



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2023
2. SEC Identification Number A199701584 3. BIR Tax Identification No. 005-469-606
4. Exact name of issuer as specified in its charter Philippine Business Bank, Inc. (A Savings Bank)
5. National Capital Region (NCR), Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 350 Rizal Ave. ext. cor. 8th Ave. Grace Park, Caloocan City
Address of principal office 1400
Postal Code
8. (02) 8363-3333
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>Alfredo M. Yao, 80 years old</p> <p>Mr. Alfredo M. Yao is the Chairman Emeritus of PBB. He is concurrently the Chairman of Zest-O Corporation, Semexco Marketing Corp., Macay Holdings Inc., and Asiawide Refreshments Corp. He is the President of Solmac Marketing Inc., Harman Foods (Phil.) Inc., and Amchem Marketing, Inc. Mr. Yao has participated in the following seminars: Corporate Governance; AML and Risk Management, all conducted by the Pacific Management Forum and PBB; CISA for the Credit Bureau; SME Related Issues; and other CTB Related seminars. He has also attended several Philippine Chambers of Commerce & Industry (PCCI) Business Fora given by PCCI, the International Trade Organization, and the Department of Trade and Industry.</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>			
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>			<hr style="width: 20%; margin: 10px auto;"/> <p>Jeffrey S. Yao, 55 years old</p> <p>Mr. Jeffrey S. Yao was appointed as the Chairman of the Board in November 2019.</p> <p>He is currently the Chief Executive Officer of Zest-O Corporation, Vice President of Macay Holdings Inc., Corporate Secretary of Mega Asia Bottling Corp, and the President of Bev-Pack Inc. He is also a Director at Zemar Development Inc., Onnea Holdings Inc.,</p>

	<p>Mazy's Capital Inc., ARC Refreshments Corp., AMY Holdings Inc., Semexco Marketing Corp., Asiwade Refreshments Corp., and ARC Holdings Inc. Mr. Yao started his career in the food and beverage industry when he was appointed as Plant Manager at Harman Food Philippines from 1990 to 1995. He has attended the following training programs: Basics of Trust at the Trust Institute of the Philippines in 2002; Corporate Governance & Risk Management for Bank's Board of Directors at the Development Finance Institute in 2002; Anti Money Laundering Act Seminar at the Bangko Sentral ng Pilipinas in 2014; Distinguished Corporate Governance Speaker Series on August 24, 2015; AMLA Seminar by BSP and PBB in 2016; IFRS 9 by Punongbayan and Araullo in 2017; Data Privacy Act in 2017; Best Practices Guide to Compliance with the Anti-Money laundering Law and its IRR in 2018; and Corporate Governance Seminar in November 2018.</p> <p>Mr. Yao graduated from the Ateneo De Manila University with Bachelor of Science in Management Engineering degree.</p> <hr/> <p>Rolando R. Avante, 65 years old</p> <p>Mr. Rolando R. Avante was appointed as Vice Chairman, President, and Chief Executive Officer on November 2019.</p> <p>His banking career includes stints as Vice President for Local Currency Desk at City Trust Banking Corp. from 1988 to 1994; Senior Vice President & Treasurer at Urban Bank from 1994 to 1995; First Vice President for Domestic Fund Management at Philippine Commercial International Bank from 1995 to 1999; Executive Vice President & Treasurer at China Trust (Philippines) from 1999 to 2009; Executive Vice President & Treasurer at Sterling Bank of Asia from 2009 to 2011. He was elected President and Director at the Money Market Association of the Phil. (MART) in 1999. He was elected the same position at ACI Philippines in 2011.</p>	
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		<p>His training includes Money Market at the Inter Forex Corp. in 1983; Treasury Management in Times of Crisis in 1984, Bourse Game in 1987 both conducted by FINEX; Rate Risk Game in 1989, Investment Banking Fundamental in 1990, Managing People in 1991 at the Citibank APBI; Capital Market Instruments in Asia in 1992, Asset & Liability Management in 1995 both conducted by Euro money; Asian Bond Fund II Workshop in 2004 at the Asian Bank; Securitization Law in 2006 at FINEX & SEC; ACI World Congress in 2011 at ACI Phil.; Economic Outlook 2012 in 2012 at the ANZ Private Bank Exclusive; Annual Global Markets Outlook in 2012 at Deutsche Bank; Entrepreneurs Forum in 2012 conducted by Business World; AMLA Seminar in 2012 at the Bangko Sentral ng Pilipinas; CEO Business Forum in 2012 at Punongbayan & Araullo; Cross-Border RMB Business in 2012 at Bank of China; Eco Forum in 2012 at Security Bank; Phil. Business Conference in 2012 at the Philippine Chamber of Commerce & Industry; Annual Investment Outlook 2013 in 2013 at ANZ Private Bank; Philippine Investment Summit 2013 in 2013 at the Investment Banking Group; IPO Annual Asia Pacific in 2013 at CIMB; Corporate Governance Seminar for Board of Directors on December 10, 2015; AMLA for Board of Directors and Senior Officers in 2016; SEC-PSE Corporate Governance Forum in 2016; IFRS 9 in 2017; Seminar on Data Privacy Act in 2017; Best Practices Guide to Compliance with the Anti-Money Laundering Law and Its IRR by Center for Global Best Practices in 2018; and Corporate Governance Seminar for Directors and Senior Officers in 2018.</p> <p>Mr. Avante graduated from the De La Salle University with the degree of Bachelor of Science in Commerce major in Marketing Management and has taken MBA units from DLSU.</p> <hr/> <p>Honorio O. Reyes- Lao, 79 years old</p>	
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		<p>Mr. Honorio O. Reyes-Lao was appointed as Director of the Bank in 2010.</p> <p>A seasoned banker, he has more than 40 years of experience in corporate and investment banking, branch banking, and credit management. Mr. Reyes-Lao started his banking career at China Banking Corporation in 1973 to 2004. He served as Senior Management Consultant from 2005 to 2006 at East West Banking Corporation. He was a consultant at Antel Group of Companies from 2007 to 2009 and was appointed President at Gold Venture Lease and Management Services, Inc. from 2008 to 2009. Currently, he is an independent director at the DMCI Holdings Corporation, Semirara Mining and Power Corporation, Sem-Calaca Power Corporation, and Southwest Luzon Power Generation Corporation and is the Chairman of Space 2 Place Inc. He is also a Member of the Society of Institute of Corporate Directors (ICD) Fellows since 2004.</p> <p>His background and trainings include Overall Banking Operations by Philippine Institute of Banking in 1971 to 1972; Director Certification Program at the Institute of Corporate Directors (ICD) in 2004; Trust and Governance Rating Systems by BAIPHIL in 2013; AMLA Seminar by BSP and Corporate Governance Seminar by Ateneo de Manila University in 2014; Corporate Governance Forum by SEC in 2016; IFRS 9 by Punongbayan and Araullo in 2017; Data Privacy Act Seminar in 2017; Guide to Compliance with Anti-Money Laundering Law and its IRR by Center for Global Practices and Corporate Governance Seminar by ROAM Inc. in 2018; and ASEAN Corporate Governance Conferences and Awards 2016 and Distinguished Corporate Governance Speaker Series since 2015.</p> <p>Mr. Lao holds a post-graduate degree, Masters in Business Management, from the Asian Institute of Management and graduated with a double degree in Bachelor of Science in Business Administration major in Economics and Bachelor of</p>	
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Science in Commerce major in Accountancy from the De La Salle University.

Roberto A. Atendido, 76 years old

Mr. Roberto A. Atendido was appointed to the Board in 2012 and was last re-elected as Director on June 25, 2021.

He is a seasoned investment banker and a recognized expert in the field with over 40 years of investment banking and consulting experience in the Philippines and in the ASEAN region. Mr. Atendido started his career in consulting with the management services group of Sycip, Gorres & Velayo, the largest accounting and consulting group in the Philippines. He began his investment banking career in Bancom Development Corporation, the leading investment house in the Philippines during the late 60's and 70's. He was later posted as Vice President of Bancom International Ltd in HK from 1980 to 1982. He then moved to PCI Capital Asia, Ltd. (HK) as Vice President from 1982 to 1983. The PCI Group posted him in Indonesia as Managing Director of PT Duta Perkasa Chandra Inti Leasing, a joint venture between the PCI Group of the Philippines and Bank Duta and Gunung Agung Group of Indonesia, from 1983 to 1988. Mr. Atendido moved back to the Philippines in 1988 as President of Asian Oceanic Investment House, Inc., a fully owned subsidiary of the Asian Oceanic Group of HK. The company was later bought by the Insular Life Group and renamed Insular Investment & Trust Corporation. In 1996, Mr. Atendido together with several investors organized Asian Alliance Holdings & Development Corporation (AAHDC) and later established Asian Alliance Investment Corp. (AAIC) as a wholly owned investment banking subsidiary. He is currently President and Director of AAHDC and Vice Chairman and Director of AAIC.

		<p>Currently, Mr. Atendido is a member of the Board of Directors of Paxys Inc., Paper Industries Corp. of the Philippines, Pharmarex, Inc., Macay Holdings Inc. He is also the Vice Chairman and Director of Sinag Energy Philippines, Inc. since 2008, and Chairman and President of Myka Advisory and Consulting Services Inc. since 2010. He has also held directorships in the Philippine Stock Exchange from 2005 to 2009, Securities Clearing Corporation from 2006 to 2010, Marcventures Holdings, Inc. from 2010 to 2013, Carac-An Development Corp. as Chairman from 2010 to 2013, and Beneficial Life Insurance Corp. from 2008 to 2014. Apart from his business activities, Mr. Atendido is also active in the Brotherhood of Christian Businessmen and Professionals, a nationwide Christian community where he served as Chairman from 2009 to 2011.</p> <p>He has attended trainings in Corporate Governance & Risk Management for the Bank's Board of Directors at the Development Finance Institute in 2003; Basel 2 and Risk Management Course by Export & Industry Bank in 2007. In 2014, he attended the Anti-Money Laundering Act Seminar at the Bangko Sentral ng Pilipinas, Distinguished Corporate Governance Speaker Series in 2015. He also attended AMLA for Board of Directors and Senior Officers by PBB and the 3rd Annual SEC-PSE Corporate Governance Forum in 2016; IFRS 9 by Punongbayan and Araullo in 2017; and Guide to Compliance with the Anti-Money Laundering Law and its IRR by Center for Global Best Practices and Corporate Governance Seminary by ROAM Inc. in 2018.</p> <p>Mr. Atendido is a graduate of the Asian Institute of Management with a Master's Degree in Business Management in 1973. He completed his Bachelor of Science in Management Engineering from the Ateneo de Manila University.</p> <hr style="width: 20%; margin: 10px auto;"/>	
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Leticia M. Yao, 70 years old

Dra. Leticia M. Yao was appointed to the Board in 2009 and last re-elected as Director on June 25, 2021.

A well-respected figure in the healthcare industry, Dra. Yao was appointed at the United Doctors Medical Center (UDMC) and Providence Hospital Inc. as a Consultant at the Department of Medicine since 1991 and 2014. She is currently a Director at Mega Asia Bottling Corporation, Zest-O Corporation, Uni-Ipel Industries Inc., Harman Foods Phils Inc., and Solmac Marketing Inc.

She participated in training sessions for Corporate Governance & Risk Management for Banks' Board of Directors by Development Finance Institute in 2002 and further taken the Risk Awareness Seminar by Pacific Management Forum in 2009. In 2014, she attended the AMLA Seminar by the Bangko Sentral ng Pilipinas and Corporate Governance Seminar by the Ateneo de Manila University. She also attended the Distinguished Corporate Governance Speaker Series and Corporate Governance Seminar for Directors and Senior Officers by ROAM Inc. in 2015; AMLA Seminar by BSP and PBB in 2016; Corporate Governance: Fraud Awareness by Center for Training and Development Inc. in 2016; IFRS 9 by Punongbayan and Araullo in 2017; Data Privacy Act Seminar in 2017; and Guide to Compliance with the Anti-Money Laundering Law and its IRR by Center for Global Best Practices and Corporate Governance Seminary by ROAM Inc. in 2018.

Dra. Yao graduated from the University of Sto. Tomas with a Bachelor of Science degree in Medical Technology then pursued her post graduate degree in Medicine in the same university.

