



ABOUT THE COVER

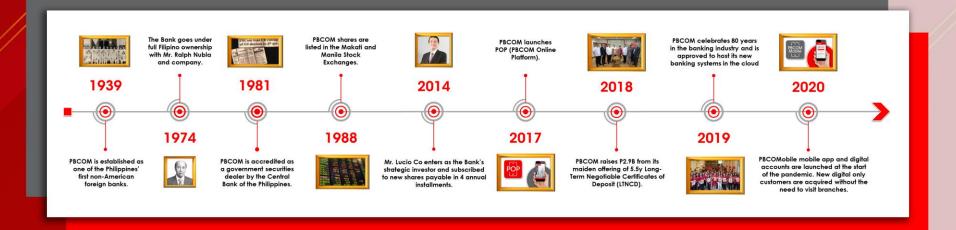
With a health crisis threatening the world, 2020 was a year of challenges for many. A lot of changes had to be made in order to deal with the COVID-19 pandemic. For financial institutions such as PBCOM, the challenge is to continuously provide the necessary financial services to the public without compromising the health and safety of both our employees and the banking public.

This annual report highlights the successes that PBCOM achieved in 2020 in meeting these challenges. Investments in digital capabilities, product enhancements, improvements in service delivery, and the implementation of operational changes, are only some of the major steps we undertook in order to deliver a superior banking experience in the new normal.

TABLE OF CONTENTS

About the Cover	-1
PBCOM Through the Years	2
Our Vision, Mission and Values	3
Chairman's Message	4
The President Speaks	6
Banking in the New Normal	10
Our Board of Directors	15
Our Senior Management Team	24
Our Business	32
Our Branch and ATM Network	35
Sustainability Report	43
Corporate Governance	60
Risk and Capital Management	75
Consumer Protection and Experience	93
Financial Highlights	98

PBCOM THROUGH THE YEARS



Our bank, PBCOM, has a very rich history marked by a legacy of strong relationships nurtured through trust and service. And our thrust to focus on you, our clients, is always the center of everything we do. In 2020, we continue our journey towards building a "digital-first" banking experience for our clients. We have formally launched PBCOMobile, the Bank's all-mobile banking platform to enhance our other digital offerings.



VISION MISSION VALUES

VISION

We are PBCOM.

We will be the most preferred and trusted financial partner through generations of nurturing relationships, realizing visions and enriching lives.

MISSION

Our mission is to provide a balanced environment that is customer, people, and result centric while delivering optimal returns to our shareholders.

We respond to the changing needs of our customers and partners, with continuous innovation of our products and services making them accessible anytime, anywhere.

We nurture and develop empowered, inspired and equally committed employees under a learning and mentoring organization.

We fulfill our social responsibility in the communities we serve.

VALUES

The PBCOM PRIDE

With a burning **Passion** filling our hearts and driving us forward;

Marked by **Responsiveness**, a determination to delight our customers and stakeholders;

Sealed with **Integrity**, a resolve to always do what is right and what is fair;

Moved by **Dynamism**, creating, innovating, taking calculated risks and remaining relevant;

Set apart by **Excellence**, a mindset to be the best, both as an individual and as a team.



If there's one thing that our rich history has proved, it is that we will get through this crisis in an even better position than before it started.

To my fellow Shareholders,

The year 2020 has been a difficult year for the country especially with the Philippine economy experiencing setbacks which have raised a lot of challenges for various businesses. A lot of enterprises have been forced to change the ways with which they operate, with one common goal in mind: survival.

Your bank, PBCOM, has faced numerous challenges in the past, and if there's one thing that our rich history has proved, it is that we will get through this in an even better position than before it started. While others have seen this crisis as a stumbling block, we saw it as both a challenge and an opportunity to grow. With the lessons that we have learned from the past, along with PBCOM's financial strength, I am confident that we can continue to support our clients and stakeholders amidst this crisis.

ON PRODUCTS AND SERVICES

2020 witnessed the launch of products and services specifically designed to enhance our clients' banking experience. We have actively invested in digital capabilities and improvements to enhance our ability to serve.

ON BANKING OPERATIONS

In order to ensure that we continue to serve the needs of our clients despite the quarantines imposed by the government, we have implemented a number of changes on our banking operations.

ON SAFETY AND HEALTH PROTOCOLS

We strive to strike a balance between business continuity and the health and safety of our employees and clients. We have diligently followed the health protocols enacted by authorities and initiated and implemented safety measures within the organization.

ON EMPLOYEE WELLNESS

PBCOM continued to strengthen the development of employees and brought further competencies on the job by facilitating various training programs and seminars. We have also conducted various employee activities and programs which helped keep our team motivated and engaged.

As you will see in this report, we have kept our business momentum from the last few years on an upward trend. With all of these changes, along with all the opportunities ahead of us, we will strive to deliver an improved customer service and optimum business results in the coming years.

Eric O. Recto Chairman

5





"

Dear Stakeholders,

We envisioned 2020 to be the turning point for the Bank. We had great plans and we challenged ourselves to set new highs. Our first 2 months' results were trending in this direction... and then the pandemic hit. We set our gears to put the Business Continuity Plans into action, but this pandemic proved to be like no other scenario we have anticipated. It was huge and massive, and it had no end in sight.

One thing is for sure, our main objective was to preserve the Bank's assets, including the most precious asset of which is our people. Faced with the challenge of making our services available to our clients and partners and, at the same time, the risks eminent in the physical presences for our essential frontliners, we had to strike a balance. In times of uncertainties, banks need to provide confidence to their stakeholders, and the banking clients look to opened branches as a sign of stability. We had to equip our people, ready our premises, in order to keep everyone including our clients safe. We needed to keep our services available as we worked with the private sector to keep the businesses flowing for economic stability. We took the opportunity to bring new products like our self-onboarding tool, PBCOMobile and relaunch existing services like PBCOM2go to allow our clients to do banking in the safety of their homes and offices.

This is definitely one year we will never forget. If we, however, are to assess how we fared in 2020, we would count our blessings for we still performed relatively well. We ended up with a net income flat to 2019 despite having to book provisions of P1.42B to cover for possible loan account deterioration.

We attribute all these to the fact that we have built a solid foundation for the Bank to withstand any major obstacle. It would be difficult to start preparing only as the crisis was happening. What the Bank invested in during the last few years kept the Bank in good shape. Focusing on building a customer-centric sales organization kept the deposits, especially low-cost funding, coming in. The strong credit risk culture among the relationship managers cushioned our loans portfolio from a possibly worse performance. Investing in digital products and services enabled us to capture the surge in customer adoption to self-service banking. The cost control measures we put in place, driving a risk and compliance mindset, allowed us to work efficiently and effectively. Foremost of which was the inculcation of the values of PRIDE (Passion, Responsiveness, Integrity, Dynamism and Excellence) through our various training and employee engagement activities, which translated into a strong workforce that lived up to the demands of their work.

We are indeed truly grateful to our clients and partners through their pledge of loyalty and support all throughout. And, especially, to our people through their dedication and sacrifices while serving our clients' needs. There are many lessons we have learned which we will carry with us moving forward. Lessons that will make our foundation stronger than ever. This will keep us at the forefront of economic recovery. Your Bank will be ready to take advantage of all the opportunities ahead of us.

Patricia May T. Siy President & CEO



What the Bank invested in during the last few years kept the Bank in good shape.

REPORT ON 2020 OPERATIONS

Philippine Bank of Communications (PBCOM) reported a consolidated net income of Php1.17B in 2020. Higher credit cost, partly offset by higher trading and effect of a low interest rate environment, impacts the Bank earnings.

P1.17B

₱5.89B

16.6%

Revenue

4.62%

1 79bps

Net Interest Margin

Revenue reached P5.89B, an increase of 16.6% compared to prior year, largely coming from Net Interest Income. Net Interest Margin of 4.62% is up by 79bps benefiting from the impact of stronger low-cost funding source. The Bank's low cost deposits grew by 11.4% to P40.5B making up 48.4% of the Bank's deposit liabilities. Interest income is at P4.99B, a decline of 5.2% versus 2019 and came as results of lower consumer loans and the sale of Securities completed in June 2020. The lower interest rate environment was also an opportune time to offload Investment Securities held for accrual income.

"

LOW COST DEPOSIT

₱40.5B

1 11.4%



Non-Interest income is at P1.97B, an increase of 6.5% versus prior year. The increase came on the back of strong performance in Trading and FX gains, which grew by 55.8% to P713.9M and compensated the declines in rent, fees and commission income.

Pre-provision operating expense of P3.08B declined slightly by 0.4% despite the additional pandemic-related expenses the Bank incurred to cover additional medical allowances, hazard pay, disinfection activities and protective installations. Pre-provision Cost to Income ratio improved to 52% from 61% from prior year.

PBCOM has set aside P1.42B in provision for probable losses. This amount represents 2.36% of the Bank's gross loans and receivables and includes current and estimated headwinds on the credit side.

Loans and Receivables of P57.6B declined by 5.9% versus 2019 although average balance of corporate borrowers grew by 13.7%. Total Deposits reached P83.8B, up 9.5% compared to same period in 2019.

