a sound CPRMS which shall be integrated into the overall framework for the entire product and service life cycle. The Board and Senior Management should periodically review the effectiveness of the CPRMS, including how findings are reported and whether the audit mechanisms in place enable adequate oversight. The Board and the Senior Management must also ensure that sufficient resources have been devoted to the program. Likewise, the Board and Senior Management must also make certain that CPRMS weaknesses are addressed and corrective actions are taken in a timely manner.

B.4 COMPLIANCE PROGRAM

The Consumer Protection Program shall form part of the Bank's over-all Compliance System. Through the Compliance Office, the program shall ensure adherence to Bank's policies, relevant banking laws, rules and regulations of BSP, SEC, PDIC, DTI and other regulating agencies.

B.5 POLICIES AND PROCEDURES

Policies and Procedures under the Consumer Protection Program shall be in place and duly approved by the Board. Similarly, all Bank's policies and procedures should

- a) be consistent with the consumer protection policies and procedures;
- b) ensure that consumer protection practices are embedded in the Bank's business operations;
- c) address compliance with consumer protection laws, rules and regulations; and
- d) be reviewed periodically and kept-up-to-date since these serve as reference for employees in their day-to-day activities.

B.6 INTERNAL AUDIT

Independent of the compliance function, the Bank's Internal Audit shall:

- 1) review the consumer protection practices;
- 2) adherence to internal policies and procedures; and
- 3) compliance with existing laws, rules and regulations

Under the Bank's Manual of Corporate Governance, the Audit Committee provides oversight over the institutions' financial reporting policies, practices and control and internal and external audit functions.

B.7 TRAINING

PBB shall conduct trainings and education programs to enhance to the highest degree, the professionalism, excellence and skills of its employees in the performance of their duties and responsibilities.

The Bank shall ensure continuing education of personnel about Consumer Protection laws, rules and regulations, including related policies and procedures.

C. CONSUMER PROTECTION STANDARDS OF CONDUCT

The following Consumer Protection Standards reflect the core principles, which the Bank is expected to observe at all times in their dealings with financial consumers. These should be embedded into the corporate culture of the Bank, enhancing further its defined governance framework while addressing conflicts that are inimical to the interests of the financial consumer.

a) Disclosure and Transparency

The Bank shall take affirmative action to ensure that its consumers have a reasonable holistic understanding of the products and services, which they may be acquiring or availing. In this context, full disclosure and utmost transparency are the critical elements that empower the consumer to make informed financial decisions. This is made possible by providing the consumer with ready access to information that accurately represents the nature and structure of the product or service, its terms and conditions, as well as its fundamental benefits and risks.

1. Key Information

1.1 Ensures that offering documents of products and services contain the information necessary for customers to be able to make an informed judgment of the product or service and, in particular, meet the full disclosure and risks of the products should be highlighted prominently in a succinct manner. Where a product is being offered on a continuous basis, its offering documents should be updated in accordance with the requirements set out in the regulations.

1.2 Readily and consistently makes available to the customer a written copy of the Terms and Conditions (T&C) that apply to a product or service. The contents of the T&C must be fully disclosed and explained to financial customers before initiating a transaction. Where and when warranted, reference to the T&C should be made while transacting with the consumer and before consummating the transaction, if such reference is material to the understanding of the consumer of the nature of the product or service, as well as its benefits and risks.

The T&C should include at least the following:

- 1) The full price or cost to the customer including all interest, fees, charges, and penalties. The T&C must clearly state whether interest, fees, charges, and penalties can change over time. The method for computing said interest, fees, charges, and penalties shall be presented in accordance with Circular 730 dated 20 July 2011;
- 2) General information about the operation of the products or services including the customer's obligations and liabilities;
- 3) Cooling-off period, if applicable.
- 4) Cancellation, return and exchange policies, and any related cost;
- 5) The actions and remedies which the Bank may take in the event of a default by the customer;
- 6) Procedures to report unauthorized transactions and other contingencies, as well as the liabilities of parties in such case; and
- 7) A summary of the Bank's complaints handling procedure.

1.3 Advises customers to read and understand the applicable T&C, when considering a product or service.

1.4 Ensures that its staff communicates in such a manner that clients can understand the terms of the contract, their rights and obligations. Staff should communicate with techniques that address literacy limitations (e.g. materials are available in local language).

1.5 Provides customers adequate time to review the T&C of the product or service, ask questions and receive additional information prior to signing contracts or executing the transaction. The staff of the Bank should be available to answer the questions and clarifications from the financial customer.

1.6 Ensures that staff assigned to deal directly with customers, or who prepare advertisement materials (or other material of the Bank for external distribution) or who markets any product or service should be fully knowledgeable about these products and services, including statutory and regulatory requirements, and are able to explain the nuances to the consumer.

1.7 Uses a variety of communication channels to disclose clear and accurate information. Such communication channels should be available to the public without need for special access requirements, which may entail additional expense. Communication channels should be sufficiently responsive to address the literacy limitations of the financial consumer. Said channels may be written and/or verbal as may be warranted.