Benjamin R. Sta. Catalina, Jr., 75 years old

	<p>Mr. Benjamin R. Sta. Catalina, Jr. was appointed Independent Director to the Board on 2012 and last re-elected as Director on June 25, 2021. He first assumed his independent directorship at PBB from 2003 to 2005.</p> <p>During his early professional years, Mr. Sta. Catalina was the Senior Vice President of the Asset Based Finance Group of FNCB Finance Co. from 1980 to 1981. He later joined Citibank N.A. from 1981 to 1995 where he has served as Assistant Vice-President & Division Head for the Public Sector Division, then became the Vice-President and Assistant Director of the Asia Pacific Training Center. He later handled the Middle East Africa Division Training Center as Vice-President and Associate Director, and handled the World Corporation Group for Middle East Africa, Division Training Center as Regional Administrator. He was appointed as General Manager from 1988 to 1992 handling the Center for International Banking Studies. In 1993 to 1994, Mr. Sta. Catalina was appointed Vice- President and Chief of Staff of the Global Finance Marketing, then rose to Group Head where he handled the Pan-Asian Corporate Team in 1994 to 1995.</p> <p>In the academic sphere, he was the Executive Director of the Center for Banking and Financial Management of the Asian Institute of Management in 1996.</p> <p>In addition to holding a number of executive positions, he attended training seminars such as the Makati CAD in 1974, Philippine Core Credit in 1976, Intermediate Credit Seminar in 1977, Exceptional Sales Performance in 1978, Bourse Game in 1979, Asset Based Finance Seminar in 1980, Electronic Banking Seminar in 1981, Selling Skills Train the Trainer Program in 1982, Advanced Lending Strategy in 1982, Technology for Senior Management in 1983 from the Asia Pacific Training Center. He attended Multinational Business Course in 1980 at Citibank New York, Face to Face Selling Skills in 1986 by the Boston Consulting Group. In 1987, he attended the MAC Approach Course and</p>	
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		<p>Alcar Valuation Seminar at MEAD Training Center in Greece. He attended the Corporate Finance II in 1988 by the Asia Pacific Banking Institute. At MEAD Training Center in London, he attended the Risk Management Seminar and the Risk Management III – Corporate Finance in 1991. From 1993 to 1995, Mr. Sta. Catalina attended the Strengthening Organizational Capabilities, Service Quality Management, Technology Solutions for the Business, Marketing Derivatives Ideas, Standards Workshop, and Marketing Financing Ideas to Issuers at Citibank Training Center.</p> <p>He attended the Corporate Governance & Risk Management for Bank's Board of Directors by the Development Finance Institute in 2003, Anti Money Laundering Act Seminar in 2014, Distinguished Corporate Governance Speaker Series in 2015, Corporate Governance Forum in 2016, IFRS 9 by Punongbayan and Araullo and Data Privacy Act Seminary in 2017, and Guide to Compliance with the Anti-Money Laundering Law and its IRR by Center for Global Best Practices and Corporate Governance Seminar by ROAM Inc. in 2018.</p> <p>Mr. Sta. Catalina is a graduate of the Asian Institute of Management with a post graduate degree of Masters in Business Management. He finished his Bachelor of Science in Management Engineering from the Ateneo De Manila University.</p> <hr style="width: 20%; margin: 10px auto;"/> <p>Narciso DL. Eraña, 70 years old</p> <p>Mr. Narciso DL. Eraña was appointed Independent Director to the Board in 2018.</p> <p>Mr. Eraña has an extensive career spanning over 30 years, about 23 of which were spent in the Philippine finance industry. This included about 16 years in various banks, and seven (7) years as</p>	
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		<p>President of a multinational brokering company. He also spent many years as an entrepreneur in the family business.</p> <p>He started his career with Bank of America-Manila handling credit and trade finance for the mining industry, pharmaceuticals, and small medium scale businesses. He moved into the bank's Treasury Department and eventually became Bank of America's youngest Country Treasurer, handling the overall Treasury Trading and Management functions. This served as the foundation for the rest of his career in the financial industry which focused on Treasury management in multinational and local institutions, from savings banks and unibanks.</p> <p>His stint in Bank of America-Manila involved managing the banks' liquidity in all currencies, and FX and Government Securities trading as well as investments in Structured Products and derivatives.</p> <p>His last position was President of ICAP Philippines for seven (7) years, a subsidiary of ICAP Plc., a London based FTSE company and the world's largest Interdealer broker, with average volumes in excess of USD 1 trillion daily.</p> <p>Active in financial market associations, Mr. Eraña was a Director of the Money Market Association of the Philippines for four (4) years and a Director of the ACI Financial Markets Association for another four (4) years. Activities included the formulation of policies and procedures for the operation of the Banking as well as brokerage industries. These activities entailed frequent interaction with associations and regulators, including the Bangko Sentral ng Pilipinas, Securities and Exchange Commission, and the Banker's Association of the Philippines. During this time, he was also a member of Financial Executive Institute of the Philippines (FINEX).</p>	
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Mr. Eraña is a graduate of Business Management at Schiller College in Heidelberg, Germany and obtained his MBA from the Thunderbird School of Global Management in Glendale, Arizona.

Roberto C. Uyquiengco, 75 years old

Mr. Roberto C. Uyquiengco was appointed to the Board as Independent Director in 2018.

He has been in the banking and finance industry for almost 50 years. He started with Sycip Gorres Velayo & Co. (SGV) from 1970 to 1974 and later with North Negros Loggers Corporation until 1976. His stint in the banking industry started with Allied Banking Corporation from 1977 to 1980 and later with State Investment House (Bacolod Branch) from 1980 to 1984. He was last connected with China Banking Corporation as First Vice-President and Region Head for North Luzon from 1984 until his retirement in 2011. He took up and passed the Trust Officers' Training Program (TOTP) given by the Philippine Trust Institute in 1991. Further, Mr. Uyquiengco attended some international and local conferences related to the banking and finance industry, among of which is the Bankers' of America Institute Conference in November 2007, held in Las Vegas, Nevada, USA and the Asian Bankers Conference in 1996 which was held in Singapore.

Currently, he is affiliated with the following private institutions: (a) Emmanuel Multi-purpose Cooperative, Inc., in Cuenca, Batangas as Director since 2011; (b) Green Leaf Foreign Exchange Corporation as its Chairman and CEO since its incorporation in 2012; and (c) Manulife as a Financial Adviser since 2017.

Mr. Uyquiengco is also a known advocate of education, being a part-time faculty of the College of Business and Accountancy of

National University since 2012 and as a part-time training consultant of the Chinabank Academy since 2013.

Mr. Uyquiengco is both a lawyer and a Certified Public Accountant by profession. He obtained his undergraduate degree from La Salle College, Bacolod City in 1970 with a degree in BS in Commerce Major in Accounting (graduating cum laude) and passed the CPA board in the same year. Thereafter, in 1975, he took up his Bachelor of Laws degree from the University of Negros Occidental-Recoletos, Bacolod City, graduating in 1980 and passing the bar examinations also in the same year. He also took up the advance Bank Management Program of the Asian Institute of Management from August to October 1993 and was awarded with the Highest Honor for superior performance among the forty (40) participants from various international banks.

Benel D. Laguna, 67 years old

Mr. Benel D. Laguna is a seasoned professional in the banking and finance industry for the last thirty-two (32) years, having been with both government and private financial institutions. He was last connected with the Development Bank of the Philippines (DBP) from March 2013 until February 2020, where he assumed roles such as Executive Vice President and Chief Development Officer (2013-2017) and Executive Vice President and Head of Corporate Services Sector (2018-2020). While with DBP, he was seconded as a Director of the following: DBP Data Center Inc. (DCI) from June 2017 to August 2018, Small Business Corporation (SBC) from 2013 to 2020, and LGU Guarantee Corporation (LGUCC) from 2013 to 2020. He was also the concurrent CEO of the Industrial Guarantee Loan Fund which was being managed by the DBP for the national government until its full transition to Philippine Guarantee Corporation in 2019. Prior to this, he had extensive career from various companies in the banking, finance and consumer industry,

		<p>as well as being a Consultant of the Economic Research Group in Malacañan in 1982.</p> <p>Director Laguna is a graduate of Management Engineering at the Ateneo de Manila University (Dean's lister). He also holds a Master in Business Management from the Asian Institute of Management, completed the course requirements for Doctor in Business Administration at the University of the Philippines, a Master in Public Administration from the Harvard University's John F. Kennedy School of Government, and further completing the course requirements for Doctor in Business Administration at the De La Salle University in Manila. He also took up the Career Executive Service Development Program XXI at the Development Academy of the Philippines. As an expert in the field of management and finance, Director Laguna teaches part-time at the Ateneo de Manila University and the De La Salle University in Manila.</p> <p>Director Laguna is also affiliated with the Philippine Institute of Pure and Applied Chemistry (PIPAC) as a member of its Board of Directors. He is presently an Independent Director of Bangko ng Kabuhayan Inc. (A Rural Bank) (formerly Rodriguez Rural Bank, Inc.) and a known columnist for The Manila Times, Manila Bulletin, and Business World. He is a Fellow of the Institute of Corporate Directors (ICD).</p> <hr style="width: 20%; margin: 10px auto;"/> <p>Asterio L. Favis, Jr., 71 years old</p> <p>Mr. Asterio "Boy" L. Favis, Jr. has been in the finance industry for about thirty (30) years, particularly in treasury banking.</p> <p>Presently, he is an Independent Director of Makati Finance Corporation, as a Consultant of the Ateneo-BAP Institute of Banking and a Director/Vice President of Aspirations International, Inc. (a Toby's Sports franchise). He started his treasury banking career with PCI Bank, first as Assistant Vice President and Head of</p>	
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		<p>Foreign Exchange, then as Vice President and Head of Domestic Money Market (from 1986 to 1989), and lastly as Vice President under the Office of the President (seconded to PCI Capital in charge of fixed income securities, from 1989 to 1990). From 1990 to 1999, he headed the Treasury Division of Asianbank Corporation then moved to AB Capital & Investment Corporation from 1999 to 2002, leading the Financial Markets Division as Senior Vice President. Later on, he headed the Treasury Division of Philippine National Bank as Executive Vice President, from 2002 to 2007. His last stint with the banking industry was with Sterling Bank of Asia as Executive Vice President & Head of Treasury Group from 2007 to 2009 and lastly as Executive Vice President under the Office of the President from 2009 to 2013 (including one-year as OIC of Consumer Lending Group).</p> <p>Director Favis, Jr. is a true-blue eagle from elementary to college. He was Salutatorian in elementary, Salutatorian in High School (with awards in Math, Sciences and Latin) and cum laude in College, graduating with a degree of Bachelor of Science in Management Engineering.</p> <p>He is presently a member of the Institute of Corporate Directors (ICD), past member of the Chamber of Thrift Banks (2007-2009), with Money Market Association of the Philippines (from being Secretary, Vice-President and lastly as President, 1988-2004), past President of the Foreign Exchange Association of the Philippines (1988-1989), past member of the Bankers Association of the Philippines – Open Market Committee (1991-1999) and as past Captain of the Ateneo NCCA High School Basketball Team (1970-1971).</p> <hr style="width: 20%; margin: 10px auto;"/> <p>Diosdado M. Peralta, 71 years old</p>	
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	<p>Mr. Peralta was appointed as the 26th Chief Justice of the Supreme Court of the Philippines from October 23, 2019 until his retirement on March 27, 2021.</p> <p>Mr. Peralta started his career in government service in 1987 when he was appointed Third Assistant Fiscal of Laoag City. In 1988, he was assigned to the Prosecutor's Office in the City of Manila. He later became the Assistant Chief of the Investigation Division of the Office of the City Prosecutor in the first months of 1994.</p> <p>In September 1994, Chief Justice Peralta was appointed as Presiding Judge of Branch 95 of the Regional Trial Court (RTC) of Quezon City, which was designated as a Special Criminal Court on Heinous Crimes and, later, Drugs Cases. He was appointed as a justice in Sandiganbayan in 2002 and became its Presiding Justice in 2008. On January 13, 2009, he was named as the 162nd Associate Justice of the Supreme Court. He was the third Presiding Justice of the Anti-Graft Court to be appointed to the Supreme Court. On October 23, 2019, he was appointed as the 26th Chief Justice of the Philippines.</p> <p>He is an alumnus of the University of Santo Tomas Faculty of Civil Law where he was as a working student and graduated in 1979. He obtained his undergraduate degree in Economics from the Colegio de San Juan de Letran in October 1974, and started working at the age of twenty (20) on November 2, 1974 as a production analyst of Cosmos Bottling Corporation (CBC). In January 1975, he became the operating supervisor of CBC's sister company, Wisdom Management, Inc., a management firm. He later became a general manager of Ace Agro Development Corp. and Vice-President of Cypress Agricultural Development Corp, both sister companies of CBC.</p> <p>During his corporate stint and while taking up law from 1975 to 1979, he supervised the operation of three fish pens owned by the said three companies, and would join Bountee Fishery Corp. 's (a</p>	
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		<p>sister company of CBC) fishing vessels in the high seas to oversee its operations during summer time. In January 1980, while waiting for the results of the Bar exams, he returned to the mother company, CBC, as assistant personnel manager. When he passed the Bar that year, he was appointed as head of personnel department of CBC, while maintaining his positions as general manager of Ace Agro Development Corp. and vice president of Cypress Corp., and handling labor, criminal and civil cases of the company. At the same time, he was elected Barangay Councilman of Fairview, Quezon City, and served as barangay officer until the end of 1986. He only resigned from CBC when he accepted the invitation to become a prosecutor in Laoag City in January 1987.</p> <p>Prior to becoming a member of the Supreme Court, he was a professor, lecturer, resource person, and Bar reviewer in Criminal Law, Criminal Procedure, Remedial Law, and Trial Techniques at the UST Faculty of Civil Law, the Ateneo de Manila University, San Beda College of Law, the University of the East, and the University of the Philippines Law Center, among others. He has been a member of the Corps of Professors under the Department of Criminal Law of the PhilJA and remains to be an active lecturer thereof on its Orientation Program for Newly appointed Judges, Pre-judicature Program and other training seminars.</p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Elected Directors as of December 2023:	