Total Equity is at P12.5B an increase of 9.4% versus 2019. CAR is at 18.87% and CET 1 at 16.01%, way above the regulatory thresholds of 10% and 6.0%, respectively.

1.97B Non-Interest Income

1 6.5%

₱713.9M Trading & FX gains



PBCOM focused on its core business by strengthening its products, processes and core values. These efforts started 5 years ago helped weather the impact of COVID-19 pandemic. The lockdown presented its own opportunity for growth. The timely launch of PBCOMobile at the start of 2020 allowed the Bank to onboard new clients even with mobility restrictions. pbcom2go, an order and delivery service, was introduced to allow our clients to do their banking transactions at the safety of their home or office.

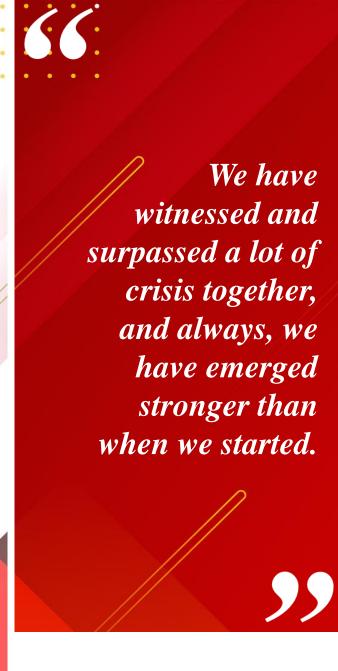
The year 2020 also highlights PBCOM's commitment to nation building with the Bureau of Treasury awarding the Bank as one of the most active players in promoting access to capital markets and government securities. Furthermore, the Bank also took 4th place among the Top Fixed-Income Dealing partners, the only Commercial Bank recognized by the PDS Group in this category.



in 2020, we would count our blessings for we still performed relatively well.







BANKING IN THE NEW NORMAL

In 2020, the world began to confront one of the greatest health threats of recent memory. The COVID-19 pandemic created various challenges, and this forced a lot of people to rethink the way they live their lives.

Apart from the health crisis which affected and even claimed lives, the Philippines also faced economic setbacks which affected the livelihoods of many. Businesses closed, and a lot of people lost their means to earn a living. But despite all these, the Filipinos, known for our tenacity and resilience, kept moving forward to confront these problems. Our country's history of resilience and strength is mirrored in the legacy of PBCOM. With more than eighty years of a proven track record in helping individuals and enterprises grow, we witnessed and survived a lot of crisis together, and always, we emerged stronger than

when we started.

With the values of PRIDE: Passion, Responsiveness, Integrity, Dynamism and Excellence in driving the organization, we continue to focus on our clients and on delivering the best experience that we can for them. PBCOM is a part of an industry that needs to continuously provide services to its clients. Despite numerous obstacles, we have made efforts to ensure our branches and offices can remain safe and operational. We strived to strike a balance between keeping the business going, while ensuring that the health of both our employees and customers are not put to risk. We also implemented various changes to our operations, and have shifted our focus on our digital capabilities in order to remain relevant and more effective.



PANDEMIC PIVOT: How our Products and Services Pivoted to Cater to the New Normal

One of the biggest challenges we faced in 2020 was how to pivot our products and services so that our existing or prospective clients would have access to the Bank with little or no physical interaction. This is the main driving force behind the launch and enhancements of several of our products and services in 2020. We officially launched our digital-only banking platform. PBCOMobile at the start of the lockdown. It is an online banking app that allows account opening, check deposits, online fund transfers, bills payments, and prepaid mobile reloads, anytime, real-time. The self-service account opening app has grown from 850 individuals in its first month to almost 15,000 users by the end of the year. These new digital only customers used the app to make millions of pesos in bill payments and hundreds of millions of fund transfers last vear. PBCOMobile also allows its users to login using biometrics to do their banking transactions. It also allows the users to request delivery of their debit cards, as well as linking of these debit cards to their accounts. We also improved our POP (PBCOM Online Platform) for both our individual and corporate clients, so that it would be easier for customers to enroll despite the guarantines imposed by the government.

POP Personal allows clients to access their bank accounts using a mobile phone app or secure browser. The convenience of remote deposits, fund transfers, payments and managing finances

suddenly became the primary means of accessing banking services for many of our retail and corporate customers. PBCOM Online Platform (POP) Personal which was launched in 2017 suddenly saw a 58% surge in registered users over the previous year. The hundreds of millions of bills were paid via POP in 2020 and the fund transfers exceeded P2 Billion. On the other

hand, clients that used POP Business solutions continued to perform their transactions

throughout the pandemic unhampered by the imposed lockdowns. Remotely, our clients were able to track their

balances, monitor their transactions, deposit checks, move funds from their PBCOM account to any PBCOM account or to other banks, pay their suppliers, and most importantly, pay their employees through the POP Business payroll module. There are now over a thousand

companies enjoying the full benefits of POP Business. In the year 2020 alone, more than P138 Billion in payments were processed, more than P4 Billion in salaries were processed, and more than P12 Billion worth of funds were transferred electronically. For clients that had to physically process check and cash deposits, our remote deposit machines made these possible without having to go to their branch to perform over the counter transactions. POP has democratized the ability of our clients to have complete control over their finances regardless of their location. It has also proven to be a reliable time-saver and a

lifeline for those who want to prioritize their health before they feel comfortable with in-person banking again.

In order to help ease some of the financial burdens of our clients, PBCOM waived fund transfer fees to other banks through POP and PBCOMobile via Instapay. We also partnered with Huawei Philippines to make both PBCOMobile and POP Personal available in Huawei's App platform, AppGallery so that the six million Huawei active device users in the Philippines can access our app and enjoy PBCOM's financial services wherever they are.



We have also launched **pbcom2go**, a pick-up and delivery banking service which we piloted in Metro Manila. With this service, clients can perform both financial and non-financial banking transactions in the comfort of their own home. Bank documents, checks, and even cash are picked-up or delivered right on the clients' doorsteps.

PBCOM heavily promoted the use of self-service banking machines. We encouraged clients to use our Cash Deposit and Withdraw, Check Deposit, Remote Cash Deposit, Pay and Reload, and Automated Teller Machines. With these, clients need not queue up at the branch and risk exposure to a crowd just to perform their basic banking transactions like deposits, withdrawals and payments.

Further, in order to minimize the time spent by clients inside the branch, most of the bank forms like account opening and loan application forms have been uploaded in the PBCOM website. These forms are fillable online and may be saved on the clients' device and may be forwarded electronically to the bank.

Despite the restrictions brought about by the quarantine imposed by the government, Trust & Wealth Management managed to grow its business by more than 11%; recording P7.97 Billion year-end vs. P7.14 Billion of 2019. Trust & Wealth Management continued to embark on financial awareness programs, together with the regular announcements of offerings for investment in bonds and other issuances in the market while taking an initiative toward digitalization of frontline activities. PBCOM has started working on TOP or Trust Online Portal in 2020. Designed to provide convenience and safety of customers through online onboarding and order taking, TOP is set to be launched in Q2 2021.

FORWARD LOOKING: Continuous Improvements in our Operations

Our Information Technology Group expanded and added to our web conferencing tools so that internal and external meetings could continue without physical presence. Secure remote access was also enabled to allow employees to work from home.

We pivoted our branch operations by identifying strategic branches to ensure that they remained open during the lockdowns. This was achieved by placing personnel on a 14-day rotational assignment to monitor and minimize exposure. We then mapped the residences of our frontline personnel against branch assignments so that unnecessary travel was kept to a minimum. We also provided vehicles to shuttle critical and frontline employees whenever public transportation was unavailable.

The most visible changes happened with our

facilities and housekeeping protocols. The Bank made sure that all spaces and work areas were properly configured and sanitized regularly to minimize exposure to the virus. Commercial-grade and environmentally-compliant products are used to disinfect all branches and office common surfaces at least every 2 hours.

Despite the challenge of the lockdowns our Branch Banking salesforce implemented the 4DX process. 4DX stands for the 4 Disciplines of Execution: Focus, Engagement, Leverage and Accountability. This process helped drive productivity and measure sales output. With this, a structured sales call approach was adopted which resulted in operational efficiencies and exponential growth especially in Deposit Volume and enabling corporate customers to shift to the PBCOM Online Platform for corporate cash management.



EMPOWERING PEOPLE: Employee Wellness and Development

PBCOM continuously ensures that all employees will be able to cope with the crisis. Financial assistance has been extended to those severely affected, additional medical allowances were allotted for all employees, and, year-end bonuses were partially disbursed in advance.

The Human Resources Group (HRG) continued to strengthen the development of employees and brought further competencies on the job by facilitating various training programs and seminars that benefited majority of our employees with an average of 4 training hours per employee. These programs addressed the competencies of Leadership, Customer Service, Product and Technical Knowledge, Risk Management and Anti-Money Laundering/ Compliance. We also sent 127 employees to various external training programs. In addition, HRG also conducted several programs related to employee well-being across the organization. Several members of the Senior Management Team were invited to conduct learning sessions through leader talk series like Servant Leadership. Critical Thinking, Social Intelligence, Digital Products and Speak with Data with 647 attendees.