1.8 Discloses pricing information in public domains (e.g., websites).

1.9 Updates customers with relevant information, free of charge in a clear, understandable, comprehensive, and transparent manner, for the duration of the contract. Such information covers the characteristics and the risks of the products sold by the Bank and their authorized agents.

1.10 Imparts targeted information to the specific groups of clients to whom specific products are being marketed, with a particular consideration for vulnerable customers. Communication channels employed for such targeted marketing initiatives may be accordingly calibrated.

1.11 Offers enhanced disclosure for more complex products, highlighting the costs and risks involved for the customer. For structured investment products, a Product Highlight Sheet (PHS) is required. The PHS should be clear, concise, and easily understandable by individual customers. It should contain information that empowers the customer to appreciate the key features of the product and its risks. It is prepared in a format that facilitates comparison with other products. The PHS should be available at no cost to the public and made available to consumers upon request. Before signing any contract, the Bank should ensure that the customer has freely signed a statement to the effect that the customer has duly received, read, and understood the PHS.

1.12 Notifies the customer in writing of any change in:

1.12.1 Interest rate to be paid or changed on any account of the customer as soon as possible; and

1.12.2 A non-interest charge on any account of the customer within a number of days as provided under existing regulations prior to the effective date of the change.

If the revised terms are not acceptable to the customer, he or she should have the right to exit the contract

without penalty, provided such right is exercised within a reasonable period. The customer should be informed of this right whenever a notice of change is made.

1.13 Provides customers with a proof of the transaction immediately after the transaction has been completed. The customer should be given a hard copy of each of the documents signed by the clients (including, but not limited to the contract) with all terms and conditions. The Bank ensures that documents signed by the customer are completely filled and that there are no blank terms.

1.14 Regularly provides customers with clear and accurate information regarding their accounts (e.g., Statement of accounts that includes, among others, covering period, opening balance/value of transactions, all kinds of interest, fees and charges, closing balance, inquiries for outstanding balances, proof of payments for loans).

1.15 Informs customers of their rights and responsibilities including their right to complain and the manner of its submission.

2. Advertising and Promotional Materials

2.1 Ensures that advertising and marketing materials do not make false, misleading, or deceptive statements that may materially and/or adversely affect the decision of the customer to avail of a service or acquire a product.

2.2 Ensures that advertising and promotional materials are easily readable and understandable by the general public. It should disclose clear, accurate, updated, and relevant information about the product or service. It should be balanced/proportional (reflecting both advantages and risks of the product or service); visible/audible; key information is prominent and not obscured; print is of sufficient size and clearly legible.

2.3 Ensures that promotional materials are targeted according to the specific groups of consumers to whom products are marketed and the communication channels employed for marketing financial services.

2.4 Ensures that all advertising and promotional materials disclose the fact that it is a regulated entity and that the name and contact details of the regulator are indicated.

3. Conflict of Interest

- 3.1 Discloses properly to the consumer prior to the execution of the transaction that the Bank or its staff has an interest in a direct/cross transaction with a consumer, if any.
- 3.2 Discloses the limited availability of products to consumers when the Bank only recommends products which are issued by their related companies, particularly when commissions or rebates are the primary basis for recommending the particular product to consumers.
- 3.3 Discloses the basis on which the Bank is remunerated at the pre-contractual stage.
- 3.4 Ensures that adequate systems and controls are in place to promptly identify issues and matters that may be detrimental to a customer's interest (e.g., cases in which advice may have been given merely to meet sales targets, or may be driven by financial or other incentives).

b) Protection of Client Information

1. Confidentiality and Security of Client Information

- 1.1 Have a written privacy policy to safeguard its customers' personal information. This policy should govern the gathering, processing, use, distribution, storage, and eventual disposal of client information, in accordance with Data Privacy Act. The Bank should ensure that privacy policies and sanctions for violations are implemented and strictly enforced.
- 1.2 Ensure that privacy policies are regularly communicated throughout the organization. Opportunities include employees' initial training sessions, regular organization-wide training programs, employee handbooks, posters and posted signs, company intranet and internet websites, and brochures available to clients.
- 1.3 Have appropriate systems in place to protect the confidentiality and security of the personal data of its customers against any threat or hazard to the security or integrity of the information and against unauthorized access. This includes a written information security plan that describes its program to protect customer personal information. The plan must be appropriate to its size and complexity, nature and scope of its activities, and the sensitivity of customer information it handles. As part of its plan, the Bank must:

- 1.3.1 Designate employee accountable to coordinate its Information Security Program.
- 1.3.2 Identify and assess the risks to customer information in each relevant area of the Bank operation, and evaluate the effectiveness of the current safeguards for controlling these risks.
- 1.3.3 Design and implement a safeguards program, and regularly monitor and test it.
- 1.3.4 Select service providers that can maintain appropriate safeguards.
- 1.3.5 Evaluate and adjust the program in light of relevant circumstances, including changes in the firm's business or operations, or the results of security testing and monitoring.
- 1.4 Have appropriate policies and practices for employee management and training to assess and address the risks to customer information. These include:
 - 1.4.1 Checking references and doing background checks before hiring employees who will have access to customer information.
 - 1.4.2 Asking new employees to sign an agreement to follow the Bank confidentiality and security standards for handling customer information.
 - 1.4.3 Limited access to customer information of employees who have no business reason to see it.
 - 1.4.4 Controlling access to sensitive information by requiring employees to use "strong" passwords that must be changed on a regular basis.
 - 1.4.5 Using automatic time-out or log-off controls to lock employee computers after a period of inactivity.
 - 1.4.6 Training employees to take basic steps to maintain the security, confidentiality, and integrity of customer information. These may include locking rooms and file cabinets where records are kept; ensuring that employee

passwords are not posted in work areas; encrypting sensitive customer information when transmitted electronically via public networks; referring calls or other requests for customer information to designated individuals who have been trained in how the Bank safeguards personal data; and reporting suspicious attempts to obtain customer information to designated personnel.

1.4.7 Regularly reminding all employees of company policy to keep customer information secure and confidential.

1.4.8 Imposing strong disciplinary measures for security policy violations.

1.4.9 Preventing terminated employees from accessing customer information by immediately deactivating their passwords and user names and taking other measures.

1.5 Have a strong IT System in place to protect the confidentiality, security, accuracy and integrity of customer's personal information. This includes network and software design, and information processing, storage, transmission, retrieval, and disposal. Maintaining security throughout the life-cycle of customer information, from data entry to disposal, includes:

1.5.1 Knowing where sensitive customer information is stored and storing it securely. Make sure only authorized employees have access.

1.5.2 Taking steps to ensure the secure transmission of customer information.

1.5.3 Disposing customer information in a secure way.

1.5.4 Maintaining up-to-date and appropriate programs and controls prevent unauthorized access.

1.5.5 Using appropriate oversight or audit procedures to detect the improper disclosure or theft of customer information.

1.5.6 Having a security breach response plan in the event the Bank experiences a data breach.

2 Sharing of Customer Information

- 2.1 Inform its customers in writing and explain clearly to customers as to how it will use and share the customer's personal information.
- 2.2 Obtain the customers' written consent, unless in situations allowed as an exception by law or BSP-issued regulations on confidentiality of customer's information, before sharing customers' personal information with third parties such as credit bureau, collection agencies, marketing and promotional partners, and other relevant external parties.
- 2.3 Provide access to customers to the information shared and should allow customers to challenge the accuracy and completeness of the information and have these amended as appropriate.
- 2.4 Appropriate penalties should be imposed by the Bank to erring employees for exposing or revealing client data to third parties without prior written consent from client.

c) Fair Treatment

1. Affordability and suitability of product or service

- 1.1 When making a recommendation to a customer:
 - 1.1.1 Gather, file, and record sufficient information from the customer to enable the Bank to offer an appropriate product or service to the customer. The information gathered should be commensurate to the nature and complexity of the product and service either being proposed to or sought by the customer and should enable the Bank to provide an appropriate level of professional service. As a minimum, information includes the customers' financial knowledge and experience, financial capabilities, investment objectives, time horizons, needs, priorities, risk affordability, and risk profile.
 - 1.1.2 Offer products or services that are in line with the needs/risk profile of the consumer. The Bank should provide for and allow the customer to choose from a range of available products and services that can meet his needs and requirements. Sufficient and right

information on the product or service should enable the customer to select the most suitable and affordable product and service.

1.2 Inform or warn the customers that if they do not provide sufficient information regarding their financial knowledge and experience, the Bank is not in a position to accurately determine whether the product or service is appropriate to them, given the limited information available. This information or warning may be provided in a standardized format.

1.3 Ensure that the customer certifies in writing the accuracy of the personal information provided.

1.4 Ensure to offer market-based pricing.

1.5 Design products that are appropriate to the varying needs and interests of different types of consumers, particularly the more vulnerable consumers. Adequate product approval should be in place. Processes should be proper to ensure that products and services are fit for the targeted consumer.

1.6 Do not engage in abusive or deceptive acts or practices.

1.7 Seek customer feedback for product design and delivery and use this feedback to enhance product development and improve existing products. Likewise, investigate reasons for client drop out.

1.8 Do not use high pressure/aggressive sales techniques and do not force clients to sign contracts.

1.9 Have a system in place for approval when selling high-risk instruments to consumers.

2. Prevention of over-indebtedness

2.1 Have appropriate policies for good repayment capacity analysis. The loan approval does not rely solely on guarantees (co-signers or collateral) as a substitute for good capacity analysis.

2.2 Properly assess the creditworthiness and conduct appropriate client repayment capacity analysis when offering a new credit product or service significantly increasing the amount of debt assumed by the customer.