		<table border="1"> <thead> <tr> <th data-bbox="938 193 1368 229">Director's Name</th> <th data-bbox="1368 193 1742 229">Type</th> </tr> </thead> <tbody> <tr> <td data-bbox="938 229 1368 266">Jeffrey S. Yao</td> <td data-bbox="1368 229 1742 266">Non-Executive Director</td> </tr> <tr> <td data-bbox="938 266 1368 303">Rolando R. Avante</td> <td data-bbox="1368 266 1742 303">Executive Director</td> </tr> <tr> <td data-bbox="938 303 1368 339">Honorio O. Reyes-Lao</td> <td data-bbox="1368 303 1742 339">Non-Executive Director</td> </tr> <tr> <td data-bbox="938 339 1368 376">Dra. Leticia M. Yao</td> <td data-bbox="1368 339 1742 376">Non-Executive Director</td> </tr> <tr> <td data-bbox="938 376 1368 413">Roberto A. Atendido</td> <td data-bbox="1368 376 1742 413">Non-Executive Director</td> </tr> <tr> <td data-bbox="938 413 1368 450">Asterio L. Favis, Jr.</td> <td data-bbox="1368 413 1742 450">Independent Director</td> </tr> <tr> <td data-bbox="938 450 1368 486">Benel D. Laguna</td> <td data-bbox="1368 450 1742 486">Independent Director</td> </tr> <tr> <td data-bbox="938 486 1368 523">Benjamin R. Sta. Catalina, Jr.</td> <td data-bbox="1368 486 1742 523">Non-Executive Director</td> </tr> <tr> <td data-bbox="938 523 1368 560">Narciso DL Eraña</td> <td data-bbox="1368 523 1742 560">Independent Director</td> </tr> <tr> <td data-bbox="938 560 1368 596">Roberto C. Uyquiengco</td> <td data-bbox="1368 560 1742 596">Independent Director</td> </tr> <tr> <td data-bbox="938 596 1368 633">CJ Diosdado M. Peralta (Ret.)</td> <td data-bbox="1368 596 1742 633">Independent Director</td> </tr> </tbody> </table>	Director's Name	Type	Jeffrey S. Yao	Non-Executive Director	Rolando R. Avante	Executive Director	Honorio O. Reyes-Lao	Non-Executive Director	Dra. Leticia M. Yao	Non-Executive Director	Roberto A. Atendido	Non-Executive Director	Asterio L. Favis, Jr.	Independent Director	Benel D. Laguna	Independent Director	Benjamin R. Sta. Catalina, Jr.	Non-Executive Director	Narciso DL Eraña	Independent Director	Roberto C. Uyquiengco	Independent Director	CJ Diosdado M. Peralta (Ret.)	Independent Director	
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Recommendation 1.3																											
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	See item X on page 10 and item P on pages 63-64 of the Board Charter and Manual on Corporate Governance and Compliance Program, respectively.																									
2. Company has an orientation program for first time directors.		<table border="1"> <thead> <tr> <th data-bbox="902 868 1525 927">Training for BOD and Senior Officers</th> <th data-bbox="1525 868 1742 927">Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="902 927 1525 1027">Corporate Governance</td> <td data-bbox="1525 927 1742 1027">December 16, 2022</td> </tr> <tr> <td data-bbox="902 1027 1525 1161">BSP-CTB Training Program on Anti-Money laundering (AML)/Combating the Terrorist and Proliferation (CTPF) Training</td> <td data-bbox="1525 1027 1742 1161">August 04, 2022</td> </tr> <tr> <td data-bbox="902 1161 1525 1257">Risk Management Training - Corporate Governance Seminar</td> <td data-bbox="1525 1161 1742 1257">April 28, 2022</td> </tr> </tbody> </table>	Training for BOD and Senior Officers	Date	Corporate Governance	December 16, 2022	BSP-CTB Training Program on Anti-Money laundering (AML)/Combating the Terrorist and Proliferation (CTPF) Training	August 04, 2022	Risk Management Training - Corporate Governance Seminar	April 28, 2022																	
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3. Company has relevant annual continuing training for all directors.		<p>Reference:</p> <ul style="list-style-type: none"> <li data-bbox="949 1369 1429 1428">Board Charter BOARD CHARTER (pbb.com.ph) 																									

- Manual on Corporate Governance and Compliance Manual
[Microsoft Word - 2019 Revised Corporate Governance Manual v2 \(pbb.com.ph\)](#)

Recommendation 1.4

1. Board has a policy on board diversity.

Compliant

See E.2.a.i last paragraph on page 17 of the Manual on Corporate Governance and Compliance Program.

Director's Name	Gender
Jeffrey S. Yao	Male
Rolando R. Avante	Male
Asterio L. Favis, Jr.	Male
Roberto A. Atendido	Male
Benel D. Laguna	Male
Honorio O. Reyes-Lao	Male
Benjamin R. Sta. Catalina, Jr.	Male
Leticia M. Yao	Female
Narciso DL Eraña	Male
Roberto C. Uyquiengco	Male
Diosdado M. Peralta	Male

Reference:

- Manual on Corporate Governance and Compliance Manual
[Microsoft Word - 2019 Revised Corporate Governance Manual v2 \(pbb.com.ph\)](#)

Recommendation 1.5

1. Board is assisted by a Corporate Secretary.

Compliant

Atty. Roberto S. Santos is the Corporate Secretary and Head of the Legal Services Group and holds the position of Vice President.

<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>			
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>		<p>In his over 35 years of experience in banking and finance, he was a Manager at Traders Royal Bank since 1980, held various executive positions with Security Bank from 1982 to 1999, General Manager of Security Finance Corporation from 1997 to 2001, and was the Head of the Legal Department of Metrobank Card Corporation from 2002 to 2004. Atty. Santos later joined PBB as Assistant Vice-President in 2008. He attended various seminars on Anti-Money Laundering, Corporate Governance, update on relevant tax laws, corporate rehabilitation, PSE and SEC regulations, Letters of Credit transactions, credit and collections, and other pertinent banking laws and regulations.</p> <p>Atty. Santos received his law degree from the University of the East and is a graduate of Bachelor of Arts from the same university.</p> <p>The Corporate Secretary is the custodian of and maintains corporate books and record and the recorder of the Bank's formal actions and transactions. He is primarily responsible to the bank and its shareholders, and has, among others, the following duties and responsibilities:</p> <ul style="list-style-type: none"> (a) Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar and assisting the chairs of the Board and its committees to set agendas for those meetings; (b) Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the bank; (c) Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the bank, and advises the Board and the chairperson all relevant issues as they arise; (d) Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information 	

		<p>between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;</p> <p>(e) Advises on the establishment of board committees and their terms of reference;</p> <p>(f) Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decision on matters that require their approval;</p> <p>(g) Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;</p> <p>(h) Performs required administrative functions;</p> <p>(i) Oversees the drafting of the by-laws and ensures that they conform with regulatory requirement; and</p> <p>(j) Performs such other duties and responsibilities as may be provided by the SEC.</p>																			
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Trainings on Corporate Governance:</p> <table border="1" data-bbox="925 927 1731 1390"> <thead> <tr> <th data-bbox="925 927 1429 963">Nature/Title</th> <th data-bbox="1429 927 1731 963">Date Taken</th> </tr> </thead> <tbody> <tr> <td data-bbox="925 963 1429 1000">Corporate Governance</td> <td data-bbox="1429 963 1731 1000">April 12, 2024</td> </tr> <tr> <td data-bbox="925 1000 1429 1037">Corporate Governance</td> <td data-bbox="1429 1000 1731 1037">December 13, 2021</td> </tr> <tr> <td data-bbox="925 1037 1429 1074">Corporate Governance</td> <td data-bbox="1429 1037 1731 1074">August 21, 2020</td> </tr> <tr> <td data-bbox="925 1074 1429 1142">Corporate Governance Updates and Economic Briefing</td> <td data-bbox="1429 1074 1731 1142">July 25, 2019</td> </tr> <tr> <td data-bbox="925 1142 1429 1211">Corporate Governance: Board Effectiveness Best Practices</td> <td data-bbox="1429 1142 1731 1211">September 26, 2019</td> </tr> <tr> <td data-bbox="925 1211 1429 1279">Seminar on Corporate Governance</td> <td data-bbox="1429 1211 1731 1279">November 27, 2018</td> </tr> <tr> <td data-bbox="925 1279 1429 1348">Best Practices in Corporate Housekeeping</td> <td data-bbox="1429 1279 1731 1348">May 11-12, 2017</td> </tr> <tr> <td data-bbox="925 1348 1429 1390">Corporate Governance Seminar</td> <td data-bbox="1429 1348 1731 1390">22 December 2016</td> </tr> </tbody> </table>	Nature/Title	Date Taken	Corporate Governance	April 12, 2024	Corporate Governance	December 13, 2021	Corporate Governance	August 21, 2020	Corporate Governance Updates and Economic Briefing	July 25, 2019	Corporate Governance: Board Effectiveness Best Practices	September 26, 2019	Seminar on Corporate Governance	November 27, 2018	Best Practices in Corporate Housekeeping	May 11-12, 2017	Corporate Governance Seminar	22 December 2016	
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Optional: Recommendation 1.5									
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	The Office of the Corporate Secretary distributes the materials at least one (1) week prior to the date of actual meeting (hard and soft copies)							
Recommendation 1.6									
1. Board is assisted by a Compliance Officer.	Compliant	<p>Atty. Sergio M. Ceniza joined PBB as Chief Compliance Officer with the rank of First Vice President. He has over 30 years of experience from the financial industry where he worked with insurance companies and banks, starting with Great Pacific Life Assurance Corporation, Philam Plans Inc, and then with BDO Universal Bank where he was also seconded to BDO Leasing & Finance Inc. as Head of Legal, Compliance & AML Compliance with the rank of Assistant Vice President.</p> <p>Atty. Ceniza moved to First Metro Investment Corporation (part of Metrobank Group) in September 2012 as Deputy Chief Compliance Officer with the rank of Assistant Vice President. In June 2016, he was promoted to Vice President and was designated as Chief Compliance Officer, Chief AML Officer, and Data Privacy Officer. As CCO, he was over-all in-charge of formulating and implementing policies and procedures for the general operations of the company's Compliance Program, including those in subsidiary units. He regularly reported to the Board, through the Corporate Governance Committee, the level of regulatory compliance of the organization and its subsidiaries. He also monitored and coordinated compliance activities of other companies within the group.</p>							
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.									
3. Compliance Officer is not a member of the board.									

		<p>Atty. Ceniza is a Law professor at De La Salle University, Far Eastern University, University of the East, and Manila Law College. He is a regular lecturer in the Mandatory Continuing Legal Education (MCLE) of Chan Robles, Access MCLE and UP Institute of Judicial Administration. He is also a bar reviewer on Commercial Law. He is an active member of Association of Bank Compliance Officers (ABCOMP) and is well-regarded in the industry.</p> <p>He has a Bachelor's degree in Political Science and Bachelor of Laws degree from Far Eastern University. He is a candidate in Master of Laws from San Beda College-Graduate School of Law.</p> <p>He shall perform the following duties:</p> <ul style="list-style-type: none"> i. Ensures that the compliance system is designed to specifically identify and mitigate compliance/business risks, which may erode the franchise value of the bank. ii. Ensures that the compliance function shall have formal status within the Bank, which shall be established by a charter duly approved by the Board of Directors that defines the compliance function's standing, authority and independence, and addresses the following issues: <ul style="list-style-type: none"> (1) Measures to ensure the independence of the compliance function from the business activities of the bank; (2) The organizational structure and responsibilities of the unit or department administering the compliance program; (3) The relationship of the Compliance Office with other functions or units of the organization, including the delineation of responsibilities and lines of cooperation; (4) The right of the Compliance Office to obtain access to information necessary to carry out its responsibilities; (5) The right of the Compliance Office to conduct investigations of possible breaches of the compliance policy; 	
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		<p>(6) The formal reporting relationships of the Compliance Office to Senior Management, the Board of Directors, and the appropriate board-level Committee; and</p> <p>(7) The rights of the Compliance Office direct access to the Board of Directors and to the appropriate Committee level Committee.</p> <p>iii. Is tasked in managing the implementation of the Corporate Governance and Compliance Program of the Bank, with the following specific duties and responsibilities:</p> <ol style="list-style-type: none"> (1) Ensures proper on-boarding of new directors (i.e., orientation on the bank's business, charter, articles of incorporation and by-laws, among others); (2) Monitors, reviews, evaluates and ensures the compliance by the Bank, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies; (3) Reports the matter to the Corporate Governance Committee if violations are found and recommends the imposition of appropriate disciplinary action; (4) Ensures the integrity and accuracy of all documentary submission to regulators; (5) Appears before the SEC when summoned in relation to compliance with this Code; (6) Collaborates with other departments to properly address compliance issues, which may be subject to investigation; (7) Identifies possible areas of compliance issues and works towards the resolution of the same; (8) Ensures the attendance of board members and key officers to relevant trainings; (9) Performs such other duties and responsibilities as may be provided by the SEC; (10) Manages the implementation, and periodic revision, of the Corporate Governance and Compliance Program; and 	
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		(11) Develops and recommends policies and programs to the Board of Directors, through the Corporate Governance Committee, which will encourage officers and employees to report suspected fraud and other improprieties without fear of retaliation.																							
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Latest Trainings on Corporate Governance:</p> <table border="1"> <thead> <tr> <th>Nature/Title</th> <th>Date Taken</th> </tr> </thead> <tbody> <tr> <td>In-house training on Sustainability for Banks</td> <td>August 07, 2023</td> </tr> <tr> <td>Corporate Governance</td> <td>April 12, 2024</td> </tr> <tr> <td>Corporate Governance</td> <td>December 16, 2021</td> </tr> <tr> <td>Corporate Governance</td> <td>August 21, 2020</td> </tr> <tr> <td>Corporate Governance: Board Effectiveness Best Practices</td> <td>September 26, 2019</td> </tr> <tr> <td>Annual Forum on Good Governance, Ethics, and Compliance</td> <td>October 11, 2018</td> </tr> <tr> <td>Creating a Legacy of Good Governance</td> <td>June 7-8, 2018</td> </tr> <tr> <td>Seminar on AML, Corporate Governance and Data Privacy</td> <td>October 19, 2017</td> </tr> <tr> <td>Corporate Governance Orientation Program</td> <td>September 6, 2016</td> </tr> <tr> <td>Corporate Governance Forum</td> <td>August 3, 2016</td> </tr> </tbody> </table>	Nature/Title	Date Taken	In-house training on Sustainability for Banks	August 07, 2023	Corporate Governance	April 12, 2024	Corporate Governance	December 16, 2021	Corporate Governance	August 21, 2020	Corporate Governance: Board Effectiveness Best Practices	September 26, 2019	Annual Forum on Good Governance, Ethics, and Compliance	October 11, 2018	Creating a Legacy of Good Governance	June 7-8, 2018	Seminar on AML, Corporate Governance and Data Privacy	October 19, 2017	Corporate Governance Orientation Program	September 6, 2016	Corporate Governance Forum	August 3, 2016	
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<p>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</p>																									
<p>Recommendation 2.1</p>																									
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>Page 26 (vi) of PBB's Revised Corporate Governance Manual.</p> <p>Reference:</p>																							