Our effort to provide career development to high potential staff level Branch Service Specialists

resulted to the deployment of 3 Visayas and Mindanao and 21 Luzon Staff Development Program (SDP) graduates to Junior Officer positions. 18 Junior Officers completed the Officers Development Program. This program aims to develop a pool of Junior Officers to prepare them for future career advancement while giving them the right leadership and technical skills to excel in their current position.

We also launched e-learning programs which included these topics: Social Media Risk Management Framework, Money Laundering and Terrorist Financing Prevention Program (MTPP), Phishing 101 (Information Security Awareness), Certified UITF Sales Person (CUSP) Reviews, Business Continuity Management, Financial Consumer Protection, and Data Privacy Act.

The Marketing Group also launched employee activities and programs to help keep everyone motivated and engaged. Executing end-to-end in digital platforms, all available technologies have been maximized in order to implement fun and exciting events for our employees. Ranging from online concerts, games, awards and recognition programs, dance and singing competitions to other digital engagements, these activities helped strike a work-life balance for many.







ERIC O. RECTO
Chairman of the Board
and Director

Mr. Dayao, Filipino, 76 years old, was elected Director on September 29, 2014 and Vice Chairman on October 24, 2014. Mr. Dayao currently holds the following positions in publicly listed companies: President of Cosco Capital. Inc. and Director of Puregold Price Club, Inc. He also holds various positions in the following privately-owned companies: Chairman of Catuiran Hydropower Corporation, Fertuna Holdings Corp., Kareila Management Corporation, League One Finance and Leasing Corporation, Pamana Water Corporation, PSMT Philippines, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc.; Vice-Chairman of Ayagold Retailers, Inc.; President of Alcorn Petroleum Minerals Corporation, NE Pacific Shopping Centers Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., San Jose City I Power Corp., Union Energy Corporation; Vice-President of Alerce Holdings Corp., Bellagio Holdings, Inc., KMC Realty Corporation, Puregold Properties, Inc., Union Equities, Inc., VFC Land Resources, Inc.: and Director of Canaria Holdinas Corporation, Entenso Equities Incorporated, Karayan Hydropower Corporation and Puregold Realty Leasing & Management, Inc. He received a Bachelor of Science Degree in Commerce from Far Eastern University. He is a Certified Public Accountant and has completed Basic Management Program at Asian Institute of Management and earned units in MBA from the University of the Philippines-Cebu. Total No. of Direct Shares - 10.001 - 0.00%

Mr. Recto, Filipino, 57 years old, was elected Director and Vice Chairman of the Board on July 26, 2011, appointed Co-Chairman of the Board on January 18, 2012 and Chairman of the Board on May 23, 2012. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and President of Optimum Dev't, Holdings Phils., Inc.; Vice-Chairman of Alphaland Corporation; President of Atok-Big Wedge Co., Inc.; Independent Director of Aboitiz Power Corporation and Philippine H2O: Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation); and a Member of the Board of Supervisors of Acentic GmbH. Mr. Recto served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005, in charge of handling both the International Finance Group and the Privatization Office. Before his stint with the government, he was Chief Finance Officer of Alaska Milk Corporation and Belle Corporation. Mr. Recto has a degree in Industrial Engineering from the University of the Philippines as well as an MBA from the Johnson School, Cornell University, Total No. of Direct Shares - 50.159.424 - 10.43%

LEONARDO B. DAYAOVice Chairman
and Director





Mr. Co, Filipino, 66 years old was elected Director on September 29, 2014. Mr. Co currently holds the following positions in other publicly listed companies: Director and Chairman of Puregold Price Club, Inc., Chairman of Cosco Capital, Inc. and Chairman and President of Da Vinci Capital Holdings, Inc. He is also the Chairman of the following privately-owned companies: Alcorn Petroleum & Minerals Corporation, Bellagio Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Entenso Equities Incorporated, Invescap Incorporated, NE Pacific Shopping Centers Corporation, P.G. Holdings, Inc., Puregold Duty Free (Subic), Inc., Puregold Duty Free, Inc., Puregold Finance, Inc., Puregold Properties, Inc., Puregold Realty Leasing & Management, Inc., San Jose City I Power Corp., Union Energy Corporation, and Union Equities, Inc. He is also a Director of the following privately-owned companies: Catuiran Hydropower Corporation, Cleangreen Energy Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Karayan Hydropower Corporation, Kareila Management Corp., LCCK & Sons Realty Corporation, League One Finance and Leasing Corporation, Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., Pamana Water Corporation, PPCI Subic Inc., Patagonia Holdings Corp., Premier Wine & Spirits, Inc., S&R Pizza (Harbor Point), Inc., and S&R Pizza, Inc., Tower 6789 Corporation and VS Gripal Power Corporation. He is a member of the Board of Trustees of Adamson University and Luis Co Chi Kiat Foundation, Inc. Mr. Co has been an entrepreneur for the past 40 years. Total No. of Direct and Indirect Shares – 93,120,705 - 19.37%

Ms. Siy, Filipino, 60 years old, was elected Director, President and Chief Executive Officer on June 1, 2015. Immediately before joining PBCOM, she served as Chief Corporate Planning Officer of Travellers International Hotel Group from 2012 and as Chief Finance Officer of Rustan's Supercenter Inc. from 2011 to 2012. Her banking experience spans 33 years. She was with Security Bank Corporation where she held various positions from 2000 to 2011 in Middle Market Lending and Corporate Lending leading to the Executive Vice President post for the Commercial and Retail Banking Segment. She held senior positions in Standard Chartered Bank from 1994 to 2000 in the fields of Regional and Philippine Consumer Credit, Group Special Asset Management, and Corporate Banking in Cebu and Head Office. Her first Bank was Private Development Corporation of the Philippines where she stayed from 1983 to 1994 as Project Analyst, Cebu Lending Head, Visayas Lending Head, and then Branch Lending Head. Ms. Siy graduated from De La Salle University with a Bachelor of Science degree in Industrial Management Engineering minor in Chemical Engineering, Total No. of Direct Shares - 100 - 0.00%







Mr. Chung, Filipino, 70 years old, was elected Director on June 17, 1997. He is Chairman & President of Supima Holdings, Inc., and Director of La Suerte Cigar & Cigarette Factory, Century Container Corporation, Bicutan Container Corporation, Tosen Foods Corporation, PBCOM Finance Corporation, State Investment, Inc. and State Properties, Inc. He is an Advisory member of the Board of Trustees of Xavier School Inc., and a member of the Board of Trustees of Immaculate Conception Academy (Greenhills) Scholarship Foundation, Seng Guan Temple, Angelo King Foundation Inc. and Kim Siu Ching Family Association, Vice-Chairman & President of Tiong Se Academy, Mr. Chung has a degree in AB (Economics) & Business Administration from De La Salle University as well as an MBA from the University of Southern California. Total

No. of Direct and Indirect Shares - 1,000,010 - 0.20%

Mr. Bautista, 63 years old, was elected Director on July 14, 2020. He is currently a Director of Air Speed International Inc., Alphaland Corp., Gothong Southern Shipping, Inc., and Cosco Capital, Inc. At present, he is the Vice Chairman of the Board of Trustees of the Philippine Eagle Foundation, Inc., member of the Board of Trustees of the University of the East, UE Ramon Magsaysay Medical Memorial Center and International School of Sustainable Tourism, Mr. Bautista started his career as Staff Auditor of SyCip, Gorres Velayo and Co. He joined the Lucio Tan Group (LTG) of Companies in 1980 occupying various management positions in the group which is involved in cigarette manufacturing, brewery, piggery, construction, electronics, real estate, property development, banking, distillery, chemical and alcohol manufacturing, education Import/export and other businesses. Mr. Bautista was appointed as Vice President-Comptroller and was promoted to Senior Vice President and Chief Finance Officer of PAL in 1994, Executive Vice President in 1998 and President in 2004 until his retirement in 2012. He was appointed again as President of PAL until his second retirement on June 30, 2019. He graduated Magna Cum Laude from Colegio de San Juan de Letran with a degree of Bachelor of Science in Commerce, Mr. Bautista is a Certified Public Accountant, Total No. of Direct Shares - 100 - 0.00%





Mrs. Co, Filipino, 63 years old, was elected Director on September 29, 2014. She currently holds the positions of Vice-Chairman of Puregold Price Club, Inc. and Vice-Chairman and Treasurer of Cosco Capital, Inc., both publicly listed companies. Mrs. Co is the Chairman of Tower 6789 Corporation (Formerly: Alphaland Makati Tower, Inc.) and Director of the following privately-owned companies: Bellagio Holdings, Inc., Blue Ocean Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Kareila Management Corp., KMC Realty Corp., Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., NE Pacific Shopping Center Corporation, P.G. Holdings, Inc., Patagonia Holdings Corp., PPCI Subic Inc., Premier Wines and Spirits, Puregold Duty Free (Subic), Inc., Puregold Duty Free, Inc., Puregold Properties, Inc., Puregold Realty Leasing & Management, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., San Jose City I Power Corp., Union Energy Corporation and Union Equities, Inc. Mrs. Co received a Bachelor of Science Degree in Commerce from the University of Santo Tomas. Total No. of Direct and Indirect Shares – 93,027,585 – 19.35%