- 2.3 Ensure to have an appropriate system in place for credit analysis and decisions including appropriate criteria to limit the amount of credit.
- 2.4 Monitor enforcement of policies to prevent over-indebtedness. The Board and Senior Management of the Bank should be aware of the concerned about the risks of over-indebtedness of its customers.
- 2.5 Draw the customer's attention to the consequences of signing a contract that may affect his financial position and his collateral in case of default in payment of a loan/obligation.
- 2.6 Prepare and submit appropriate reports (e.g., loan quality, write-offs, restructured loans) to management.
- 2.7 Ensure that corrective measures are in place for poor long-term quality of loan portfolio linked to over-indebtedness.
- 2.8 Have specific procedures to actively work out solutions (i.e., through workout plan) for restructured loans / refinancing / writing-off on exceptional basis for clients in default who have the "willingness" but without the capacity to repay, prior to seizing the assets.

3. Objectivity

- 3.1 Deal fairly, honestly, and in good faith with customers and avoid making statements that are untrue or omitting information which are necessary to prevent the statement from being from false or misleading.
- 3.2 Present a balanced view when selling a product or service. While the Bank highlights the advantages of a product/service, the customer's attention should also be drawn to its disadvantages and downside risks.
- 3.3 Ensure that recommendations made to customer are clearly justified and explained to the customer and are properly documented. If the requested products are of higher risk rating than a customer's risk tolerance assessment results, the Bank should draw to the customer's attention that the product may not be suitable for him in view of the risk mismatch. In such instances, there should be a written disclosure of consequences which is accepted by the client.

3.4 Ensure that the customer's suitability and affordability are assessed against specific risks of the investment products:

3.4.1 Financial Needs Analysis (FNA) and Client Suitability – to assess the customer's risk profile and suitability of the product.

3.4.2 Customer's Declaration Form – to confirm his acceptance and understanding of the highlighted features of the product.

3.4.3 FNA, Client Suitability and Declaration Form should be duly completed to make sure that the product sold is suitable and affordable for the customer.

4 Institutional culture of fair and responsible treatment of clients

4.1 There should be a Code of Conduct (Code) applicable to all staff, spelling out the organizational values and standards of professional conduct that uphold protection of customers. This Code should be reviewed and approved by the Board. The staff signs a document by which they acknowledge that they will abide by the Code. To ensure adherence to the Code, the Bank is required to implement measures to determine whether the principles of consumer protection are observed, the clients' concerns are appropriately addressed and problems are resolved in a timely manner. These may be included among others, the regular conduct of customer satisfaction survey.

4.2 Ensure that recruitment and training policies are aligned around fair and responsible treatment of clients.

4.3 Ensure that staff, specifically those who interact directly with customers, receive adequate training suitable for the complexity of the products or services they sell.

4.4 Ensure that collection practices are covered during the initial training of all staff involved in collections (loan officers, collections staff, and branch managers). In particular, collection staff should receive training in acceptable debt collection practices and loan recovery procedures.

4.5 Strictly comply with BSP's existing regulation on what constitutes unfair debt collection practices. The Bank's Code of Conduct should clearly spell out the specific standards of professional conduct that

are expected of all staff involved in collection (including outsourced staff).

- 4.6 Institute policy that guarantees that clients receive a fair price for any foreclosed assets and has procedures to ensure that collateral seizing is respectful of client's rights.
- 4.7 Ensure that Managers and Supervisors review ethical behavior, professional conduct, and quality of interaction with customers as part of staff performance evaluations.
- 4.8 Have a system or internal processes in place to detect and respond to customer mistreatment as well as serious infractions. In case of violation of Code of Conduct (e.g., harassment,) sanctions shall be enforced.
- 4.9 Inform staff of penalties for non-compliance with Code of Conduct.
- 4.10 Perform appropriate due diligence before selecting the authorized agents/outsourced parties (such as taking into account the agents' integrity, professionalism, financial soundness, operational capability and capacity, and compatibility with the FI's corporate culture) and implement controls to monitor the agents' performance on a continuous basis. The Bank retains ultimate accountability for outsourced activities.
- 4.11 Disseminate the main aspect of the Code of Conduct to clients through printed media or other appropriate means.

5 Remuneration Structure

- 5.1 Design remuneration structure for staff of the Bank and authorized agents in a manner that encourages responsible business conduct, fair treatment and avoidance/mitigation of conflicts of interest.
- 5.2 Disclose to the customers the remuneration structure where appropriate, such as when potential conflicts of interest cannot be managed or avoided.
- 5.3 Ensure adequate procedures and controls so that sales staff are not remunerated based solely on sales performance but that other factors, including customer's satisfaction (in terms of number of customer complaints served/settled) and compliance with regulatory requirements, best practices guidelines, and Code of Conduct in which certain principles are related to best interest of

customers, satisfactory audit/compliance review results and complaint investigation results, are taken into account.

d) Effective Recourse

The Bank demonstrates the ability to provide effective recourse if it is able to:

- (1) Establish an effective Consumer Assistance Management System (CAMS).
- (2) Develop internal policies and practices, including time for processing, complaint response, and customer access.
- (3) Maintain an up-to-date log and records of all complaints from customers' subject to the complaints procedure. This log must contain the following:
 - i. Details of each complaint;
 - ii. The date the complaint was received;
 - iii. A summary of the Bank's response;
 - iv. Details of any other relevant correspondence or records;
 - v. The action taken to resolve each complaint; and
 - vi. The date the complaint was resolved.
- (4) Ensure that information on how to make a complaint is clearly visible in the Bank's premises and on their websites.
- (5) Undertake an analysis of the patterns of complaints from customers on a regular basis including investigating whether complaints indicate an isolated issue or a more widespread issue for consumers. This analysis of consumer complaints must be escalated to the Bank's compliance/risk management function and senior management.
- (6) Provide for adequate resources to handle financial consumer complaints efficiently and effectively. Staff handling complaints should have appropriate experience, knowledge, and expertise. Depending on the Bank's size and complexity of operation, a

Senior staff member should be appointed to be in charge of the complaint handling process.

e) Financial Education and Awareness

The Bank demonstrates this principle through various means and in particular:

(1) Have a clear and defined financial education and awareness program as part of a wider financial consumer protection and education strategy and corporate governance. It is an integral component of the Bank's ongoing interaction and relationship with clients. Dedicated and adequate resources should be provided for the financial education initiatives.

(2) Develop financial education and awareness programs, either on their own or in partnership or collaboration with industry associations, which contribute to the improvement of their clients' knowledge and understanding of their rights and responsibilities, basic information and risks of financial products and services, and ability to make informed financial decisions and participate in economic activities. Financial education programs should be designed to meet the needs and financial literacy level of target audiences, as well as those that will reflect how target audience prefers to receive financial information. These may include:

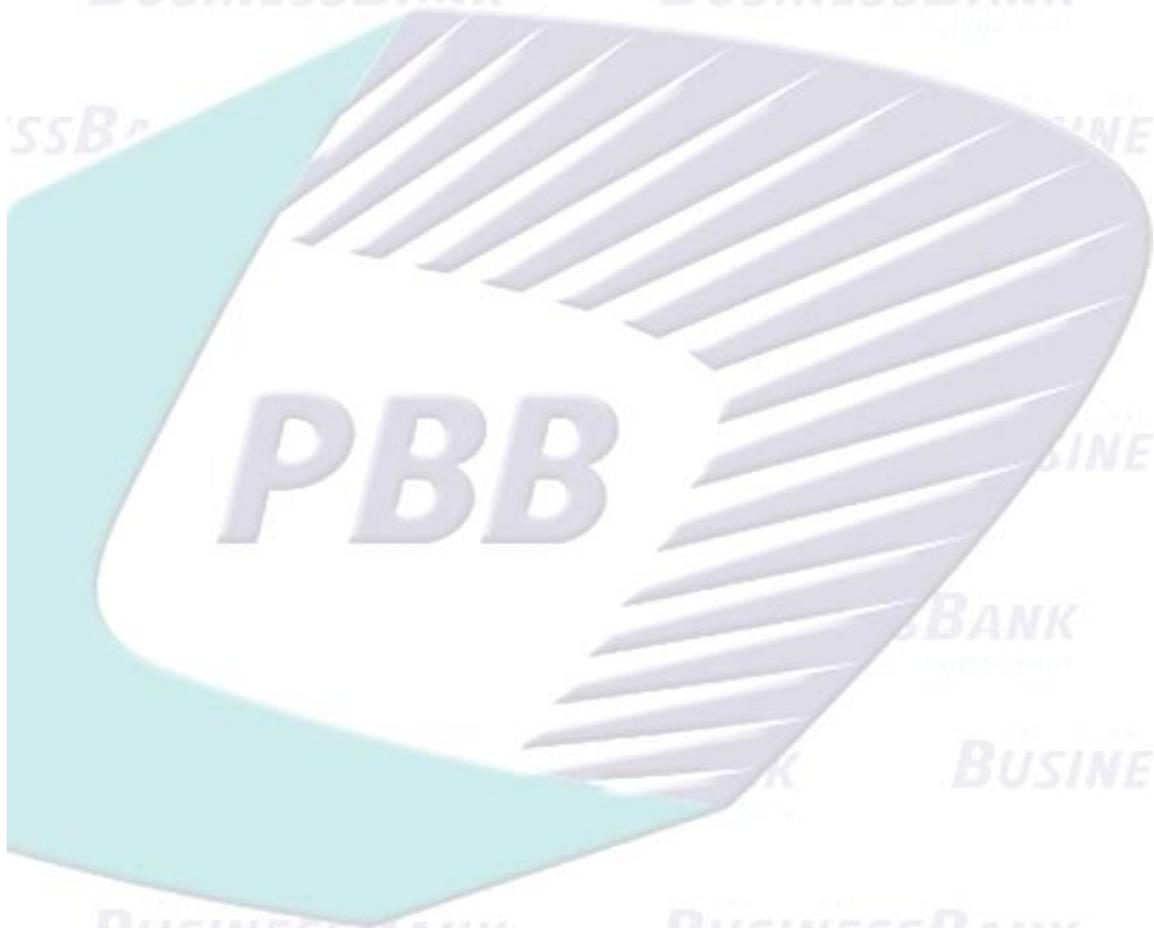
2.1 Delivering public awareness campaigns and information resources that would teach consumers on certain aspects of their financial lives particularly, budgeting, financial planning, saving, investing, borrowing, retirement planning, and self-protection against fraud.