		<ul style="list-style-type: none"> Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Page 18 (#2) of PBB's Revised Corporate Governance Manual. Reference:	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.		<ul style="list-style-type: none"> Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Review of the vision, mission and core values is being conducted yearly. Reference:	
		<ul style="list-style-type: none"> Mission, Vision, and Values https://www.pbb.com.ph/mission_and_vision.htm 	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	The Board of Directors has general responsibilities of: (1) approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values; (2) monitoring and overseeing the performance of senior management as the latter manages the day-to-day affairs of the institution.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	PBB's Chairman of the Board is Mr. Jeffrey S. Yao. See recommendation 1.1 for his qualifications.	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Succession Planning is established (1) To ensure unhampered operations of the Bank; (2) To ensure continuity in management of its corporate affairs/operations; and (3) To avoid strategic risk resulting from a sudden vacancy of key and critical positions in the Bank.</p>	
2. Board adopts a policy on the retirement for directors and key officers.		<p>The Bank's Succession Planning is also designed to:</p> <ul style="list-style-type: none"> • Strengthen leadership stability so that critical positions are accordingly filled up. • Identify high potential employees who display the competencies required to perform assigned functions effectively. • Develop effective development programs to address the competency gaps of incumbents and potential successors. <p>The Bank's Succession Planning was updated and approved by the BOD in 2018. The updated succession plan includes the framework, implementing guidelines, requirements for identified successors, and development plans to be given to talents identified as successors. All these were included to ensure effectiveness of the program.</p> <p>The retirement policy of the Bank is being implemented with the approval of EXCOM and Retirement Committee.</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The bank's compensation strategy provides for a competitive pay structure that rewards the attainment of long-term and short-term objectives and how the goals and objectives are attained. Thus, part of the performance metrics includes governance ratings such as Audit and compliance, customer service, business process improvement.</p>	

2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p>The bank's compensation strategy is performance-based, and performance is not only in terms of numbers but other equally important metrics to ensure the sustainability of the bank as discussed above.</p> <p>Compensation and Benefits packages are benchmarked with the industry, and reviewed based on the internal standards of the bank in terms of reasonability and affordability vis-à-vis bank performance.</p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>See item D.2.i on page 11 of the Manual on Corporate Governance and Compliance Program.</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual_v2 (pbb.com.ph) 	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<p>The Board approved the Performance Bonus and Merit Increase Principles being adhered to by the bank in formulating its compensation and benefits level. Remuneration and benefits of the employees are approved by the Executive Committee and confirmed by the Board. Annual performance management guidelines are also presented to the Executive Committee and the Board for approval.</p>	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest,	Compliant	<p>The Bank's Performance Management System includes metrics that promote the long-term interest of the bank. Please see discussion in Recommendation 2.5</p>	

such as claw back provision and deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>The Corporate Governance Committee pre-screens and short-lists all candidates nominated to become members of the BOD in accordance with the qualifications and disqualifications provisions of the Bank's Manual on Corporate Governance and Compliance Program.</p> <p>The Corporate Governance Committee conducts annual evaluation of the performance of all directors. The results in this annual activity is the basis of the Committee in coming up with the list of nominees to be submitted to the Corporate Secretary for possible re-appointment/re-election to the Board as director during the stockholders meeting.</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.			
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.			
4. Board nomination and election policy includes how the board shortlists candidates.			
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.			
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.			
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of	Compliant	Sourcing of candidates are mostly coming from recommendations of the members of the Board of Directors and	

<p>candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.</p>		<p>other Senior Officers, as well as known personalities with the Institute of Corporate Directors, wherein some of the current directors of PBB are members.</p>	
<p>Recommendation 2.7</p>			
<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Compliant</p>	<p>Please refer to the publication below as posted in PBB website.</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Revised Related Party Transactions Policy Manual https://www.pbb.com.ph/SEC/Corporate%20Governance/Policies/RPT%20Policy.pdf 	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>			
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>			
<p>Supplement to Recommendations 2.7</p>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month</p>	<p>Compliant</p>	<p>A threshold amount, as approved by the Board, is prescribed for each type of transaction with each related party or group of related parties. An RPT that crossed the applicable threshold amount shall be considered material RPT and shall be subject to materiality threshold requirements, i.e., evaluation and approval by RPT Committee and BOD, respectively, and reporting to the BSP.</p> <p>The following transactions shall not be deemed related party transactions and shall therefore be excluded from materiality thresholds requirement and reporting to the BSP.</p>	

<p>period should be considered for purposes of applying the thresholds for disclosure and approval.</p>		<ul style="list-style-type: none"> i. Transactions concerning deposit operations; ii. Regular trade transactions involving purchases and sales of debt securities traded in an active market; iii. Transactions allowed/granted under BSP-approved fringe benefit programs; and iv. Executive Officer and Director compensation arrangements. 							
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>All material related party transactions are coursed through the recommending approval of the Related Party Transactions (RPT) Committee and endorsed to the Board for approval and that any Board member who have material interest with the transaction does not participate in the approval of the same (proof of which are the Minutes of the Meetings of the Board as well as the RPT Committee).</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Revised Related Party Transactions Policy Manual https://www.pbb.com.ph/SEC/Corporate%20Governance/Policies/RPT%20Policy.pdf 							
Recommendation 2.8									
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>See E.2.a.iv (3) on page 19 of the Manual on Corporate Governance and Compliance Program</p> <p>The appointed senior officers were vetted by the Executive Committee, approved and duly endorsed by the Corporate Governance Committee to the Board, and confirmed by the latter.</p> <p>The Management Team appointed:</p> <table border="1" data-bbox="904 1326 1756 1431"> <thead> <tr> <th data-bbox="904 1326 1323 1362">Name</th> <th data-bbox="1323 1326 1756 1362">Position</th> </tr> </thead> <tbody> <tr> <td data-bbox="904 1362 1323 1399">Rolando R. Avante</td> <td data-bbox="1323 1362 1756 1399">President and CEO</td> </tr> <tr> <td data-bbox="904 1399 1323 1431">Sergio M. Ceniza</td> <td data-bbox="1323 1399 1756 1431">Chief Compliance Officer</td> </tr> </tbody> </table>	Name	Position	Rolando R. Avante	President and CEO	Sergio M. Ceniza	Chief Compliance Officer	
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		<table border="1"> <tr> <td>Maria Lourdes G. Trinidad</td> <td>Chief Risk Officer</td> </tr> <tr> <td>Marily M. Cabuco</td> <td>Chief Audit Executive/Internal Auditor</td> </tr> </table> <p>Reference:</p> <ul style="list-style-type: none"> Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	Maria Lourdes G. Trinidad	Chief Risk Officer	Marily M. Cabuco	Chief Audit Executive/Internal Auditor	
Maria Lourdes G. Trinidad	Chief Risk Officer						
Marily M. Cabuco	Chief Audit Executive/Internal Auditor						
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	All Group Heads reporting to Board Level Committees are being rated by each member of the committee i.e. Chief Risk Officer is rated by Risk Committee, Internal Auditor are rated by the Audit Committee, Chief Compliance Officer is rated by Corporate Governance Committee and Trust Officer is rated by Trust Committee. With the agreement of the Committee members, the Chairman of the Board Committees may gather all the ratings of the members of the Board and present one rating to the ratee, or each Committee member will submit his/her individual rating and HRG will average the rating.					
Recommendation 2.9							
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Bank's Performance Management System provides for Key Performance Indicators that are measurable, and includes not only the numerical results, but also how the numerical results were achieved through governance and organization development metrics.</p> <p>The performance standards and measures, feedback system and performance monitoring, recognition mechanism and developmental plans to support employee development, give due recognition to deserving employees.</p>					
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par							

with the standards set by the Board and Senior Management.		A Performance Improvement Plan is implemented to assist all employees who get a Below Average rating in their Performance Appraisal.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	As part of the review process adopted by the Board to ensure the effectiveness and adequacy of the internal control system, the risk, compliance, and internal audit departments of the Bank are mandated thru their respective charters to monitor, review and report the risk issues noted by their respective units. Hence, they are required to regularly report and escalate to their overseeing Board level-committees the risk issues noted in the operations of the Bank. Generally, the control departments are required to report during the monthly meeting of the Risk Oversight Committee, Corporate Governance Committee as well as the Audit Committee.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>The said Board-level committees shall thoroughly discuss the actions to be taken for the reported issues. Further, the matters discussed by the board-level committees are then endorsed and reported by the respective committees to the Board during their monthly meeting. Hence, ensuring that the internal control system is being adequately monitored and reviewed.</p> <p>The Audit Committee assists the Board in fulfilling its statutory and fiduciary responsibilities with respect to internal controls. The Audit Committee monitors and evaluates the adequacy and effectiveness of the internal control system of the bank, and provides oversight of the Bank's internal and external auditor.</p> <p>The Bank has a Conflict of Interest policy that is available on the Bank's website.</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Conflict of Interest policy 	

		https://www.pbb.com.ph/SEC/Corporate%20Governance/Policies/PBB_ConflictOfInterest.pdf	
3. Board approves the Internal Audit Charter.	Compliant	Please refer below for the link to PBB website Reference: <ul style="list-style-type: none"> ▪ Audit Committee Charter https://www.pbb.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_AuditCommitteeCharter.pdf 	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	See E.2.a.ix on page 40 of the Manual on Corporate Governance and Compliance Program Reference: <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.		Please refer below for the published Annual Report containing the Bank's Risk Management Profile. https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Please refer to the link below for publication to PBB website Reference:	

2. Board Charter serves as a guide to the directors in the performance of their functions.		<ul style="list-style-type: none"> ▪ Board Charter BOARD CHARTER (pbb.com.ph) 	
3. Board Charter is publicly available and posted on the company's website.			
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p>Please refer to the link below for publication to PBB website</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Insider Trading Policy Insider Trading Policy (for PBB Website).pdf 	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<p>Please refer to the link below for publication to PBB website</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Revised Related Party Transactions Policy Manual https://www.pbb.com.ph/SEC/Corporate%20Governance/Policies/RPT%20Policy.pdf 	
2. Company discloses the types of decision requiring board of directors' approval.			
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal	Compliant	See E.2.a.ix on page 34 of the Manual on Corporate Governance and Compliance Program	

performance of its roles and responsibilities.		<p>Reference:</p> <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>The Audit Committee is a committee created by the Board of Directors of the Philippine Business Bank to perform specific functions. The Board of Directors will appoint the Committee members including the Chairman. The Committee will report its activities to the Board on a regular basis and make recommendations thereon as it deemed appropriate.</p> <p>The Committee, with the prior approval of the Board of Directors, shall provide oversight of the bank's internal and external auditor. It shall be responsible for the setting-up of the internal audit department and the appointment of the internal auditor. It shall monitor and evaluate the adequacy and effectiveness of the internal control system of the Bank. The Committee shall assist the Board in fulfilling its statutory and fiduciary responsibilities with respect to internal controls, accounting policies, and auditing and financial reporting practices. The Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by Management and full discretion to invite any director or executive officer to attend its meetings, and adequate resources to enable it to effectively discharge its functions.</p>	

<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>The committee is composed of five (5) members of the Board of Directors, who are all non-executive directors, majority of whom are independent directors.</p> <p>See recommendation 1.1 for their qualifications</p> <table border="1" data-bbox="922 400 1740 788"> <thead> <tr> <th data-bbox="922 400 1429 435">Director's Name</th> <th data-bbox="1429 400 1740 435">Type</th> </tr> </thead> <tbody> <tr> <td data-bbox="922 435 1429 507">Benel D. Laguna – Chairman</td> <td data-bbox="1429 435 1740 507">Independent Director</td> </tr> <tr> <td data-bbox="922 507 1429 579">Atty. Roberto C. Uyquiengco - Member</td> <td data-bbox="1429 507 1740 579">Independent Director</td> </tr> <tr> <td data-bbox="922 579 1429 651">Asterio L. Favis, Jr. – Member</td> <td data-bbox="1429 579 1740 651">Independent Director</td> </tr> <tr> <td data-bbox="922 651 1429 722">Benjamin R. Sta. Catalina, Jr. – Member</td> <td data-bbox="1429 651 1740 722">Non-Executive Director</td> </tr> <tr> <td data-bbox="922 722 1429 788">Honorio O. Reyes-Lao – Member</td> <td data-bbox="1429 722 1740 788">Non-Executive Director</td> </tr> </tbody> </table>	Director's Name	Type	Benel D. Laguna – Chairman	Independent Director	Atty. Roberto C. Uyquiengco - Member	Independent Director	Asterio L. Favis, Jr. – Member	Independent Director	Benjamin R. Sta. Catalina, Jr. – Member	Non-Executive Director	Honorio O. Reyes-Lao – Member	Non-Executive Director	
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<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>All the members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>See recommendation 1.1 for their qualifications</p>													
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>The Chairman of the Audit Committee, Independent Director Benel D. Laguna, is not the Chairman of the Board or of any other Board-level committees.</p> <p>Please refer to the link to the Annual Report containing the Committee Members https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0</p>													

Supplement to Recommendation 3.2

1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>The Audit Committee Charter provides that the Audit Committee shall approve all non-audit services conducted by the external auditor and ensure that the nature of non-audit services performed by the external auditor is disclosed in the Annual Report to deal with the potential conflict of interest. Approval of non-audit services conducted by the external auditor are documented in the Audit Committee Minutes of Meeting and Memo to the Board of Directors.</p> <p>The said SEC's recommended governance practice is included in the revised Audit Committee Charter as published in the Bank's website.</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The Bank's Audit Committee conducted regular meeting and dialogue with the external audit team without anyone from the management present last March 20, 2024.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	In 2023, the Audit Committee had a total of 14 meetings or 12 regular meetings and 2 special meetings. This is provided under the Revised Audit Committee Charter (under page 5) which states that "The Committee will meet once every month or as often as necessary to fulfill its duties and responsibilities"	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	As stated in the Audit Committee Charter, the Audit Committee shall approve the appointment and removal of the Chief Internal Auditor and key internal auditors or contracted internal auditors, if applicable.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the	Compliant	<p>See item D on page 10 of the Manual on Corporate Governance and Compliance Program.</p> <p>The committee reviews and evaluates the qualifications of all persons nominated to the board of directors as well as those</p>	