Mr. Labra, Filipino, 62 years old, served as an Independent Director from October 24, 2014 until his election as a regular member of the Board of Directors on February 22, 2017. Mr. Labra is also a Director of Cosco Capital, Inc., a publicly listed company. He obtained his Bachelor of Science in Business Administration (Cum Laude) at the University of San Carlos, Cebu City. Total No. of Direct Shares – 100 – 0.00%





Mr. Yu, Filipino, 62 years old, was elected Director on July 26, 2011. At present, he is the Chairman of Auto Nation Group Inc., CATS Automobile Corporation, Nexus Technology, Inc. and Vice Chairman of Sterling Bank of Asia. He is an Independent Director of Philippine Airlines and PAL Holdings, Inc., Chemical Industries of the Philippines, Inc., DITO CME Holdings Corporation, Alphaland Corporation, APO Agua Infrastructura Inc., Philequity Management Inc., Vantage Financial Corporation (formerly E-business Services, Inc.) and Vantage Equities Inc. He is also a Director of CATS Asian Cars, Inc and American Motorcycles, Inc., Unistar Credit and Finance Corporation, Glyph Studios, Inc., Prople BPO Inc., WSI Corporation, and Jupiter Systems Corporation. Mr. Yu is a Board Member of Ballet Philippines and The Manila Symphony Orchestra. In the past, he was President and CEO of Belle Corporation, Tagaytay Highlands International Golf Club, Inc., Tagaytay Midlands Golf Club and the Country Club at Tagaytay Highlands, Vice Chairman of APC Group and Philippine Global Communication, He was formerly a Director of CATS Motors Inc., Philippine National Reinsurance Corporation, International Exchange Bank, Iremit Inc, Philequity Fund Inc., Vantage Equities Corporation and Filcredit Finance. He was also a Director of Yehey Corporation, iRipple, Director for Corporate Finance of Chase Manhattan Bank Asia in Hong Kong and Vice President, Area Credit for the Chase Manhattan Bank Regional Office in Hong Kong. Mr. Yu was formerly a Trustee of Xavier School Inc. and Government Services Insurance System from 2010-2016. He received his MBA from the Wharton School of the University of Pennsylvania in 1983 and his Bachelor of Arts in Economics (Honors Program) Summa Cum Laude from De La Salle University in 1978. Total No. of Direct Shares – 1,432,692 – 0.30%

Mr. Huang, Filipino, 66 years old, was elected Director on June 4, 2019. He currently holds the positions of Director of Puregold Price Club Inc., Director and President of First Abacus Financial Holdings Corporation, Vice President of Abacus Capital and Investment Corporation, Director and Vice President of Abacus Securities Corporation and Director and Treasurer of Richmedia Network Inc. Mr. Huang is also a member of the Board of Trustees of Sacred Heart School (Ateneo de Cebu). In the past, he was Assistant Vice President of the Bank of the Philippine Islands, Branch Manager of Ayala Investment & Development Corporation and Director and General Manager of Cebu Business Continuous Forms. Mr. Huang obtained his Bachelor of Arts in Economics at the Ateneo de Manila University. Total No. of Direct Shares – 100 – 0.00%





CONRADO A. GLORIA, JR. Independent Director

Mr. Gloria, Filipino, 61 years old, was elected Independent Director on June 4, 2019. He currently holds the positions of President & CEO of GIV Capital Holdings Corporation, Chief Operating Officer of Alterpower Specialist, Inc. and Corporate Secretary of Miguel and Maria Group of Restaurants, Inc. In the past, he served as President & COO of Investment & Capital Corporation of the Philippines, Executive Vice President and Managing Director of SB Capital Investment Corporation, President of SB Equities, Inc., Senior Vice President of Southeast Asia Cement Holdings Inc. and Senior Finance Officer of International Finance Corporation. Mr. Gloria obtained his Bachelor of Arts in Economics at the University of the Philippines and his Masters in Business Administration at the Asian Institute of Management. Total No. of Direct Shares – 100 – 0.00%

Attv. Laquesma, 70 years old, was elected Independent Director on October 30, 2019. He is currently a Partner at Laquesma Magsalin & Consulta Law Offices and an Independent Director of Cosco Capital, Inc. and Da Vinci Capital Holdings, Inc. Atty. Laguesma also sits as Director in the Board of Maritime Academy of Asia and the Pacific and Vice Chairman of the Board of Anda Power Corporation. In the past, Attv. Laguesma was a Director of First Metro Investment Corporation, Chairman of Charter Ping An Insurance Corporation, Director of DARE Philippines, Inc., and Member of the Board of Regents of the Pamantasan Na Lungsod na Maynila (PLM). He also served the government in various capacities such as: 1) Commissioner and Ex-Officio Commissioner of the Social Security System; 2) Director of Land Bank of the Philippines; 3) Director of HMDF (Pag-ibig Fund); 4) Director of Aurora Pacific Economic Zone Authority; 5) Secretary and Undersecretary of the Department of Labor and Employment; 6) Presidential Assistant of the Office of the President of the Republic of the Philippines; 7) Administrator of the National Conciliation and Mediation Board; 8) Regional Director and Assistant Regional Director of the Department of Labor and Employment; 9) Executive Labor Arbiter and Labor Arbiter of the National Labor Relations Commission; and 10) Med-Arbiter of the Department of Labor and Employment. Atty. Laguesma obtained his AB Political Science degree at the Lyceum of the Philippines and his Bachelor of Laws at the Ateneo College of Law. He also attended a course in Public Service Administration at the Royal Institute of Public Administration in London, U.K. and Executive Service Development Program at the Development Academy of the Philippines. Total No. of Direct Shares - 100 - 0.00%

BIENVENIDO E. LAGUESMA Independent Director





Mr. Jalandoni, Filipino, 63 years old, was elected Independent Director on January 28, 2013. He was Director of Liberty Flour Mills and Chairman and President of Alegria Development Corporation. Mr. Jalandoni was also the President of LFM Properties Corporation, Executive Vice President and Treasurer of Enterprise Car Lease Phils. Inc. and Treasurer of JM & Co. Inc. Mr. Jalandoni had a Bachelor of Science degree in Business Management major in Economics at Simon Fraser University, Burnaby, British Columbia. Total No. of Direct Shares – 10 – 0.00%

⊕ May 4, 2021

Mr. Mendoza, Filipino, 56 years old, was elected Independent Director on December 19, 2014. He is currently the Managing Partner of Mendoza Querido & Co., (a member firm of Moore Stephens International Limited) and President of MQ Agri Unlimited Inc. He obtained his Bachelor in Business Administration in Accountancy at the University of the Philippines and a Master in Management at the Asian Institute of Management. Mr. Mendoza is a Certified Public Accountant. Total No. of Direct Shares – 100 – 0.00%





GILDA E. PICO Independent Director 2017. She is currently Chairman of the Board of Producers Savings Bank Corporation where she was formerly a Director/Consultant. She also sits as Chairman of the following acquired banks of Producers Savings Bank namely PBCOM Rural Bank, Peoples Bank of Caraga RB, Rural Bank of San Quintin, Banako Carrascal, Inc. and Masuwerte Rural Bank. She is also connected with Marinor Development Corporation as Director/Treasurer, Gilart Holdings Corporation as President and PayMaya Philippines as Independent Director. In the past, Ms. Pico was President and CEO of Land Bank of the Philippines from November 2006 to July 2016. She was Land Bank's Acting President from July 2005 to November 2006 and Trustee of Land Bank Countryside Development Fund from 2005 to 2015. She also served as Chairman/Director in various government and private institutions engaged in leasing, realty, insurance, guarantees, microfinancing, rural and development banking from 1985 to 2016 such as LBP Insurance Brokerage, Inc., LBP Leasing and Finance Corporation, Landbank Realty Corp., Masaganang Sakahan, Inc., National Livelihood Development Corporation, Peoples Credit and Finance Corporation, Philippine Crop Insurance Corporation, among others. Ms. Pico obtained her Bachelor of Science Degree in Commerce in 1966 from the College of the Holy Spirit where she graduated Magna Cum Laude and earned units in Masters in Business Administration from the University of the East. Ms. Pico is a Certified Public Accountant. Total No. of Direct Shares - 100 - 0.00%

Ms. Pico, Filipino, 74 years old, was elected Independent Director on February 22,