2.2 Developing financial education tools or information materials that are updated and readily understood and transparent such as customized advice and guidance (face to face training); printed brochures, flyers, posters, training videos (e.g. about money management, debt management, saving), and newsletters; websites, and interactive calculators that deliver key messages and "call to action" concerning better money management (e.g., protect your money, know your product, read and understand the T&C, check your statements, pay credit card bills on time, safeguard your Personal Identification Number, understand fees and charges) and consumer responsibility to ask the right questions.

(3) Clearly distinguish between financial education from commercial advice. Any financial advice for business purposes should be transparent. Disclose clearly any commercial nature where it is also being promoted as a financial education initiative. It should train staff on financial education and develop codes of conduct for the provision of general advice about investments and borrowings, not linked to the supply of a specific product.

(4) Provide via the internet or through printed publications unbiased and independent information to consumers through comparative information about the price and other key features, benefits and risks, and associated fees and charges of products and services.

(5) Regularly track, monitor, and assess campaigns and programs and use the results of the evaluation for continuous improvement.



D. DESIGNATION OF CONSUMER ASSISTANCE OFFICER (CAO)

1. Given their skills in handling various customer transactions, the Business Manager (or in his/her absence, the Branch Service Head) shall act as the CAO who shall be the one to receive the complaints raised to the branch/branch lite by financial consumers and endorse the same to CPU, if needed. The designation of the Business Manager/Branch Service Head as CAO shall be upon the approval of the Branch Banking Group/Branch Operations & Control Group.
2. To handle complaints received through extension offices and other banking units aside from the Consumer Protection Unit (CPU), one (1) CAO shall be appointed per Head Office location (e.g. Main Building, Annex Bldg.) to receive client complaints and endorse them to the CPU. The designation of such CAO's shall be duly coordinated by the CPU with the former's Group/Center Head.

E. GUIDELINES/PROCEDURES IN CUSTOMER COMPLAINTS HANDLING

PBB clients/customers may lodge their complaints/concerns through the following means:

1. Walk-in or personal visit to the Branch/Head Office (H.O.) Unit

A) Client/Customer

- 1) Shall visit the Branch/H.O. Unit and fill-out the Customer Complaint Form (CCF – Annex A- Revised Form).
- 2) Complete details of the complaint shall be provided in the form.

B) Consumer Assistance Officer (CAO)

- 1) Shall validate the complaint received from the client/customer.
- 2) If the complaint can be resolved immediately/upfront, explains to the client the resolution of the complaint.\
- 3) If the complaint cannot be resolved immediately, explains to the client the following timeline:

PROCEDURE	SIMPLE*	COMPLEX*
Acknowledgment	Within 2 days	Within 2 days
Processing and resolution (assess, investigate and resolve)	Within 7 days	Within 45 days

Communication of resolution	Within 9 days	Within 47 days
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*All periods are reckoned from receipt of complaint.

The above timeline also applies on complaints received via telephone or e-mail.

- 4) Transmits the CCF to Consumer Protection Unit via e-mail.

C) Consumer Protection Officer (CPO)

- 1) Shall acknowledge the complaints received from the Branch/H.O. Unit.
- 2) Shall obtain and record the details of the complaints in the Consumer Assistance Management System (CAMS)
- 3) Assigns the validated complaint to the concerned Support Group.
- 4) Generates and submits the Customer Complaint Summary Report daily to the Consumer Protection Head.
- 5) Once a complaint has been resolved by the Support Group, CPO shall tag it as closed in the CAMS.

D) Support Group

- 1) Retrieves the complaint received through the CAMS or e-mail, as applicable.
- 2) Performs the necessary corrective actions based on the nature of the complaint.
- 3) The resolution made shall be recorded accordingly in the CAMS or reply via e-mail, as applicable.

E) Consumer Protection Head

- 1) Shall monitor and evaluate customer complaints handling process.
- 2) Analyzes the nature of the complaints and recommend solutions to avoid recurrence.
- 3) Extracts generated complaints report monthly except when urgent to be submitted and reviewed by the HR Head.

- 4) Recommends the resolution of the case or if needed to be elevated to proper authorities or needed to be taken up in the Committee on Employee Discipline (CED) if applicable.
- 5) Reports to Senior Management on a quarterly basis the complaints received and the resolutions applied.
- 6) Reports periodically to the Board all complaints received within the period as stated.
- 7) Makes recommendation and assessment on the cases filed to avoid recurrence in the future.

To assess if the complaints have been resolved at the highest degree of satisfaction, the Bank also asks feedback through its Complaint Handling Feedback Form (Annex B). This is sent via email to the concerned client after a complaint's resolution. In addition and to ensure consistency in the level of service rendered after the complaint filing, the Bank monitors the implementation of the resolution after 30, 60, and 90 days through Service Recovery Strategy (SRS) Tracking System.