<p>functions that were formerly assigned to a Nomination and Remuneration Committee.</p>		<p>nominated to other positions requiring appointment by the board of directors.</p> <p>The committee recommends to the board of directors matters pertaining to the assignment to board committees, as well as succession plan for the members of the board of directors and senior management.</p> <p>Reference:</p> <ul style="list-style-type: none"> Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 													
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	Compliant	See recommendation 1.1 for their qualifications													
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	Compliant	<table border="1"> <thead> <tr> <th data-bbox="911 826 1429 863">Director's Name</th> <th data-bbox="1429 826 1738 863">Type</th> </tr> </thead> <tbody> <tr> <td data-bbox="911 863 1429 932">Atty. Roberto C. Uyquiengco – Chairman</td> <td data-bbox="1429 863 1738 932">Independent Director</td> </tr> <tr> <td data-bbox="911 932 1429 1000">Benel D. Laguna – Member</td> <td data-bbox="1429 932 1738 1000">Independent Director</td> </tr> <tr> <td data-bbox="911 1000 1429 1069">Roberto A. Atendido – Member</td> <td data-bbox="1429 1000 1738 1069">Non-Executive Director</td> </tr> <tr> <td data-bbox="911 1069 1429 1137">Narciso DL. Erana – Member</td> <td data-bbox="1429 1069 1738 1137">Independent Director</td> </tr> <tr> <td data-bbox="911 1137 1429 1206">Diosdado M. Peralta – Member</td> <td data-bbox="1429 1137 1738 1206">Independent Director</td> </tr> </tbody> </table>	Director's Name	Type	Atty. Roberto C. Uyquiengco – Chairman	Independent Director	Benel D. Laguna – Member	Independent Director	Roberto A. Atendido – Member	Non-Executive Director	Narciso DL. Erana – Member	Independent Director	Diosdado M. Peralta – Member	Independent Director	
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Optional: Recommendation 3.3.															
<p>1. Corporate Governance Committee meet at least twice during the year.</p>	Compliant	The Corporate Governance Committee had twelve (12) meetings for the year 2023.													
Recommendation 3.4															
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC)</p>	Compliant	See E.2.a.ix on page 40 of the Manual on Corporate Governance and Compliance Program.													

<p>that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>		<p>Reference:</p> <ul style="list-style-type: none"> Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 																	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>See recommendation 1.1 for their qualifications.</p> <table border="1" data-bbox="913 539 1727 967"> <thead> <tr> <th>Director's Name</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Narciso DL. Eraña – Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Asterio L. Favis, Jr. – Member</td> <td>Independent Director</td> </tr> <tr> <td>Benjamin R. Sta. Catalina, Jr. – Member</td> <td>Non-Executive Director</td> </tr> <tr> <td>Atty. Roberto C. Uyquiengco - Member</td> <td>Independent Director</td> </tr> <tr> <td>Honorio O. Reyes-Lao – Member</td> <td>Non-Executive Director</td> </tr> <tr> <td>Roberto A. Atendido – Member</td> <td>Non-Executive Director</td> </tr> <tr> <td>Benel D. Laguna – Member</td> <td>Independent Director</td> </tr> </tbody> </table>	Director's Name	Type	Narciso DL. Eraña – Chairman	Independent Director	Asterio L. Favis, Jr. – Member	Independent Director	Benjamin R. Sta. Catalina, Jr. – Member	Non-Executive Director	Atty. Roberto C. Uyquiengco - Member	Independent Director	Honorio O. Reyes-Lao – Member	Non-Executive Director	Roberto A. Atendido – Member	Non-Executive Director	Benel D. Laguna – Member	Independent Director	
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<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Please refer to the link of the Annual Report containing the Committee Members</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2cebc03a454ababca0fa0c5b4e4d0</p>																	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<p>see recommendation 1.1 for their qualifications</p>																	

Recommendation 3.5

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>See E.2.a.ix on page 37 of the Manual Corporate Governance and Compliance Program.</p> <p>Reference:</p> <ul style="list-style-type: none"> Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual_v2 (pbb.com.ph) 											
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p>See recommendation 1.1 for their qualifications</p> <table border="1" data-bbox="913 608 1738 823"> <thead> <tr> <th>Director's Name</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Asterio L. Favis, Jr. - Chairman</td> <td>Independent Director</td> </tr> <tr> <td>Benjamin R. Sta. Catalina, Jr. - Member</td> <td>Non-Executive Director</td> </tr> <tr> <td>Narciso DL. Eraña - Member</td> <td>Independent Director</td> </tr> <tr> <td>Diosdado M. Peralta - Member</td> <td>Independent Director</td> </tr> </tbody> </table>	Director's Name	Type	Asterio L. Favis, Jr. - Chairman	Independent Director	Benjamin R. Sta. Catalina, Jr. - Member	Non-Executive Director	Narciso DL. Eraña - Member	Independent Director	Diosdado M. Peralta - Member	Independent Director	
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<p>Recommendation 3.6</p>													
<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>	<p>Compliant</p>	<p>Board Committee Charters:</p> <table border="1" data-bbox="913 1066 1774 1350"> <thead> <tr> <th>Committee</th> <th>Link</th> </tr> </thead> <tbody> <tr> <td>Audit</td> <td>https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_AuditCommitteeCharter.pdf</td> </tr> <tr> <td>Corporate Governance</td> <td>https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_CorporateGovernanceCommitteeCharter.pdf</td> </tr> </tbody> </table>	Committee	Link	Audit	https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_AuditCommitteeCharter.pdf	Corporate Governance	https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_CorporateGovernanceCommitteeCharter.pdf					
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<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>													
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>												

		Executive	https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_ExecutiveCommitteeCharter.pdf	
		Related Party Transactions	https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_RelatedPartyTransactionCommitteeCharter.pdf	
		Risk Oversight	https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_RiskOversightCommitteeCharter.pdf	
		Trust	https://www.PBB.com.ph/SEC/Corporate%20Governance/BOC/Committee%20Charters/PBB_TrustCommitteeCharter.pdf	

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Conduct of Meeting – “xxx... Members of the Board of Directors should attend regular or special meetings of the Board in person. In view of modern technology, however, conduct of the Board meetings through videoconferencing or teleconferencing shall be allowed.” Source: Section 7, Article III of PBB Corporate By-Laws (as amended in 2012).	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Advance Copies of Board/Committee Meeting materials are sent to the members at least one (1) week prior to the scheduled meeting.	
3. The directors ask the necessary questions or seek clarifications and	Compliant	All members of the Board and Board Committees conducts interpolations which can be noted from its Minutes of Meetings as published/disclosed in its website and as submitted to the BSP.	

<p>explanations during the Board and Committee meetings.</p>																																															
Recommendation 4.2																																															
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p>See E.2.a.vi.(4) – (b) on page 28 of the Manual on Corporate Governance and Compliance Program.</p> <table border="1" data-bbox="902 403 1751 1415"> <thead> <tr> <th data-bbox="902 403 1151 509">Director</th> <th data-bbox="1151 403 1547 509">Corporate Name of the Group Company</th> <th data-bbox="1547 403 1751 509">Publicly Listed (√/X)</th> </tr> </thead> <tbody> <tr> <td data-bbox="902 509 1151 746" rowspan="5">Leticia M. Yao</td> <td data-bbox="1151 509 1547 580">Mega Asia Bottling Corporation</td> <td data-bbox="1547 509 1751 580">X</td> </tr> <tr> <td data-bbox="1151 580 1547 620">Zest-O Corporation</td> <td data-bbox="1547 580 1751 620">X</td> </tr> <tr> <td data-bbox="1151 620 1547 660">Uni-Ipel Industries, Inc.</td> <td data-bbox="1547 620 1751 660">X</td> </tr> <tr> <td data-bbox="1151 660 1547 700">Harman Foods Phils., Inc.</td> <td data-bbox="1547 660 1751 700">X</td> </tr> <tr> <td data-bbox="1151 700 1547 746">Solmac Marketing, Inc.</td> <td data-bbox="1547 700 1751 746">X</td> </tr> <tr> <td data-bbox="902 746 1151 1377" rowspan="13">Jeffrey S. Yao</td> <td data-bbox="1151 746 1547 786">Zest-O Corporation</td> <td data-bbox="1547 746 1751 786">X</td> </tr> <tr> <td data-bbox="1151 786 1547 826">Zemar Development Inc.</td> <td data-bbox="1547 786 1751 826">X</td> </tr> <tr> <td data-bbox="1151 826 1547 866">Macay Holdings Inc.</td> <td data-bbox="1547 826 1751 866">√</td> </tr> <tr> <td data-bbox="1151 866 1547 906">Onnea Holdings, Inc.</td> <td data-bbox="1547 866 1751 906">X</td> </tr> <tr> <td data-bbox="1151 906 1547 946">Mazy's Capital Inc.</td> <td data-bbox="1547 906 1751 946">X</td> </tr> <tr> <td data-bbox="1151 946 1547 986">ARC Refreshments Corp.</td> <td data-bbox="1547 946 1751 986">X</td> </tr> <tr> <td data-bbox="1151 986 1547 1026">Mega Asia Bottling Corporation</td> <td data-bbox="1547 986 1751 1026">X</td> </tr> <tr> <td data-bbox="1151 1026 1547 1066">Downtown Realty Dev't Corp.</td> <td data-bbox="1547 1026 1751 1066">X</td> </tr> <tr> <td data-bbox="1151 1066 1547 1106">AMY Holdings, Inc.</td> <td data-bbox="1547 1066 1751 1106">X</td> </tr> <tr> <td data-bbox="1151 1106 1547 1145">Semexco Mktg Corp.</td> <td data-bbox="1547 1106 1751 1145">X</td> </tr> <tr> <td data-bbox="1151 1145 1547 1185">Bev Pack, Inc.</td> <td data-bbox="1547 1145 1751 1185">X</td> </tr> <tr> <td data-bbox="1151 1185 1547 1225">Asiawide Refreshments Corp.</td> <td data-bbox="1547 1185 1751 1225">X</td> </tr> <tr> <td data-bbox="1151 1225 1547 1265">ARC Holdings, Inc.</td> <td data-bbox="1547 1225 1751 1265">X</td> </tr> <tr> <td data-bbox="902 1265 1151 1415"></td> <td data-bbox="1151 1265 1547 1415">Macay Holdings, Inc.</td> <td data-bbox="1547 1265 1751 1415">√</td> </tr> </tbody> </table>	Director	Corporate Name of the Group Company	Publicly Listed (√/X)	Leticia M. Yao	Mega Asia Bottling Corporation	X	Zest-O Corporation	X	Uni-Ipel Industries, Inc.	X	Harman Foods Phils., Inc.	X	Solmac Marketing, Inc.	X	Jeffrey S. Yao	Zest-O Corporation	X	Zemar Development Inc.	X	Macay Holdings Inc.	√	Onnea Holdings, Inc.	X	Mazy's Capital Inc.	X	ARC Refreshments Corp.	X	Mega Asia Bottling Corporation	X	Downtown Realty Dev't Corp.	X	AMY Holdings, Inc.	X	Semexco Mktg Corp.	X	Bev Pack, Inc.	X	Asiawide Refreshments Corp.	X	ARC Holdings, Inc.	X		Macay Holdings, Inc.	√	
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			Pharmarex, Inc.	X	
			Myka Advisory & Consultancy Services, Inc. (Chairman)	X	
		Roberto A. Atendido	Mega Global Corp.	X	
			Paxys Inc.	√	
			Asian Alliance Investment Corp.	X	
			Asian Alliance Holdings & Development Corp.	X	
			Gyant Food Corp.	X	
		Narciso De Leon Eraña	Francis Court Townhouse Inc.	X	
			Berana Incorporated	X	
		Honorio O. Reyes-Lao	Space 2 Place Inc. (Chairman)	X	
			DMCI Holdings Corp.	√	
			DMCI Project Development, Inc.	X	
			Semirara Mining & Power Corp.	√	
			UDMC	X	
			Semi-Calaca Power Group	X	
			Southwest Luzon Power Generation Corp.	X	
		Roberto C. Uyquiengco	Green Leaf Foreign Exchange Corporation	X	
		Benel D. Laguna	Bangko ng Kabuhayan, Inc. (A Rural Bank)	X	
			Philippine Tuberculosis Society, Inc.	X	
		Asterio L. Favis	Makati Finance Corp.	√	

		Aspirations international Inc.	X	
		Favis Development and Management Corp.	X	
		Benjamin R. Sta. Catalina, Jr.	None	X
Recommendation 4.3				
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	As part of the nomination procedure, the prospective member of the Board notifies the Bank of his related interests.		
Optional: Principle 4				
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	Director Jeffrey S. Yao is the Chairman of PBB (Non-Executive Director [NED]) and also Director & Treasurer (NED) of Macay Holdings.		
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	Monthly schedule of the Board of Directors' Meeting is set on a monthly basis per its corporate by-laws. (Section 4, Article III of PBB Corporate By-Laws)		
3. Board of directors meet at least six times during the year.	Compliant	12 Regular Board Meetings occurred for the year 2023. Please refer to the link of the latest Annual Report containing the attendance of meetings https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0		
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	50% plus 1 of the total number of the Board of Directors (Reference: page 9 of PBB's Amended Corporate By-Laws (as submitted to the SEC) and Page 33 of PBB's Revised Corporate Governance Manual 2019 link: Reference:		

- Manual on Corporate Governance and Compliance Manual
[Microsoft Word - 2019 Revised Corporate Governance Manual v2 \(pbb.com.ph\)](#)

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Director's Name		Type	
		Benel D. Laguna		Independent Director	
		Asterio L. Favis, Jr.		Independent Director	
		Narciso DL. Eraña		Independent Director	
		Roberto C. Uyquiengco		Independent Director	
		Diosdado M. Peralta		Independent Director	

Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Please refer to the link of the latest Annual Report containing the profile of the independent directors. https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0
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Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	See F.1 Shareholders' Benefits - Investors Rights and Protection pages 52-55 of the Manual on Corporate Governance and Compliance Program Reference: <ul style="list-style-type: none"> Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph)
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Recommendation 5.3																					
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #cccccc;">Director's Name</th> <th style="background-color: #cccccc;">No. of years served as director</th> <th style="background-color: #cccccc;">No. of years served as ID (from 2 Jan. 2012)</th> </tr> </thead> <tbody> <tr> <td>Benel D. Laguna</td> <td>2 and 10 mos</td> <td>2 and 10 mos</td> </tr> <tr> <td>Asterio L. Favis, Jr.</td> <td>2 and 10 mos</td> <td>2 and 10 mos</td> </tr> <tr> <td>Narciso DL. Eraña</td> <td>6</td> <td>6</td> </tr> <tr> <td>Roberto C. Uyquiengco</td> <td>3</td> <td>3</td> </tr> <tr> <td>Diosdado M. Peralta</td> <td>2</td> <td>2</td> </tr> </tbody> </table>	Director's Name	No. of years served as director	No. of years served as ID (from 2 Jan. 2012)	Benel D. Laguna	2 and 10 mos	2 and 10 mos	Asterio L. Favis, Jr.	2 and 10 mos	2 and 10 mos	Narciso DL. Eraña	6	6	Roberto C. Uyquiengco	3	3	Diosdado M. Peralta	2	2	
Director's Name	No. of years served as director	No. of years served as ID (from 2 Jan. 2012)																			
Benel D. Laguna	2 and 10 mos	2 and 10 mos																			
Asterio L. Favis, Jr.	2 and 10 mos	2 and 10 mos																			
Narciso DL. Eraña	6	6																			
Roberto C. Uyquiengco	3	3																			
Diosdado M. Peralta	2	2																			
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	An independent director of a bank may only serve as such for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from serving as independent director in the same bank, but may continue to serve as regular director. The nine (9) year maximum cumulative term for independent directors shall be reckoned from 2012.																			
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	See E.2.a.vi.(2) on Pages 30 of the Manual on Corporate Governance and Compliance Program Reference: <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual_v2 (pbb.com.ph) 																			
Recommendation 5.4																					

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<table border="1" data-bbox="920 228 1720 371"> <thead> <tr> <th data-bbox="920 228 1178 264">Name</th> <th data-bbox="1178 228 1720 264">Position</th> </tr> </thead> <tbody> <tr> <td data-bbox="920 264 1178 301">Jeffrey S. Yao</td> <td data-bbox="1178 264 1720 301">Chairman of the Board</td> </tr> <tr> <td data-bbox="920 301 1178 371">Rolando R. Avante</td> <td data-bbox="1178 301 1720 371">Vice Chairman and President/Chief Executive Officer (CEO)</td> </tr> </tbody> </table>	Name	Position	Jeffrey S. Yao	Chairman of the Board	Rolando R. Avante	Vice Chairman and President/Chief Executive Officer (CEO)	
Name	Position								
Jeffrey S. Yao	Chairman of the Board								
Rolando R. Avante	Vice Chairman and President/Chief Executive Officer (CEO)								
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p data-bbox="902 411 1789 547">See E.2.a.xi.(1) & E.2.a.xi.(3) on pages 43 & 44-45 for the Chairman of the Board and Chief Executive Officer (CEO), respectively of the Manual on Corporate Governance and Compliance Program.</p> <p data-bbox="902 587 1055 614">Reference:</p> <ul data-bbox="952 655 1733 791" style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual_v2 (pbb.com.ph) 							
Recommendation 5.5									
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	The Chairman, who is also a non-executive director, is not holding the position of the CEO. Hence, the aforesaid requirement of appointing a Lead Independent Director is not applicable.							
Recommendation 5.6									
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p data-bbox="902 1038 1789 1278">All related party transactions are coursed through the recommending approval of the Related Party Transactions (RPT) Committee and endorsed to the Board and that any Board member who have material interest with the transaction does not participate in the approval of the same (proof of which are the Minutes of the Meetings of the Board as well as the RPT Committee.</p> <p data-bbox="902 1318 1055 1345">Reference:</p> <ul data-bbox="952 1386 1357 1414" style="list-style-type: none"> ▪ Revised RPT Policy Manual 							

<https://www.pbb.com.ph/SEC/Corporate%20Governance/Policies/RPT%20Policy.pdf>

Recommendation 5.7

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	The NEDs conducted a separate meeting with the external auditor and heads of the internal audit, compliance, and risk functions without any executive present last 06 November 2023.	
2. The meetings are chaired by the lead independent director.			

Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Mr. Rolando R. Avante was elected as President and CEO of the Bank since 2 November 2011 up to present.	
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Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	The Board of Directors conducted an annual self-assessment of its overall performance, the performance of its individual directors, each of its board-level committees, and the Chairman's performance. The results for the year 2022 were presented to the Board on May 17, 2023.	
2. The Chairman conducts a self-assessment of his performance.			
3. The individual members conduct a self-assessment of their performance.			
4. Each committee conducts a self-assessment of its performance.			

5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The Bank encountered difficulty in securing the services of an external facilitator due to the limited SEC accredited external facilitators.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	The Board of Directors is regularly reviewing the structure, size and composition of the board of directors and board-level committees with the end in view of having a balanced membership. Towards this end, a system and procedure for evaluation of the structure, size and composition of the board of directors and board-level committees is adopted which include, but not limited to, individual and peer assessment. The results of assessment shall form part of the on-going improvement efforts of the board of directors.	
2. The system allows for a feedback mechanism from the shareholders.			
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Please refer below to the publication to PBB website Reference: <ul style="list-style-type: none">▪ Code of Conduct PBB CodeofConductandEthics.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Revised Code of Conduct has been circularized by the Bank's Systems & Methods Center on 10 March 2014. All units were given an acknowledgement receipt where they also certified that they have thoroughly read and understood the	

		Revised Code of Conduct. Copy of the acknowledgement receipt is filed in each employee's 201 file.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Please refer below to the publication to PBB website Reference: <ul style="list-style-type: none"> ▪ Code of Conduct PBB_CodeofConductandEthics.pdf 	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Article VIII, Section 6 of PBB's Code of Conduct underscores the importance of integrity and honesty in its operations. The bank adheres to these standards by prohibiting practices like bribery and corruption, which is a ground for dismissal. Reference: <ul style="list-style-type: none"> ▪ Code of Conduct PBB_CodeofConductandEthics.pdf 	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The immediate superior has the primary responsibility to enforce discipline within his jurisdiction. He is responsible for informing and making his subordinates understand about the provisions of the Code and all other policies, rules, regulations, and guidelines promulgated by the Bank. Correspondingly, he/she shall be given sufficient authority to effectively exercise his capacity and discretion in implementing corrective actions when necessary. It is expected, however, that in all cases necessitating disciplinary action, there is a thorough investigation made and employee counseling conducted. Ignorance of or unfamiliarity with the provisions of the Code shall not be an excuse for violations.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.			

		Further to this, the Bank also has a Committee on Employee Discipline (CED) which conducts investigations and provides recommended resolutions to the Executive Committee of the Board on cases involving employees which cuts across the organization, or are beyond the jurisdiction of the concerned employees' supervisors, such as fraud cases, whistle-blowing issues etc.	
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Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	See item K on pages 58-60 of the Manual on Corporate Governance and Compliance Program Reference: <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual_v2 (pbb.com.ph) 	
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Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	Audited Financial Reports were posted in the Bank's website and available in the branches' conspicuous place after the examination by the External Auditor. The Bank's Balance Sheet is being published quarterly in the newspaper of general circulation. Please refer below for the link to the publication of reports: https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	
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<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Please refer below for the link of the publication https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0</p>	
<p>Recommendation 8.2</p>			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>	<p>See K.2 - Disclosure and Transparency on page 58 on the Manual on Corporate Governance and Compliance Program</p> <p>Reference:</p>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>		<ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
<p>Supplement to Recommendation 8.2</p>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>Latest Top 100 and Beneficial Owner Report as of March 31, 2022 https://edge.PSE.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0 [regularly reported]</p> <p>Disclosure & Transparency (Page 58 of PBB's Revised Corporate Governance Manual 2019:</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	

		<p>Conglomerate Map is published as part of the annual report https://edge.pse.com.ph/openDiscViewer.do?edge_no=18f87d446eacfcf39e4dc6f6c9b65995</p>	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>Full vetting of candidate is done at the Executive Committee and Corporate Governance Committee of the Board. This is further confirmed by the Board.</p> <p>The Bank is committed and dedicated to adhere to the highest standards of good corporate governance in the conduct of its business with clients, vendors, suppliers, co-employees and regulator. To continuously uphold the trust and confidence of its clients and the general public, the Directors, Senior Management, officers and employees are expected to espouse the highest degree of integrity, honesty and professionalism. The policy on Conflict of interest aims to raise awareness of and clarity what may constitute a conflict of interest and provide guidelines on how to deal with situations that may give rise to a conflict of interest.</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>The Bank is committed and dedicated to adhere to the highest standards of good corporate governance in the conduct of its business with clients, vendors, suppliers, co-employees and regulator. To continuously uphold the trust and confidence of its clients and the general public, the Directors, Senior Management, officers and employees are expected to espouse the highest degree of integrity, honesty and professionalism. The policy on Conflict of interest aims to raise awareness of and clarity what may constitute a conflict of interest and provide guidelines on how to deal with situations that may give rise to a conflict of interest.</p>	
Recommendation 8.4			
<p>1. Company provides a clear disclosure of its policies and</p>	Compliant		

procedure for setting Board remuneration, including the level and mix of the same.		The Corporate Governance Committee of the Board sets the compensation package of the Directors. The Executive Committee sets the compensation and benefits package of the Bank's officers and staff members.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.			
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	A Non-Executive Director (NED) receives per diem allowance for his attendance to each Board meeting and additional allowance for committee meetings. Furthermore, an NED is also entitled to a monthly gasoline allowance. The Executive Board members as well as employees of the Bank receive fixed salaries, benefits and performance-based bonus the amount of which is dependent on the performance of the bank and the concerned employee.	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Please refer below for the publication to PBB website Reference: <ul style="list-style-type: none"> ▪ Revised RPT Policy Manual https://www.pbb.com.ph/SEC/Corporate%20Governance/Policies/RPT%20Policy.pdf 	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Please refer to the link of the latest Annual Report containing the Bank's Material RPTs https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The Board of Directors provides periodic reports to the shareholders which disclose personal and professional information about the directors and officers and other matters, such as their dealings with, and shareholdings in, the Bank,	

		relationship among directors and key officers and the aggregate compensation of directors and officers.	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<u>PSE Disclosures</u> (http://PBB.com.ph/disclosure_archive.htm)	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Disposition of Unused/Unserviceable Fixed Assets (item 1.8, 1, A of VII – Operations Manual of PBB; Page 269) Post-audit is conducted if the procedures, documentations and requisite signing authorities were procured during the disposal of assets.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	This is being done during the stockholders' meeting which is being administered by the Corporate Secretary.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	MCG was transmitted to SEC. Please refer below for the link to PSE disclosures: https://edge.PSE.com.ph/keyword/form.do	
2. Company's MCG is submitted to the SEC and PSE.		MCG is posted in the website	

3. Company's MCG is posted on its company website.		<p>Reference:</p> <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	May 14,2021 submitted to ictdsubmission@sec.gov.ph 2021 Corporate Governance Manual, submission was acknowledged on May 19, 2021 by SEC CGFD Account - cgfd@sec.gov.ph	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	<p>Please refer to the link of the publication of the Annual Report</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0</p>	
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			

f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Please refer to the link of the publication of the Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Please refer to the link of the publication of the Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Please refer to the link of the publication of the Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Please refer to the link of the publication of the Annual Report https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Included in the roles and responsibilities of the Audit Committee in the Audit Committee Charter is to maintain a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor, subject to approval by the Board of Directors and ratification by the shareholders. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The appointment of external auditor, Punongbayan and Araullo has been approved and ratified by the shareholders during the Stockholder's meeting held on May 26, 2023.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	There has been no removal or change of the external auditor within the last three (3) years (2021-2023). The Audit Committee has included in its Charter the said recommendation under Roles and Responsibilities item #2 which states that "for removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures."	

Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	In compliance with Bangko Sentral Ng Pilipinas (BSP) and SEC Memorandum Circular No. 8, Series of 2003, and Amendments to the SRC Rule 68 on the rotation of external auditors or signing partners of a firm every after five (5) years of engagement, Ms. Maria Isabel E. Comedia was assigned in 2021 as an independent reviewer and partner in charge for the bank replacing Mr. Christopher M. Ferarezza.	
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		This is also provided in the revised Audit Committee Charter under item no. 19 of Roles and Responsibilities which states that "Assure the regular rotation of those partners of the external auditor as required by regulations".	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	The Audit Committee Charter includes the said recommendation under Roles and Responsibilities items #12.1 and #12.2 of the Revised Audit Committee Charter.	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	As stated in the Audit Committee Charter under Roles and Responsibilities item 12.3, the Audit Committee shall review and monitor the external auditor's suitability and effectiveness on an annual basis.	
Supplement to Recommendations 9.2			

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	As stated in the Audit Committee Charter under Roles and Responsibilities item 13, the Audit Committee shall ensure that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	As stated in the Audit Committee Charter under Roles and Responsibilities item 12.4, the Audit Committee shall ensure that the external auditor has adequate quality control procedures.	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	The Audit Committee Charter provides that the Audit Committee shall approve all non-audit services conducted by the external auditor and ensure that the nature of non-audit services performed by the external auditor is disclosed in the Annual Report to deal with the potential conflict of interest.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	The Audit Committee Charter provides that the Audit Committee shall approve all non-audit services conducted by the external auditor and ensure that the nature of non-audit services performed by the external auditor is disclosed in the Annual Report to deal with the potential conflict of interest.	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	The Audit Committee Charter provides that the Audit Committee shall ensure that the fees paid for non-audit services do not outweigh the fees paid for audit services.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	The Bank's external auditor is Punongbayan and Araullo. Lead Partner: Ms. Maria Isabel E. Comedia;	

		<p>Accreditation No.:92966-BSP; Date Accredited: May 11, 2018; Punongbayan and Araullo, 20th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati, +632-988-2288.</p> <p>We have included this provision in the Revised Audit Committee Charter.</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p>The Audit Committee Charter provides that the Audit Committee ensures that the External Auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program to be conducted by the SEC's Office of the General Accountant (OGA).</p> <p>The Bank's external auditor, Punongbayan and Araullo, was subjected to SOAR in 2021. Philippine Business Bank was not selected as part of the SOAR's engagement review that time.</p>	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>See E.2.a.ix of Risk Oversight Committee on page 40 of the Manual on Corporate Governance and Compliance Program.</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>The Bank shall adopt a globally recognized standard/framework in reporting sustainability and nonfinancial issues.</p> <p>As external pressures including resource scarcity, globalization, and access to information continue to increase, the way</p>	

		corporations respond to sustainability challenges, in addition to financial challenges, determines their long-term viability and competitiveness. One way to respond to sustainability challenges is disclosure to all shareholders and other stakeholders of the Bank's strategic (long-term goals) and operational objectives (short term goals), as well as the impact of a wide range of sustainability issues.	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	(Under 'SEC Reports' Column of Investor Relations Tab.) http://pbb.com.ph/index.htm#sec17a (Quarterly Reports) http://pbb.com.ph/index.htm#sec17c (Current Reports) (Under 'Others' Column of Investor Relations Tab.) http://pbb.com.ph/index.htm#opmn (Press Materials/News)	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	https://www.pbb.com.ph/	
a. Financial statements/reports (latest quarterly)	Compliant	(Under 'SEC Reports' Column of Investor Relations Tab.) http://pbb.com.ph/index.htm#sec17a (Quarterly Reports)	
b. Materials provided in briefings to analysts and media	Compliant	(Under 'Others' Column of Investor Relations Tab.) http://pbb.com.ph/index.htm#opmn (Press Materials/News)	
c. Downloadable annual report	Compliant	http://pbb.com.ph/annual_report.htm (Under 'SEC Reports' Column of Investor Relations Tab.) http://pbb.com.ph/index.htm#sec17a (Annual Reports)	

d. Notice of ASM and/or SSM	Compliant	(Under 'Company Disclosures' Column of Investor Relations Tab.) http://pbb.com.ph/index.htm#cdasm (Notice of Annual or Special Stockholder's Meeting)	
e. Minutes of ASM and/or SSM	Compliant	(Under 'Company Disclosures' Column of Investor Relations Tab.) http://pbb.com.ph/index.htm#cdmin (Minutes of All General or Special Stockholder's Meetings)	
f. Company's Articles of Incorporation and By-Laws	Compliant	(Under 'Our Business' Column of About Us Tab.) http://pbb.com.ph/index.htm#aoibl (Articles of Incorporation and By-Laws and all amendments)	

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant	Please refer to the link below as posted in PBB's website. https://www.pbb.com.ph/	
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>The Bank established an internal audit system to provide the Board, Management and stockholders reasonable assurance that the key organizational and operational controls are faithfully complied with. The Board appointed Chief Internal Auditor to perform the audit function, and required her to report to the Audit Committee that allows the internal audit activity to fulfill its mandate.</p> <p>The Internal Audit Center (IAC) as headed by the Bank's Chief Audit Executive:</p> <ul style="list-style-type: none"> • Develops and implements an annual audit plan approved by the Audit Committee of the Board of Directors. • Perform an annual overall corporate business risk profile to establish the program of audit coverage. 	
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		<ul style="list-style-type: none"> • Create an audit program which will be used as a guide during examination. • Issue a formal Final Audit Report on the results of the examination within 60 days following the completion of fieldwork for presentation to the Board's Audit Committee in its next meeting. The Final Audit report includes responses by management to the significant issues identified during the audit, audit rating (if applicable), IAC's opinion of the quality of controls designed to mitigate key risks. 	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Please refer to the link of the latest Annual Report containing the Bank's Risk Management Profile https://edge.pse.com.ph/openDiscViewer.do?edge_no=7ce2ceb03a454ababca0fa0c5b4e4d0	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.		<p>Reference:</p> <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	<p>PBB exercises IT governance through the following departments/units within the organization:</p> <p>IT Steering Committee - the body which evaluates, approves and monitors significant IT projects;</p>	

	<p>Project Management Office - the body which oversees the conduct of IT projects from inception to completion;</p> <p>Risk Management Group - the body which provides the risk guidelines which ITG needs to address in evaluating and implementing IT projects;</p> <p>Internal Audit Group - the body which evaluates IT projects vs compliance with internal policies and procedures; Compliance Group - the body which evaluates the compliance requirements for IT projects vs external regulations, e.g. Bangko Sentral, SEC, etc.</p> <p>One of the members of the IT Steering Committee is a Member of the Board of PBB. This presence ensures the knowledge of IT project proposals and progress at the Board level. The Project Management Office provides periodic reports to the IT Steering Committee relative to the status of IT projects.</p> <p>The Risk Management, Internal Audit and Compliance Groups report to their respective Board Committees on a periodic basis to apprise the Board in regard to their respective areas relative to addressing IT issues.</p> <p>As part of the risk assessment, management and monitoring process, the Information Technology Group ensures that all major application systems of the bank have a matching back-up system and processes which provides for recovery up to the end-of-business-day of the previous day. This is embodied in the Business Continuity Manual which PBB shall make available for viewing to authorize personnel of the regulators if/when necessary.</p> <p>Cyber-security is undertaken through the use of firewalls with severe access restrictions and which policies and restrictions are monitored and managed periodically. The network diagram</p>	
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		may be made available for viewing to authorize personnel of the regulators if/when necessary.	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The Bank has in place an in-house independent internal audit function.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The Chief Audit Executive, Ms. Marily M. Cabuco, was appointed by the Board of Directors and reports functionally to the Audit Committee and administratively to the President. Please refer to the Internal Audit Charter and Job Description for the CAE's responsibilities.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.			
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	This is not applicable to PBB. The Bank's internal audit function is in place and not outsourced.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Please refer to the link of the latest Annual Report containing the Bank's Risk Management Profile https://edge.pse.com.ph/openDiscViewer.do?edge_no=1c9d58bc0e91c9dc5d542af6f1e997b9	
Supplement to Recommendation 12.4			

<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p>The Banks does not seek external technical support in risk management.</p>	
<p>Recommendation 12.5</p>			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	<p>Compliant</p>	<p>Ms. Trinidad was appointed as Chief Risk Officer and Head of Enterprise Risk Management Group with the rank of Senior Vice President.</p> <p>She has her 34 years of banking experience handling various functions such as Credit Review, Treasury Trading and Liquidity and Reserve Management, Correspondent Banking, Corporate Planning, Investor Relations, and Special Projects under Strategic Planning. She started her banking career with RCBC Unibank and was seconded to RCBC Savings as CRO in September 2007 up to 2019 when the merger of the savings and unibank happened. Her last post is as Head of Special Initiatives and Model Validation under the unibank's ERMG.</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>		<p>As the CRO of RCBC Savings Bank, and together with the bank's Risk Oversight Committee of the Board, she built RCBC Savings' risk and control infrastructure. She was the overall lead in identifying and measuring risks inherent in the bank's portfolio, and made sure that provisioning is kept to a minimum level by proactively working on the portfolio credit review, credit scoring and other initiatives to manage the bank's portfolio quality. She defined and disseminated the bank's risk philosophy and policies, and assisted risk-taking business and operating units in understanding, measuring and mitigating risk points. She put in place the bank's Risk Management Framework and Manual, Treasury Manual, Liquidity Contingency Funding Plan, and various risk operating policies and procedures. She also developed the strategic and operational framework for Business Continuity, including the enterprise Business Continuity Plan, Business Impact Analysis, Crisis Communication Plan, Pandemic Plan, Call Tree Testing, Table Top Discussion, and Disaster Recovery Plan testing.</p>	

		<p>She continued the same endeavors upon her appointment as the CRO of PBB, streamlining and enhancing the risk reports to both the PBB management and the regulators. She established the Trust Risk Framework, including the Trust Risk Policies and monitoring tools. She also developed the initial Business Model being used as guiding principles of the Treasury team. Lastly, she developed the same strategic and operational framework for Information Security and Business Continuity, including the individual Business Continuity Plan, Business Impact Analysis, Crisis Communication Plan, Pandemic Plan, Cyber Security Plan, Emergency Go Bag preparedness, Call Tree Testing, and various Information Security tools. She has partnered with the Bank's Human Resources Group for the continued education and awareness of the employees on Risk Management.</p> <p>Ms. Trinidad has a Bachelor of Science degree in Mathematics from University of the Philippines – Diliman in 1988. She also earned academic credits for a Master of Science degree in Mathematics from the same school.</p>	
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Additional Recommendation to Principle 12

<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	<p>Compliant</p>	<p>As stated in the Audit Committee Charter, it is the responsibility of the Audit Committee to ensure that the Chief Executive Officer and Chief Internal Auditor attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p> <p>The Chief Audit Executive attested in Internal Audit Center's year-end report, that governance, internal controls and risk management processes of the Bank are generally adequate and operating effectively in relation to achievement of the management's objectives. The year-end report was duly noted by PBB's President and Chief Executive Officer.</p>	
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Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	See item F on page 52 of the Manual on Corporate Governance and Compliance Program. Reference: <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please refer below for the link to PBB website https://www.pbb.com.ph/	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Each share entitled to vote has an equivalent of one vote also pursuant to the provisions of the Corporation Code.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	As of 2024 Common Shares a. 818,750,094 total number of outstanding shares b. With voting rights c. Transferable unless the bank holds unpaid claim on such share of stock Preferred Shares a. 62,000,000 total number of outstanding shares b. Without voting rights except in those cases where the law allows them to vote c. Transferable unless the bank holds unpaid claim on such share of stock d. Convertible	
3. Board has an effective, secure, and efficient voting system.	Compliant	Voting procedure is via a viva-voce methodology	
4. Board has an effective shareholder voting mechanisms such as	Compliant	Each stockholder may vote.	

supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.			
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	See Section 2 under Article II (Meetings of Stockholders) under Amended By-Laws of the Bank "The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: a) the Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock; b) the President."	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	See Item F.1.a. on page 53 of the Manual on Corporate Governance and Compliance Program. Reference: <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 	
7. Company has a transparent and specific dividend policy.	Compliant	Please refer below for the link to the publication of the dividend policy: https://edge.pse.com.ph/openDiscViewer.do?edge_no=7da7b7b5a9ef4a9c0de8473cebbd6407	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Stock Transfer Services, Inc. handles all the validation/verification of attendees of the Annual Stockholders' Meeting and percentage of attendance.	
Recommendation 13.2			

<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p>Compliant</p>	<p>Notice of Annual or Special Stockholders' Meeting and Preliminary Information Statement was sent to all shareholders within the required period.</p> <p>(Under 'SEC Reports' Column of Investor Relations Tab.) http://pbb.com.ph/#sec20is</p> <p><u>Please refer below for the link to publication of notice:</u> https://edge.pse.com.ph/keyword/form.do</p>	
Supplemental to Recommendation 13.2			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>	<p>Compliant</p>	<p>[Amend-1]Notice of Annual or Special Stockholders' Meeting and Information Statement as disclosed in PSE (link: https://edge.pse.com.ph/keyword/form.do and http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=640#viewer, respectively)</p>	
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>			
<p>b. Auditors seeking appointment/re-appointment</p>			
<p>c. Proxy documents</p>			
Optional: Recommendation 13.2			
<p>1. Company provides rationale for the agenda items for the annual stockholders meeting</p>	<p>Compliant</p>	<p>The Notice of ASM contains the following information:</p> <p>(i) Profile of candidates to the board, i.e., age, work experience directorships in other listed companies, date of first appointment (at least month and year) and academic qualifications.</p> <p>(ii) Dividend policy.</p> <p>(iii) Proxy documents which shall be attached to the Notice of ASM or downloadable in the Bank website.</p>	

Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Form 17-C is immediately submitted/ uploaded to the PSE. Minutes of the Meeting are uploaded to the Bank's website within five (5) working days after the ASM. Please refer below for the publication to PSE https://edge.pse.com.ph/keyword/form.do Please refer below for the link to PBB website https://www.pbb.com.ph/	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	Minutes of All General & Special Stockholders' Meetings (http://PBB.com.ph/#cdmin)	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Representatives of the external auditor, Punongbayan and Araullo, were present during the ASM for May 31, 2019.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant		Alternative Dispute Resolution System
		Corporation & Stockholders	There had been no issues or conflicts yet that the Bank experienced with its stockholders. If ever there will be one in the future, it will be resolved by the BOD through a resolution, which may be implemented by the Board itself or in the Management.

			Dealings of the Bank with its related parties are covered by the RPT Policy.	
		Corporation & Third Parties	The Bank set up a help/complaint desk for the purpose of receiving and expeditiously addressing customer/third party complaints.	
		Corporation & Regulatory Authorities	The Bank designated its Chief Compliance Officer as its link to its regulators, such as the Bangko Sentral Ng Pilipinas, Philippine Deposit Insurance Corporation and Securities and Insurance Commission. As such, the CCO maintains a constructive working relationship with the regulators wherein he may consult, whenever necessary, such regulators for clarification of specific provisions of laws and regulations.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Kindly refer to page 60 of the Bank's MCG. Reference: <ul style="list-style-type: none"> ▪ Manual on Corporate Governance and Compliance Manual Microsoft Word - 2019 Revised Corporate Governance Manual v2 (pbb.com.ph) 		
Recommendation 13.5				
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<ol style="list-style-type: none"> 1. Name of the person – Joseph Jeeben R. Segui 2. Telephone number – 8363-3333 3. Fax number – 8363-3333 4. E-mail address – segui_jjr@pbb.com.ph 		
2. IRO is present at every shareholder's meeting.	Compliant	IRO and/or his representative is present at all ASM.		

Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Board has existing Independent Directors that can effectively implement avoidance of anti-takeover measures.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Public float is set at 30% as per IPO in 2013	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The Banks' Investor Relations Program provides a mechanism for stakeholders to raise issues and/or concerns directly to the Board of Directors thru the Investor Relations Office.	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	Please refer to the link for the published notice of ASM https://edge.pse.com.ph/openDiscViewer.do?edge_no=feaa4d0795fdb361abca0fa0c5b4e4d0	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Stakeholders in corporate governance include, but are not limited to customers, employees, suppliers, shareholders, investors, creditors, the community the Bank operates in society, the government, regulators, competitors, external auditors, etc. In formulating the Bank's strategic and operational decisions affecting its wealth, growth and sustainability due consideration	

		is given to those who have an interest in the Bank and are directly affected by its operations.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	In instances when stakeholders' interests are not legislated, companies' voluntary commitments ensure the protection of the stakeholders' rights. The Bank's Code of Conduct ideally includes provisions on the Bank's policies and procedures on dealing with various stakeholders. The Bank's stakeholders include its customers resource providers, creditors and the community in which it operates. Fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders ensure their fair treatment and better protection of their rights.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>The Bank's stakeholders play a role in its growth and long-term viability. As such, it is crucial for the Bank to maintain open and easy communication with its stakeholders. This can be done through stakeholder engagement touch points in the Bank, such as the Investor Relations Office, Office of the Corporate Secretary, Customer Relations Office, and Corporate Communications Group.</p> <p>Name: Mr. Joseph Jeeben R. Segui Position: First Vice-President & Investor Relations Officer Tel. No. 8363-3333 Email: segui_jjr@pbb.com.ph</p> <p>Name: Atty. Roberto S. Santos Position: Corporate Secretary Tel. No. 8363-3333 Email: santos_rs@pbb.com.ph</p> <p>Please refer below for the published whistleblowing policy</p> <p>Reference:</p>	

- Whistle Blowing Guidelines
[PBB WhistleBlowingGuidelines.pdf](#)

Supplement to Recommendation 14.3

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.

Compliant

It is important for the shareholders to be well-informed of the bank's processes and procedures when seeking to redress the violation of their rights. Putting in place proper safeguards ensures suitable remedies for the infringement of shareholders' rights and prevents excessive litigation. The Bank may also consider adopting in its Manual on Corporate Governance established Alternative Dispute Resolution (ADR) procedures.

On Corporation and Stockholders

There had been no issues or conflicts yet that the Bank experienced with its stockholders. If ever there will be one in the future, it will be resolved by the BOD through a resolution, which may be implemented by the Board itself or Management.

Dealings of the Bank with its related parties are covered by the RPT Policy.

On Corporation and third parties

The Bank set up a help/complaint desk for the purpose of receiving and expeditiously addressing customer/third party complaints.

To address the needs and concerns of our clients, we have established a Consumer Assistance Management System with different channels suited to them at their convenience. The Bank ensures that its customers are afforded quality, innovative and responsive products. It nurtures long-term customer relationship founded on mutual trust and confidence. It also ensures that customers are provided with quality service aimed at improving customer satisfaction, retain clients, increase customer base and uphold and preserve Bank's reputation.

		The Bank is committed to continuously serve its customers with utmost respect and high esteem, recognizing their individualities and qualities as it provides service distinctive to each of them. It likewise continues to strive hard to attain growth to be able to expand its branch network and improve its information technology and serve its customers wherever they are.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Bank does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.	
2. Company respects intellectual property rights.	Compliant	The Bank has not violated any intellectual property rights.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p>It is the policy of the Bank to be transparent in all its dealings. Thus, any changes in its policies that may affect customer relationship are immediately and fully disclosed.</p> <p>To address the needs and concerns of our clients, we have established a Consumer Assistance Management System with different channels suited to them at their convenience. The Bank ensures that its customers are afforded quality, innovative and responsive products. It nurtures long-term customer relationship founded on mutual trust and confidence. It also ensures that customers are provided with quality service aimed at improving customer satisfaction, retain clients, increase customer base and uphold and preserve Bank's reputation.</p>	

		The Bank is committed to continuously serve its customers with utmost respect and high esteem, recognizing their individualities and qualities as it provide service distinctive to each of them. It likewise continues to strive hard to attain growth to be able to expand its branch network and improve its information technology and serve its customers wherever they are.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		The Bank has procurement policies on fixed assets; furniture, fixture and equipment; supplies; IT software and hardware; security, janitorial and messengerial services and other similar contractual services, such that procurement of the same, if the amount warrants, will undergo the bidding process wherein the required number of pre-qualified bidders should be at least three (3). Only accredited suppliers, contractors and other similar service providers can participate in the bidding process mentioned above.	

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	The Bank has an existing business process improvement mechanism implemented and embedded in the personnel performance appraisal that encourage employees to actively participate in the attainment of goals of the company. Performance appraisal policies and monitoring are also in place.	
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Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Bank has a Performance Management System that includes both short term and long-term metrics to ensure the long term sustainability of the bank. The compensation policy is rooted on the performance appraisal ratings based on measurable metrics, and where ratings are weighted based on bell curve.	
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<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>The Bank has a policy on Annual Physical Exam and Executive Check-up to ensure that all employees are fit in the performance of their duty. Likewise, The Health and Safety Committee has been approved by the EXCom which;</p> <ul style="list-style-type: none"> (i) Plans and develops accident prevention programs for the establishment. (ii) Directs the accident prevention efforts of the establishment in accordance with the safety programs safety performance and government regulations in order to prevent accidents from occurring in the workplace. (iii) Conducts safety meetings at least once a month. (iv) Review reports of inspection, accident investigations and implementation of programs. (v) Submits reports to the manager on its meetings and activities. (vi) Provides necessary assistance to government inspecting authorities in the proper conduct of their activities such as the enforcement of the provisions of this Standard. (vii) Initiates and supervises safety training for employees. <p>Develops and maintain a disaster contingency plan and organizes such emergency service units as may be necessary to handle disaster situations pursuant to the emergency preparedness manual for establishment of the Office of Civil Defense.</p>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>The internal training curriculum of Philippine Business Bank is based on the identified training needs as well as on the requirements of various regulatory bodies/government offices. Employees are scheduled to undergo the appropriate and necessary training courses to enable them to perform their respective job responsibilities more efficiently and effectively. Furthermore, all training courses under the said curriculum are evaluated by the participants to allow HRG to monitor and ensure that the quality of training being delivered remains consistent. For certain</p>	

competencies that are specialized, employees are sent to external trainings. Examples of external trainings are trainings on Trust, Treasury, Risk, HR etc. Below is the list of training programs offered internally by the Bank.

CTR	TITLE OF SEMINAR
1	5-Day MBA
2	Accounting for Non-Accountants
3	Advanced Sales and Negotiations Skills
4	AMLA Orientation
5	AMLA Refresher
6	Basic Credit Analysis Seminar
7	Basic Supervisory Program
8	Bomb Threat Management and Fire Prevention Seminar
9	Branch-Based Marketing Program
10	Branch Officers' Development Program (BODP)
11	Business Managers' Development Program (BMDP)
12	Consumer Protection Orientation
13	Corporate Governance Seminar
14	Economics 101
15	Economics Outlook
16	Emergency Drill Orientation
17	Engage to Excel
18	Essential Leadership Skills for Emerging Leaders
19	Executive Leadership for High-Performing Teams
20	Financial Analysis and Credit Evaluation (F.A.C.E.)
21	Financial Awareness for Self-Transformation
22	First Aid & Basic Life Support Training
23	Fraud Detection and Prevention Seminar
24	HMO Wellness Sessions

		25	I'm Here to Help (Managing Mental in the Workplace)	
		26	Information Security Awareness Orientation	
		27	Know Your Banking Laws	
		28	Let's Talk About LOVE	
		29	Let's Talk Money (CNY, USD, PESO Counterfeit Detection)	
		30	Managing T.I.M.E.	
		31	Online Chat with the President	
		32	Orientation for New Employees	
		33	Professional Image Enhancement Workshop	
		34	R.A.D.I.C.A.L. Sales Conversations in Complex Selling	
		35	Relationship Managers' Development Program (RMDP)	
		36	Root Cause Analysis	
		37	Sales Officers' Development Program (SODP)	
		38	Service First is L.O.V.E.	
		39	Sustainability Training	
		40	UITF Certification Program	
		41	Verifying Other's Written Signature (Signature Verification)	
		42	Writing for Results	

Recommendation 15.2

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	The Bank is committed and dedicated to adhere to the highest standards of good corporate governance in the conduct of its business with clients, vendors, suppliers, co-employees and regulator. To continuously uphold the trust and confidence of its clients and the general public, the Directors, Senior Management, officers and employees are expected to espouse the highest degree of integrity, honesty and professionalism. The CODE of Conduct ensures that employees will always act on what is best for the company. It provides for sanctions for acts detrimental to the interest of the bank. The policy on Conflict of	
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		interest aims to raise awareness of and clarify what may constitute a conflict of interest and provide guidelines on how to deal with situations that may give rise to a conflict of interest.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The board approves all the policies and programs of the bank and disseminates through the Systems and Methods Center for proper circularization. These policies are boarded on an internal website for ready access of all employees. The President and CEO calls a Management Committee meeting to inform senior officers of critical policies and programs that will impact employees. The Group Heads are expected to cascade to their employees.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Article VIII, Section 6 of PBB's Code of Conduct underscores the importance of integrity and honesty in its operations. The bank adheres to these standards by prohibiting practices like bribery and corruption, which is a ground for dismissal. Reference: <ul style="list-style-type: none"> ▪ Code of Conduct PBB_CodeofConductandEthics.pdf 	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	The Bank's Policy on Disposition of Administrative Case defines the offenses covered in the policy, penalties to be imposed, members of the committee and its responsibilities and policy guidelines. Offenses or irregularities upon discovery either through Audit Findings or outright behavioral misdemeanor should be reported to the Center Head and Group Head copy furnished Human resources and shall be subject to investigation. The members of the committee are responsible to: review and evaluate the complete facts of the case, the exact nature of the infraction and extent of the effect of the infraction; consider all aggravating and/or mitigating factors; call all those involved in the case for investigation when necessary prepare a	

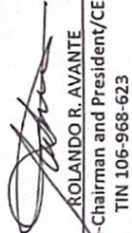
		<p>written report stating the facts of the case, the violation/ infraction and the corresponding disciplinary action after the proper investigation; submit the report to Executive Committee</p> <p>The Bank's Policy on Grievance and Employee Complaints define the actions and responsibilities of all concerned personnel in the proper handling of employee complaints and grievance. The policy is designed to address legitimate grievance and complaints by the employees and not for the purpose of supporting baseless allegations and complaints. The Management provides a venue for employees to seek redress for alleged unfairness or dissatisfaction through the grievance procedure. It also gives fair and due process where the accused employee is given the opportunity to refute allegations against her/him, and explain his/her side through written explanations and hearings. There is validation of facts and immediate response and corrective action are made to provide a closure to the issue. Retribution by Supervising Officer or Retaliation for Employee complaints shall be subject to corresponding disciplinary action in accordance with the Code of Conduct.</p> <p>Please refer below for the link to the publication in PBB website</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Whistle Blowing Guidelines PBB WhistleBlowingGuidelines.pdf 	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>	<p>Please refer below for the link to the publication in PBB website</p> <p>Reference:</p> <ul style="list-style-type: none"> ▪ Whistle Blowing Guidelines 	

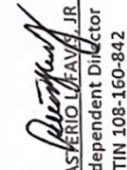
3. Board supervises and ensures the enforcement of the whistleblowing framework.		PBB WhistleBlowingGuidelines.pdf	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Please refer to the link of the latest Annual Report containing the corporate social responsibility write-up as well as the sustainability reporting https://edge.pse.com.ph/openDiscViewer.do?edge_no=1c9d58bc0e91c9dc5d542af6f1e997b9	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	The Bank acknowledges its responsibility to the country, particularly on its contribution to the growth of the nation's economy, adherence to various government policies on the preservation of environment, respect to the efforts of local government units and various non-governmental organizations to protect the natural resources; the communities and customers it serves, as fundamentals to its long-term sustainability	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	See Recommendation 16.1 above.	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in Caloocan City on 29 MAY 2024

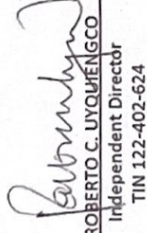
Signatures


JEFFREY S. YAO
Chairman of the Board
TIN 121-076-085

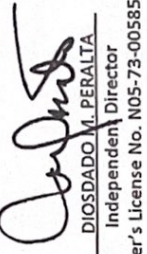

ROLANDO R. AVANTE
Vice-Chairman and President/CEO
TIN 106-968-623

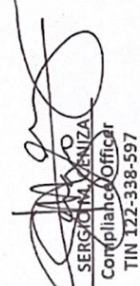

ASTERIO L. MAY, JR.
Independent Director
TIN 108-160-842


BENITO L. GUDA
Independent Director
TIN 107-272-894


ROBERTO C. UYQUENIGCO
Independent Director
TIN 122-402-624


MARCO D. ERAÑA
Independent Director
TIN 108-099-974


DIOSDADO M. PERALTA
Independent Director
Driver's License No. N05-73-005852


SERGIO M. BENIZA
Compliance Officer
TIN 122-338-597


ROBERTO S. SANTOS
Corporate Secretary
TIN 123-467-623

SUBSCRIBED AND SWORN to before me this 29 MAY 2024, affiants exhibiting to me their tax identification and driver's license as indicated above.

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Doc No.
Page No.
Book No.
Series of 2024.

ATTY. NIÑO CHRISTOPHER R. PURA
Notary Public for Caloocan City
NC-465 valid until Dec 2024
350 Rizal Avenue Corner 8th Avenue
Grace Park, Caloocan City
Roll No. 53976
PTR OR no CAL 165/536, 01/04/24
IBP OR No. 409779; 01/08/24
MCLE Cert No. VII-0021738, 06-21-22