Mr. Uy, Filipino, 73 years old, was appointed Board Adviser on June 1, 2015. He was the Chairman Emeritus of the Board of PBCOM Rural Bank, Inc. and is the Chairman of PBCOM Finance Corporation. Mr. Uy also held various positions with the Bank as President & CEO from October 2010 to July 2012, Executive Director from August 2004 to November 2005 and Vice Chairman of the Board from August 2012 to May 2015. He was a Director of the Bank from July 1986 to May 2015. He is also the Vice President of Echague Realty Corporation since 1992. Mr. Uv holds a Bachelor of Science degree Major in Business Administration from De La Salle University in 1970 where he graduated Maana Cum Laude. He obtained his Masters in Business Administration from De La Salle University in 1975. Total No. of Direct Shares - 10 - 0.00%



Atty. Lao, Filipino, 37 years old, was elected Corporate Secretary on June 4, 2019. He is concurrently the Bank's Corporate Information Officer which he holds since November 30, 2014. Atty. Lao was the Bank's Assistant Corporate Secretary from November 30, 2014 up to his election as Corporate Secretary. He is currently a Partner at Zambrano Gruba Caganda and Advincula Law Offices. Atty. Lao received his Bachelor of Science degree in Business Administration from College of Saint Benilde and his Juris Doctor degree from Ateneo de Manila School of Law in 2012. Total No. of Direct Shares - 0 -0.00%





PATRICIA MAY T. SIY President and Chief Executive Officer

Ms. Siy, Filipino, 60 years old, was elected Director, President and Chief Executive Officer on June 1, 2015 and has over 30 years of experience in the banking industry handling various leadership positions. Ms. Siy graduated from De La Salle University with a Bachelor of Science degree in Industrial Management Engineering minor in Chemical Engineering. Please refer to the Board of Directors' page to read Ms. Siy's profile in full.

JOHN HOWARD D. MEDINA Chief Operating Officer, EVP

Mr. Medina, Filipino, 51 years old, joined PBCOM in 2017 and has over 25 years of experience in the banking industry as a senior executive in the Philippines and as an adviser to large banks in the United States. Mr. Medina obtained his Bachelor of Science in Industrial Engineering degree from the University of the Philippines, Diliman and Master of Business Administration degree from the Shidler College of Business at the University of Hawai'i at Manoa. He was also awarded Graduate Certificates in Leadership from The East-West Center, International Management from the Pacific Asian Management Institute, and European Management from the European Summer School for Advanced Management held in Marseilles, France.





ALAN E. ATIENZA

Treasurer and Head of Treasury Group, EVP

Mr. Atienza, Filipino, 50 years old, joined PBCOM in 2016 and has over 25 years of banking experience in Trading and Treasury Operations. He has been a recipient of numerous industry awards for Fixed Income Trading and has been a board member of Money Market Association of the Philippines (MART). Mr. Atienza obtained his Bachelor of Arts in Economics and holds a Master of Business Administration degree, both from San Sebastian College.



ARLENE M. DATU

Comptroller and Head of Finance Group, SVP

Ms. Datu, Filipino, 62 years old, joined PBCOM in 2013 and has 41 years of banking experience gained from Local and Foreign Banks as well as a Credit Card company. She has extensive exposure on Financial Accounting, Management Profitability Reporting and Analysis, Regulatory Compliance, Operations, Risk and Audit. Ms. Datu obtained her Bachelor of Science major in Accounting from Polytechnic University of the Philippines.



VICTOR O. MARTINEZ

Head of Corporate and Commercial Banking Group, EVP

Mr. Martinez, Filipino, 55 years old, joined PBCOM in 2020 and has over 27 years of experience in Corporate Lending, Loan Syndication and Project Finance across major industries gained from local and foreign banks. Mr. Martinez obtained his Bachelor of Science in Commerce major in Management of Financial Institutions from De La Salle University and holds a Master of Management degree from Willamette University, Salem Oregon.



ERICO C. INDITA

Head of Branch Banking Group, SVP

Mr. Indita, Filipino, 52 years old, joined PBCOM in 2020 and has over 27 years of extensive management and banking experience in Branch and Retail Banking. Mr. Indita, obtained his Bachelor of Science Degree in Commerce major in Management from San Beda College and holds a Master in Business Administration Degree from Ateneo De Manila University Graduate School of Business. He also has a Diploma in Strategic Negotiations from Asian Institute of Management.



JANE L. LARAGAN Head of General Services, SVP

Atty. Laragan, Filipino, 53 years old, joined PBCOM in 2016 and has over 20 years of experience in various departments: Legal, Human Resources, General Services, Compliance and Risk. Atty. Laragan obtained both her Bachelor's Degree in Commerce major in Economics, and Bachelor's Degree in Law from the University of Santo Tomas.



EXPEDITO G. GARCIA, JR.

Head of Transaction Banking Group, SVP

Mr. Garcia, Filipino, 53 years old, joined PBCOM in 2015 with over 32 years of extensive Management and Banking experience, with the last 19 years spent in a senior supervisory role. He has strong background in Corporate Cash Management and Managing and Developing Electronic Banking Channels with exposure to both Corporate and Retail Markets. Mr. Garcia obtained both his Bachelor of Science in Industrial Management Engineering minor in Mechanical Engineering and Master's Degree in Business Administration from De La Salle University. He also holds a Certificate in International Cash Management from the Association of Corporate Treasurers, United Kingdom.



LORELLEI PAULA B. ARJONILLO

Chief Risk Officer and Head of Enterprise Risk Management Group, FVP

Ms. Arjonillo, Filipino, 57 years old, joined PBCOM in 2019 and has over 35 years of experience in the financial industry covering Risk Management, Treasury, Capital Markets, SME Lending, Central Banking, Credit Rating, and Credit Guarantee, with the last 25 years spent in a senior capacity, in the Philippines and Indonesia. She graduated from De La Salle University with degrees in Economics and Accounting, is a Certified Public Accountant (CPA) and has a certified Financial Risk Manager (FRM) certificate from Global Association of Risk Professionals, USA. Ms. Arjonillo obtained her Masters in Business Administration from the University of the Philippines, Diliman.



JO-ANNE R. LEGASPI Head of Legal Services Group, FVP

Atty. Legaspi, Filipino, 41 years old, joined PBCOM in 2020 and has over 16 years of Legal experience in Retail, Service, Real Estate, and Manufacturing industries. Atty. Legaspi obtained her Bachelor of Arts Degree in Political Science from the Ateneo de Manila University, and Juris Doctor Degree from the Ateneo de Manila University School of Law.

JERUEL N. LOBIEN Chief Audit Executive and Head of Internal Audit Group, FVP

Mr. Lobien, Filipino, 43 years old, joined PBCOM in 2014 with over 20 years of Internal and External Audit and Finance experience in Banking, Advertising, Fast Moving Consumer Goods, and Pharmaceutical industries. Mr. Lobien obtained his Bachelor of Science in Business Administration and Accountancy from the University of the Philippines, Diliman (Cum Laude) and has an Executive Master in Business Administration from the Asian Institute of Management. He is also a Certified Public Accountant, a Certified Internal Auditor and has a Certification on Controls Self-Assessment from the Institute of Internal Auditors.





MINA F. MARTINEZ Head of Human Resources Group, FVP

Ms. Martinez, Filipino, 58 years old, joined PBCOM in 2015 with 38 years of Human Resource Management experience gained from the Construction, Manufacturing, Banking and Retail industries. She specializes in Policy Development and Documentation, Employee and Labor Relations, Workforce Planning, Performance Management, Training and Development. Ms. Martinez obtained her Bachelor of Arts in Mass Communications from Far Eastern University and completed all academic units for her Master of Business Administration from Colegio de San Juan de Letran, Manila.



ARIEL A. RODA

Chief Information Officer and Head of Information Technology Group, FVP

Mr. Roda, Filipino, 58 years old, joined PBCOM in 2019 with over 30 years Information Technology experience in Creating, Managing, and Transforming IT environments for large publicly-listed corporations in the Energy, Telecommunications, Gas & Oil, Mobile Solutions, and Global IT Consulting industries. Mr. Roda obtained his Bachelor of Arts in Philosophy at the University of the Philippines, Diliman.



DREDA TERESA D. MENDOZA

Trust Officer and Head of Trust and Wealth Management Group, FVP

Ms. Mendoza, Filipino, 49 years old, joined PBCOM in February, 2021. She brings with her 26 years of experience in Trust banking in the areas of operations, portfolio management and sales and marketing gained from her stints in both local and foreign-owned Trust institutions. Ms. Mendoza obtained her Bachelor of Science in Business Administration major in Accounting, Cum Laude, at the Mindanao State University, Marawi City.



JOAN IRIS T. LEON

Head of Performance and Project Management, VP

Ms. Leon, Filipino, 42 years old, joined PBCOM in 2015. She has over 15 years' experience in the fields of Analytics, Corporate Planning and Project Management gained from various industries with particular focus on Banking and Finance. Ms. Leon obtained her Bachelor of Science in Management from the University of Nevada at Reno and holds a Master of Business Administration degree from Newcastle Business School.