2. Telephone

A) Client/Customer

- 1) Shall call the H.O/Branch Unit, Consumer Protection Hotline or PBB hotline, following the guide below:

Head Office Contact Numbers	Time
Consumer Protection Direct Line <ul style="list-style-type: none"> • (02) 8363-4357 • (02) 8244-9176 Domestic Toll Free Hotline <ul style="list-style-type: none"> • 1-800-1-888-4357 	9:00 AM – 4:00PM (Monday to Friday)
Card-related Concerns Hotline <ul style="list-style-type: none"> • (02) 8363-3000 Domestic Toll Free Hotline <ul style="list-style-type: none"> • 1-800-10-363-3000 	24 hours (Monday to Sunday)
Branch Contact Numbers	Time
Branch Telephone Numbers	9:00 AM – 4:00PM (Monday to Friday)

- 2) The client shall provide the complete details of the complaints.

B) Consumer Protection Officer (CPO) or PBB Helpdesk – Head Office

- 1) Shall validate and acknowledge the complaint received.
- 2) The details of the complaint shall be recorded in the Consumer Assistance Management System (CAMS)
- 3) Assigns the validated complaint to the concerned Support Group.
- 4) Generates and submits the Customer Complaint Summary Report monthly to the Consumer Protection Head.

C) Consumer Assistance Officer (CAO) – Branch

- 1) Shall acknowledge and validate the complaint received.
- 2) Details of the complaint shall be recorded in the CCF.
- 3) The CCF shall be transmitted to the Consumer Protection Unit via e-mail or fax.

D) Support Group

- 1) Retrieves the complaint received through the CAMS or e-mail, as applicable.
- 2) Performs the necessary corrective actions based on the nature of the complaint.
- 3) The resolution made shall be recorded accordingly in the CAMS or reply via e-mail, as applicable.

E) Consumer Protection Head

- 1) Shall monitor and evaluate customer complaints handling process.
- 2) Analyzes the nature of the complaints and recommend solutions to avoid recurrence.
- 3) Extracts generated complaints report monthly except when urgent to be submitted and reviewed by the HR Head.
- 4) Recommends the resolution of the case or if needed to be elevated to proper authorities or needed to be taken up in the CED if applicable.

- 5) Reports to Senior Management on a quarterly basis the complaints received and the resolutions applied.
- 6) Reports periodically to the Board all complaints received within the period as stated.
- 7) Makes recommendation and assessment on the cases filed to avoid recurrence in the future.

To assess if the complaints have been resolved at the highest degree of satisfaction, the Bank also asks feedback through its Complaint Handling Feedback Form (Annex B). This is sent via email to the concerned client after a complaint's resolution. In addition and to ensure consistency in the level of service rendered after the complaint filing, the Bank monitors the implementation of the resolution after 30, 60, and 90 days through Service Recovery Strategy (SRS) Tracking System.

3. PBB E-mail

A) Client/Customer

- 1) May send their complaints/concerns through our Customer Complaint E-mail address: consumerprotection@pbb.com.ph
- 2) The client shall provide complete details of the complaints.

B) Consumer Protection Officer

- 1) Shall acknowledge and validate the complaint received via e-mail.
- 2) The details of the complaint shall be recorded in the Consumer Assistance Management System (CAMS).
- 3) Assigns the validated complaint to the concerned Support Group.
- 4) Generates and submits the Customer Complaint Summary Report monthly to the Consumer Protection Head.

C) Support Group

- 1) Retrieves the complaint received through the CAMS or e-mail, as applicable.
- 2) Performs the necessary corrective actions based on the nature of the complaint.

- 3) The resolution made shall be recorded accordingly in the CAMS or reply via e-mail, as applicable.

D) Consumer Protection Head

- 1) Shall monitor and evaluate customer complaints handling process.
- 2) Analyzes the nature of the complaints and recommend solutions to avoid recurrence.
- 3) Extracts generated complaints report monthly except when urgent to be submitted and reviewed by the HR Head.
- 4) Recommends the resolution of the case or if needed to be elevated to proper authorities or needed to be taken up in the CED if applicable.
- 5) Reports to Senior Management on a quarterly basis the complaints received and the resolutions applied.
- 6) Reports periodically to the Board all complaints received within the period as stated.
- 7) Makes recommendation and assessment on the cases filed to avoid recurrence in the future.

To assess if the complaints have been resolved at the highest degree of satisfaction, the Bank also asks feedback through its Complaint Handling Feedback Form (Annex B). This is sent via email to the concerned client after a complaint's resolution. In addition and to ensure consistency in the level of service rendered after the complaint filing, the Bank monitors the implementation of the resolution after 30, 60, and 90 days through Service Recovery Strategy (SRS) Tracking System.

4. BSP Consumer Affairs Email

- 1) The Bank through consumer protection email also receives complaints from BSP Consumer Affairs. These complaints are addressed by the concerned units in accordance with the existing Service Level Agreement (SLA).
- 2) All complaints received through different channels are lodged and monitored through the Bank's Consumer Assistance Management System (CAMS). These are then regularly reported to BSP-

Supervised Financial Institutions (BSFIs) Consolidated Complaints Report (BCCR) regularly (Please see attached Annex C). An executive summary of these complaints and the corresponding actions taken is reported to PBB's Executive Committee and to the Board of Directors.