BELLE ROSAMOND D. JUSTINIANI Head of Marketing, SAVP

Ms. Justiniani, Filipino, 46 years old, joined PBCOM in 2013 with over 20 years of Marketing experience in Brand, Event and Project Managements, PR and Communications and Market Understanding. She handled key positions in Retail, Hospitality, Telecommunications, International Publications and Technology industries. Ms. Justiniani obtained her Bachelor of Arts in Sociology from the University of the Philippines, Los Baños.



ANGELITA U. EGALIN

Chief Compliance Officer and Head of Compliance Management Group, SAVP

Ms. Egalin, Filipino, 55 years old, joined PBCOM in 1988 with over 30 years' experience in banking. Fields of specialization include Compliance, Governance, AML, Branch Banking and Loan Operations. Ms. Egalin obtained her Bachelor of Science in Business Administration major in Accounting from the University of East. She is also a Certified Public Accountant (CPA).



MARICHELLE B. POYAOAN

Data Privacy Officer and Head Customer Protection and Experience Management, SAVP

Ms. Poyaoan, Filipino, 46 years old, joined PBCOM in 2016 with over 20 years of Customer Service, Sales and Training experience in Banking, Telecommunications, Hotel and Gaming industries. She has extensive exposure in Relationship Management, Process Improvement and Service Delivery. Ms. Poyaoan obtained her Bachelor of Arts major in Human Resources Management from De La Salle University, College of St. Benilde. She is also a DPO ACE Certified by National Privacy Commission.



PRESIDENT

Siy, Patricia May Tan

EXECUTIVE VICE PRESIDENTS

Atienza, Alan Evediano Martinez, Victor Osmeña Medina, John Howard Drueco

SENIOR VICE PRESIDENTS

Cervero, Josephine Garcia *
Datu, Arlene Macarandan
Garcia, Expedito Jr. Garcia
Indita, Erico Castro
Laragan, Jane Lim

FIRST VICE PRESIDENTS

Alday, Dennis Bautista
Arjonillo, Lorellei Paula Boquiren
Cruz, Teresita Santos
Hernando, Margaret Yu
Ladaban, Justin Robert Gabriel
Lagdameo, Rowena Pinlac
Legaspi, Jo-Anne Rodil
Lobien, Jeruel Nazareno
Luy, Aaron Jay Tiu
Martinez, Mina Francisco
Medina, Guia De la Rosa
Mendoza, Dreda Teresa Dasmariñas**
Navarro, Henry Jesus Silva
Roda, Ariel Alvarez

VICE PRESIDENTS

Ambrocio, Hermelita Hernandez Chiong, Easter Angela Sy De Guzman, Ma. Sonia Robles Galvez, Sandra Michelle Berrei Hao, Rose Mary Co Joaquin, Rodrigo Jr. Duque Kimpo, Cherry Ann Vanessa Barasi Lachica, Cherry Cudal Lagunzad, Consorcia Luz Gagni Leon, Joan Iris Torio Lichauco, Christopher Cainto Lim, Lillian Lucente Macaalay, Dinah Estanislao Maliglig, Richie Evangelista Marcelino, Katherine Santos Medrero, Michael Tenebro Ng, Sherwin Juan Nieto, Maria Minerva Alameda Pua, Michael Zee Sahaaun, Frederick Sison Tonio, Ma. Monette Cabetingan Wong, Kristine Lotilla Yu, Alice Choa

SENIOR ASSISTANT VICE PRESIDENTS

Chan, Irwyn Deopita Dayan, Dennis Retubis Egalin, Angelita Uv Eleria, Rommel Sipin Fredeluces, Rizalina Lorenzo Justiniani, Belle Rosamond Dylco Lee, Gerard Gaspar Lopez, Jose Javier Diokno Muniz, Joel Castillo Posadas, Michael Lawrence San Buenaventura Poyaoan, Marichelle Borja Quitoriano, Donabel Encabo Romero, Mary Ann Cardenas Santero, Rhosell Orendez Tambuyat, Lav Esteban

ASSISTANT VICE PRESIDENTS

Abunan, Inocencio Joven Calip Arboleda, Gretchen Marie Villarica Ariola, Alexie Hernandez Bautista, Maria Theresa Salvador Bolaños, Ma, Cristina Maranan Botor-Jaranilla, Maria Judessa Llorin Cacdac, Emmanuel Geminiano Cadiz, Raymund Cariaso Cajucom, Amor Francisco Cansino, Grace Francisco Castillo, Rolando Enriquez Catipon, Christopher John Constantino Cerda, Maria Theresa Jonas Cheng, Vanessa Sy Cheng, Alice Ang Chu, Liza Manzana Chu, Shan Shan Ng Chua, Kristine Nicole Co

Chua, Yolanda Yee

Co. Charlotte Andrea Lao Co, Grace Ong Co, JaneYu Culaba, Nilo Lu-Ana Daug Daug III, David Presas Dimaculanaan, Myra Geronimo Escalante, Melissa Arellano Fajardo, Anthony Flores Geronimo, Maria Rosario Cruz Giducos, Abram Canete 🕆 Go, Chester Benedict Uv Gochangco, Rene Halili Guzman, Josephine Ting Japay, Sheila Kathleen Perpose Lagula, Ma. Rosario Na Lamberte, Benito Manalo Lao, Michael Stephen Hui Lee, Jennielyn Co Martija, Ana Liza Maralit Maximo, Lizette Anne Sevilla Nasol, Severino Dumandal Niosco, Michiko Yano Ong, Russell Lee Perez, Ana Marie Ocampo Pineda, Napoleon Jr. Navarro Pinza, Gina Dimasanaal Refuerzo, John Paul Merida Soriano, Victoria Vega Tan, Melly Chua Tolentino, Amelia Estrella Tychuaco, Irwin Joseph Tan Varona, Jose Jr. Heredia Velasquez, Misael Dela Merced Velasquez, Gerundio Jr. Garcia Villamora, Mark Jan Preston Young, Christian Irving Buenagua

^{*} Consultant

^{**} Hired February 22, 2021

[♣] April 12, 2021



We structured the business segments in line with our philosophy of client care and satisfaction. At every business size or at an individual level, PBCOM provides holistic integrated solutions that can fulfill your diverse needs. We have targeted them towards areas where we can best deliver value. But as we grow as a company, we also endeavor to evolve with you and your aspirations.

CORPORATE & COMMERCIAL BANKING

The Corporate & Commercial Banking Group supports clients ranging from small to medium enterprises and large corporates, with tailored financial products and services to enable them to reach their full potential in the industries and communities within which they operate. The Group provides short-term loans, term loans, domestic & international trade facilitation, and foreign exchange services, as well as, develop customized financial solutions that include project financing for medium and large corporates.

- Short-Term Loan
 - Working Capital Loan
 - Trade Check Discounting
 - Trade Finance Receivable
 - Letter of Credit / Trust Receipt
 - Export Bills Purchase / Export Packing Credit
 - · Export bills Forchase / Export Facking Cred
 - Standby Letter of Credit
- Term Loan
 - Real Estate Development
 - Project Finance



TREASURY

Treasury Group has 3 main functions. First and foremost is the management of the Bank's Assets and Liabilities to ensure adequate liquidity in the most optimal way. Second, Treasury is responsible for formulating and executing trading strategies in the Fixed Income Securities and Foreign Exchange markets. Lastly, Treasury provides qualified client access to financial products for their investment and/or hedging requirements to manage their Foreign Exchange or Interest Rate risks.

- Deposit Substitutes
 - Promissory Notes
 - Repurchase Agreements
- Fixed Income Securities (Local Currency and Foreign Currency Denominated)
 - Commercial Papers
 - Treasury Bills
 - Retail Treasury Bonds
 - Fixed Rate Treasury Notes
 - Corporate Bonds
 - Sovereign Bonds (Republic of the Philippines, Other Sovereign)
 - US Treasuries

- Foreign Exchange
 - FX Spot
 - FX Forward Contracts
 - FX Swap Contracts

TRUST & WEALTH MANAGEMENT

Trust and Wealth Management Group has different investment arrangements or products that can suit the needs of the market. For individual clients, PBCOM offers a wide range of Trust services like: Unit Investment Trust Funds (UITFs) for the retail investors, Personal Management Trusts for those who want to plan for the future and current needs; and, Investment Management Account (IMA) for the more sophisticated investors who want to maximize returns. While institutional accounts are supported through its portfolio management services for Retirement Funds and Institutional IMAs. Escrow Arrangements and other fiduciary services are available to complement financial issuances or other safekeeping structures.

- Unit Investment Trust Funds (UITFs)
 - PBCOM Money Market Fund
 - · PBCOM Best Balanced Fund
 - PBCOM Value Equity Fund
- Investment Management Accounts
- Personal Management Trust Services
- Provident and Retirement Fund Management Services
- Escrow Accounts
- Safekeeping
- Loan Facility Agency Services
- Mortgage Trust Indenture

TRANSACTION BANKING

Transaction Banking Group is responsible for managing the Bank's client-facing digital infrastructure and developing a roadmap for technology driven products and services that support the business needs and growth of the Bank. The segment serves both retail and institutional clients; offering cash management solutions and other products and services that extend the clients' capability to perform banking transactions across alternative channels.

- · Cash Management
 - POP Personal Retail Internet and Mobile Banking Facility
 - PBCOMobile Mobile Banking Facility
 - POP Business Corporate Cash Management Facility
 - Corporate Check Printing
 - Cards
 - · Debit Cards
 - Cash Cards
 - Cash Collection and Delivery Service
 - · Managers Check Printing
 - Payroll Service
 - Payroll Software Solution
 - Post Dated Check Warehousing Solution
 - Remote Cash Deposit
 - Remote Check Deposit
- Remittances
 - Domestic Peso Transfer (RTGS, PESONET and INSTAPAY)
 - Domestic US Dollar Transfer (PDDTS)
 - Incoming and Outgoing International Telegraphic Transfer
- Ancillary Services
 - pbcom2go

- Facilities via BancNet for Business
 - BIR eFPS
 - POS BancNet Debit Card Acquiring
 - POS Cash Back Solution
 - SSS via eGov Facility
 - Pag-ibig via eGov Facility
 - Bills Payment Services
 - e-Merchant Services

RETAIL BANKING GROUP is composed of two (2) major business groups: the Branch Banking and Consumer Finance groups.

BRANCH BANKING

The Branch Banking Group (BBG) consists of Branch Sales and Branch Services, both handled by the BBG Group Head. For Branch Sales, Business Center Sales are handled by Business Managers and Region Heads across the country while Branch Services consist of Service/Cash Officers and Service Associates all reporting to Regional Service Managers. The Branch Services Head then handles the overall supervision of the service team. They are backed up by MIS, Process and Systems Support, Transaction Banking Sales and Support, People Development and Product Marketing and Development. The Group is focused on funds generation, providing excellent customer service. SME and Commercial Loans, Cash Management Solutions, and overall growth and development of the branch footprint nationwide.

- Deposit
 - Starter Account (Basic Deposit)
 - · Quick Cash Account

- Regular Savings Account
- Pensionado (SSS Pensioner)
- · Regular Checking Account
- Value Check Account
- IntegrALL Account
- Regular Time Deposit
- Premium Time Deposit (1 Year & 2 Years)
- Sure Earner 5-Year Time Deposit
- · Dollar Savings Account
- · Dollar Time Deposit
- Maxi Dollar Time Deposit
- Dollar Plus (2 Years & 3 Years)
- Euro Savings Account
- Euro Time Deposit
- Ancillary Services
 - Acceptance of BIR and Bureau of Customs payments
 - Demand Draft
 - · Gift Checks
 - Manager's Checks
 - Purchase and Sale of Foreign Currency
 - Safe Deposit Boxes

CONSUMER FINANCE

The Consumer Finance Group provides practical loan solutions that balance quality and affordability. The group focuses on offering clients complete loan products and packages that meet their financial needs at every touchpoint.

- Auto Loan
- Home Loan
- PBCOM Bale
- Personal Loan
- Salary Loan
- Business Vehicle Loan
- Secured Business Loan
- Clean Business Loan



OUR BRANCHES

METRO MANILA

ANNAPOLIS

Unit 101 Victoria Plaza, Condominium 41 Annapolis Street, Greenhills San Juan City

AYALA - ALABANG

Unit 101-A Coherco Financial Tower (formerly ALPAP II Building), Trade Street Corner Investment Drive Madrigal Business Park, Alabang Muntinlupa City

BANAWE

G/F 2 Benby Building, Banawe Street Quezon City

BINONDO BANKING CENTER

214-216 Juan Luna Street, Binondo Manila

BMA

64 Web-Jet Building, BMA Street Corner Quezon Avenue, Barangay Tatalon, Quezon City

CAINTA

LG/F 04 & LG/F 05, CK Square Building Ortigas Avenue Extension Corner Sunset Drive, Cainta, Rizal

CALOOCAN

298 Rizal Avenue Extension Between 5th and 6th Avenues, Grace Park Caloocan City

CONGRESSIONAL AVENUE

LC & Sons Building 8 Congressional Avenue, Barangay Bahay Toro Quezon City

CUBAO

2/F The Spark Place, P. Tuazon Corner 10th Avenue, Cubao Quezon City

DIVISORIA MALL

3/F Divisoria Mall, Tabora Street Manila

ELCANO

SHC Tower, 613 Elcano Street San Nicolas, Manila

F1 BGC

G/F F1 Hotel Building, Lane A Corner Lane Q, Bonifacio Global City Taguig City

GREENHILLS

Quadstar Building, Ortigas Avenue Greenhills, San Juan City

INOZA TOWER

G/F Inoza Tower, 40th Street, North Bonifacio Global City, Taguig City

J.P. RIZAL

G/F Santini Corporation Building 519 J.P. Rizal Avenue, Barangay Olympia, Makati City

LEGASPI VILLAGE

G/F Vernida 1 Condominium 120 Amorsolo Street, Legaspi Village Makati City

M. DE SANTOS

G/F LCCK Building, M. De Santos Corner Tabora Streets, Divisoria Manila

MAKATI BANKING CENTER

PBCOM Tower, 6795 Ayala Avenue Corner V.A. Rufino Street, Makati City

MAKATI PLACE

G/F Unit C-15 Alphaland Makati Place Ayala Avenue Corner Malugay Street Makati City

MALABON

Building L, 34 Governor Pascual Avenue, Acacia, Malabon City

MARIKINA

36 J. P. Rizal Street, Calumpang Marikina City

MASANGKAY

1004-1006 G. Masangkay Street Binondo, Manila

MERALCO AVENUE

C-1 Horizon Condominium, Meralco Avenue, Ortigas Center, Pasig City

ONGPIN

729 Ongpin Corner S. Padilla Streets Sta Cruz, Manila

PADRE RADA

G/F 951 Juan Luna Street, Tondo Manila

PARAÑAQUE

Stall 3 & 4 Kingsland Building, Dr. A. Santos Avenue, Sucat, Parañaque City

PASAY

2492 Taft Avenue Extension Pasay City

PIONEER

G/F RFM Building Pioneer Corporate Center Corner Sheridan Street Mandaluyong City

POP-UP PUREGOLD PASO DE BLAS

LG/F Tiange Unit N5 , Paso De Blas Corner Gen. Luis Street Valenzuela City

POP-UP PUREGOLD TAGUIG

G/F Puregold Taguig Gen Luna Corner Col P. Cruz Streets, Barangay Tuktukan, Taguig City

POP-UP PUREGOLD VALENZUELA

G/F Puregold Valenzuela, 419 Manila North Road, McArthur Highway Dalandanan, Valenzuela City

QUEZON AVENUE

APC Building, 1186 Quezon Avenue Quezon City

S&R COMMONWEALTH

G/F Unit 4 S&R Membership Shopping Commonwealth Avenue Corner Quirino Highway, Barangay Kaligayahan, Novaliches Quezon City

S&R LIBIS

Unit 1 S&R Membership Shopping E. Rodriguez Jr. Avenue, Calle Industria C-5, Barangay Bagumbayan Quezon City

S&R NEW MANILA

G/F S &R Membership Shopping E. Rodriguez Sr. Avenue, Barangay Kalusugan New Manila, Quezon City

SAN MIGUEL AVENUE

G/F 101 One Magnificent Mile (OMM) Citra Condominium, San Miguel Avenue, Pasig City

SEN. GIL J. PUYAT AVENUE

G/F Oppen Building, 349 Sen. Gil Puyat Avenue, Makati City

SHAW BOULEVARD

146 Shaw Boulevard Corner San Roque Street, Pasig City

SOLER

G/F R and S Tower, 943 Soler Street Binondo, Manila

SOUTHGATE MALL

3/F Alphaland Southgate Mall 2258 Chino Roces Street Corner EDSA Makati City

STA. MESA

440-A G. Araneta Avenue Corner Bayani Street, Sta. Mesa, Quezon City

STO. CRISTO

565-567 Sto. Cristo Street, Binondo Manila

T. ALONZO

G/F Tan Kiang Building, 665 T. Alonzo Street, Sta. Cruz, Manila

TIMOG

G/F Gil-Preciosa Building 2, 75 Timog Avenue, Quezon City

TUTUBAN

Unit PL-LS07 & PL-LS08, Tutuban Center Prime Block, C.M. Recto Avenue, Manila

U.N. AVENUE

G/F Unit 101-102 Don Alfonso Sycip Condominium, 1108 M. H. Del Pilar Corner U.N. Avenue & Guerrero Streets, Ermita, Manila

VALENZUELA

246 McArthur Highway, Karuhatan Valenzuela City

WILSON

G/F Unit 1B 186 Wilson Street San Juan City

LUZON REGION

ANGELES

G/F MLT Centre Building, Lot 28 Block 2 McArthur Highway, Barangay Ninoy Aquino, Angeles Pampanga

BAGUIO

G/F Unit 105, 106 & 106-B Baguio Holiday Villas, 10 Legarda Road Baguio City, Benguet