- 3) Complaints, requests, and inquiries from financial consumers are received, acknowledged, investigated, and resolved in accordance with PBB's process on handling customer complaints, requests, and inquiries.

To assess if the complaints have been resolved at the highest degree of satisfaction, the Bank also asks feedback through its Complaint Handling Feedback Form (Annex B). This is sent via email to the concerned client after a complaint's resolution. In addition and to ensure consistency in the level of service rendered after the complaint filing, the Bank monitors the implementation of the resolution after 30, 60, and 90 days through Service Recovery Strategy (SRS) Tracking System.

F. GUIDELINES IN FILLING UP OF CUSTOMER COMPLAINT FORM (CCF)

- 1) The Customer Complaint Form (CCF) shall serve as record and receipt of complaints/requests from the clients/customer. Said form shall be used for all transactions other than those ATM related transaction, which would use the Bancnet prescribed form.
- 2) The required client's information, transaction details and complaint details should be obtained and recorded in the form.
- 3) Each CCF shall have a Reference Number, base on the following rules:

	Example
Branch/Unit Code -	MOB/HRG
Year -	2016
Sequence Number -	001

As such, Reference Number per example above would be:

**MOB-2016-001,
HRG-2016-001**

- 4) Immediately after receipt of the accomplished CCF, same should be sent via e-mail or fax to Service Quality Center-Consumer Protection Unit. The Customer's copy portion (lower portion of CCF) shall be cut and given to client for their reference.

- 5) If Complaint is received after regular banking hours or during non-banking days (thru the Helpdesk), acknowledgment shall reckon on the next banking day.
- 6) Client has the option to report complaint through the Branch or directly to H.O. c/o Training and Service Quality Center – Consumer Protection Unit.

G. ALTERNATIVE OPTION TO FILL OUT THE CUSTOMER COMPLAINT FORM (CCF) AND COMPLAINT HANDLING FEEDBACK FORM

- 1) In compliance with safety and health protocols under the new normal settings, the Bank is implementing the accomplishment of Customer Care Feedback Form (CCFF) using the Quick Response (QR) code (Annex D) as an alternative way of giving feedback regarding the customer service experience encountered during the visit in the branch.
- 2) The CCFF may now be accomplished by using personal mobile phone. Scan the QR code that the bank has provided and access the form. It is important that the gadget being used is connected to wireless fidelity (Wi-Fi) or mobile data.
- 3) If the customer/client is using iPhone/iOS device, it is advised to open the Camera application and point the phone at the QR code. Make sure the QR code is inside the box on the screen and then tap the pop-up notification to start. If there is no notification pop up, proceed to the phone setting then enable the Scan QR Codes feature.
- 4) If the customer/client is using Android Phone, press and hold the home button of the phone then select the Lens. Point the camera at the QR code then tap the magnifying glass icon and subsequently the pop-up notification.

H. HANDLING OF DATA INFORMATION

- 1) In addition to the online accomplishment of Customer Care Feedback Form, the Bank also added in the form an authorization by the customer/client regarding the collection and processing of personal information they provide the Bank and that these are protected under RA 10173, Data Privacy Act of 2012.

I. FUNCTIONS OF THE COMPLIANCE OFFICE

- a. Prepares the Bank's Compliance Program, updates the same and, in coordination with concerned units of the Bank, ensures adherence to Bank's policies and procedures, relevant banking laws, rules and regulations of the BSP, SEC, PDIC and other regulating agencies. Assists concerned units identify compliance/business risks and analyzes the corresponding sanctions for non-compliance;
- b. Oversees and coordinates the implementation of the Bank's Compliance Program;
- c. Conducts on site/off site compliance testing on pre-selected units of the bank;
- d. Ensures designation of Unit Compliance Coordinator (UCC) by the respective group heads; provides concerned units with checklists of regulatory and reportorial requirements of BSP, PDIC and other regulatory agencies to serve as their guide in ensuring compliance thereto; coordinates with the Bank's Legal Services Division on Legal issues;
- e. Provides advisory services to offices and staff regarding their queries on compliance matters; likewise, provides the front-line staff and officers a clear understanding of banking laws, policies and regulations of the BSP and other regulatory agencies;
- f. Consults when necessary, with appropriate department of the BSP, PDIC, SEC and other regulatory agencies regarding the interpretation of certain provisions of laws or regulations, and Anti-Money Laundering Council for the proper implementation of the requirements of the Anti-Money Laundering Act, as amended on covered and suspicious transactions and freezing of accounts;
- g. Ensures submission of Covered Transaction Reports (CTR) and Suspicious Transaction Reports (STR) on a bank-wide basis to the AMLC within ten (10) days from occurrence thereof¹;
- h. Conducts preliminary evaluation of suspicious transaction reports and convene the Anti-Money Laundering Committee of the Bank for the final determination of the grounds for reporting to the AMLC if necessary;

1

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i. Provides the Board and/or its appropriate committee with reports concerning the Bank's state of compliance with rules and regulations of BSP and other regulatory bodies; and

j. Ensures dissemination of banking laws