BALIUAG

NE Super Bodega, Dona Remedios Trinidad Highway, Baliuag, Bulacan

BATANGAS

Diego Silang Street, Batangas City Batangas

CABANATUAN

G/F SAM Building, Along Maharlika Highway, Cabanatuan, Nueva Ecija

CALAMBA

G/F Walter Mart Center, National Highway, Barangay Real, Calamba Laguna

CAUAYAN

Mateo-Patricia Building, Rizal Avenue Extension, Cauayan, Isabela

DAGUPAN

Balingit Building, M.H. Del Pilar Street Dagupan, Pangasinan

DASMARIÑAS

EVY Building, Molino-Paliparan Road Salawag, Dasmariñas, Cavite

IMUS

P. Nueño Corner Gaerlan Streets Imus. Cavite

LA UNION

G/F CJ Arch Building, Quezon Avenue San Fernando, La Union

LEGAZPI - ALBAY

G/F Delos Santos Commercial Building Landco Business Park, Legazpi, Albay

LIPA

G/F ATDRMAM Laguna Corporation Building Ayala Highway, Mataas na Lupa, Lipa City, Batangas

LUCENA

G/F VCII Building, Merchan Street Lucena, Quezon

MALOLOS

Malolos Shopping Arcade, Paseo Del Congreso, Barangay San Agustin Malolos, Bulacan

MEYCAUAYAN

Mancon Building, McArthur Highway Barrio Calvario, Meycauayan, Bulacan

NAGA

G/F Rodriguez Building, 956 Panganiban Corner Balintawak Street Naga, Camarines Sur

OLONGAPO

G/F YBC Centre Mall, Rizal Avenue Extension, Olongapo City

POP-UP NE PACIFIC MALL

G/F NE Pacific Mall, Km. 11 Maharlika Hi-way, Cabanatuan City

S&R DAU

G/F Unit 2 S&R Membership Shopping Dau NLEX Access Road, Barangay Dau Mabalacat Pampanga

SAN FERNANDO

McArthur Highway, Dolores San Fernando, Pampanga

SAN PABLO

65 Rizal Avenue, Poblacion, San Pablo Laguna

SAN PEDRO

Puregold San Pedro, Old National Highway Corner Magsaysay Street San Pedro, Laguna

STA. ROSA

Unit 2 Paseo 5, Phase 2 Paseo de Sta. Rosa, Greenfield City, Sta. Rosa Laguna

VISAYAS REGION

BACOLOD

G/F Units A-E Sorrento Building Lacson Street, Bacolod City, Negros Occidental

CEBU BUSINESS PARK

G/F Unit 1 Mercedes Benz Tower Mindanao Avenue, Cebu Business Park Cebu City, Cebu

CEBU LAPU-LAPU

G/F Unit 11 Alpha Arcade Building M.L. Quezon Avenue, National Highway, Lapu-Lapu City, Cebu

CEBU MAGALLANES

Magallanes Near Corner Manalili Streets, Cebu City, Cebu

CEBU MANDAUE

National Highway Corner L. Jayme Street, Mandaue City, Cebu

CEBU MANGO

Gen. Maxillom Avenue (formerly Mango Avenue), Cebu City, Cebu

ILOILO

Ledesma Corner Valeria Streets Iloilo City, Iloilo

ORMOC

Unit 105 G/F L & R Building, Bonifacio Street, District 18, Ormoc City, Ormoc

TACLOBAN

Imelda Veteranos Street, Barangay 23 Tacloban City

TAGBILARAN

G/F LTS Building, 20 Carlos P. Garcia Avenue, Tagbilaran City Bohol

MINDANAO REGION

CAGAYAN DE ORO

Tiano Brothers Corner Hayes Streets Cagayan de Oro

DAVAO BAJADA

G/F RAQ Building, J.P. Laurel Avenue Bajada, Davao City

DAVAO MONTEVERDE

41 T. Monteverde Avenue Davao City

DAVAO QUIRINO

111 E. Quirino Avenue, Davao City

GENERAL SANTOS

Santiago, Boulevard General Santos City, Sarangani

ILIGAN

G/F M. Commercial Building Zone 3, National Highway, Roxas Avenue, Poblacion, Iligan City Lanao Del Norte

KORONADAL

General Santos Drive, Koronadal South Cotabato

TAGUM

Pioneer Avenue, Tagum Davao Del Norte

ZAMBOANGA VALDEROSA

G/F Interco Building, N. S. Valderosa Street, Zamboanga City

ZAMBOANGA VETERANS

G/F Door 5-7 BSC Tower (formerly Zamsulu Building) Veterans Avenue, Zamboanga City

OUR ATMs

METRO MANILA REGION

999 MALL

Recto - Soler Street, Binondo, Manila

ANNAPOLIS

Unit 101 Victoria Plaza Condominium 41 Annapolis Street, Greenhills San Juan City

AYALA - ALABANG

Unit 101-A Coherco Financial Tower (formerly ALPAP II Building), Trade Street Corner Investment Drive Madrigal Business Park, Alabang Muntinlupa City

BANAWE

G/F 2 Benby Building, Banawe Street Quezon City

BINONDO BANKING CENTER

214-216 Juan Luna Street, Binondo Manila

BMA

64 Web-Jet Building, BMA Street Corner, Quezon Avenue, Barangay Tatalon, Quezon City

CAINTA

LG/F 04 & LG/F 05, CK Square Building, Ortigas Avenue, Extension Corner Sunset Drive, Cainta, Rizal

CALOOCAN

298 Rizal Avenue Extension, Between 5th and 6th Avenues, Grace Park Caloocan City

COMEMBO COMMERCIAL COMPLEX

J.P. Rizal Corner Sampaguita Street Comembo, Makati City

CONGRESSIONAL AVENUE

LC & Sons Building 8 Congressional Avenue, Barangay Bahay Toro Quezon City

CORINTHIAN GARDENS

Sanso Street, Corinthian Gardens Quezon City

CUBAO

2/F The Spark Place, P. Tuazon Avenue Corner 10th Avenue, Cubao Quezon City

DIVISORIA MALL

3/F Divisoria Mall, Tabora Street Manila

DLTB - PASAY

2085 Taft Corner Sen. Gil Puyat Avenues, San Isidro, Pasay City

ELCANO

SHC Tower, 613 Elcano Street San Nicolas, Manila

EMILIO AGUINALDO COLLEGE

Emilio Aguinaldo College - Dentistry Gen. Luna Street Near Corner Taft Avenue, Manila

EURONET - HOWZAT CAFÉ

8471 Kalayaan Avenue Corner Fermina Street Poblacion, Makati City

EURONET - L.A. CAFÉ

1429 M. H. Del Pilar Street, Ermita Manila

F1 BGC

G/F F1 Hotel Building, Lane A Corner Lane Q, Bonifacio Global City Taguig City

GREENHILLS

Quadstar Building, Ortigas Avenue Greenhills, San Juan City

H.V. DELA COSTA

G/F GF & Partners Building 139 H.V. Dela Costa Street, Makati City

INOZA TOWER

G/F Inoza Tower, 40th Street North Bonifacio Global City, Taguig City

J.P. RIZAL

G/F Santini Corporation Building 519 J.P. Rizal Avenue, Barangay Olympia, Makati City

LEGASPI VILLAGE

G/F Vernida 1 Condominium 120 Amorsolo Street, Legaspi Village Makati City

M. DE SANTOS

G/F LCCK Building, M. De Santos Corner Tabora Streets, Divisoria Manila

MAKATI BANKING CENTER 1

G/F PBCOM Tower, 6795 Ayala Avenue Corner V.A. Rufino Street, Makati City

MAKATI BANKING CENTER 2

G/F PBCOM Tower, 6795 Ayala Avenue Corner V.A. Rufino Street, Makati City

MAKATI BANKING CENTER 3

G/F PBCOM Tower, 6795 Ayala Avenue Corner V.A. Rufino Street, Makati City

MAKATI BANKING CENTER 4

G/F PBCOM Tower, 6795 Ayala Avenue Corner V.A. Rufino Street, Makati City

MAKATI PLACE

G/F Unit C-15 Alphaland, Makati Place Ayala Avenue Corner Malugay Street Makati City

MALABON

Building L, 34 Governor Pascual Barangay Acacia, Malabon City

MANILA NORTH PORT HARBOR

Pier 6 Road 10 Tondo, Manila

MARIKINA

36 J. P. Rizal Street, Calumpang Marikina City

MASANGKAY

1004-1006 G. Masangkay Street Binondo, Manila

MERALCO AVENUE

C-1 Horizon Condominium, Meralco Avenue, Ortigas Center, Pasig City

ONGPIN

726 Ongpin Corner S. Padilla Streets Sta Cruz, Manila

PARAÑAQUE

Stall 3 & 4 Kingsland Building, Dr. A. Santos Avenue, Sucat, Parañaque City

PASAY

2492 Taft Avenue Extension, Pasay City

PIONEER

G/F RFM Building Pioneer Corporate Center Corner Sheridan Street Mandaluyong City

PUREGOLD BACLARAN

Quirino Avenue and Evangelista Street Baclaran, Paranaque City

PUREGOLD HEAD OFFICE 1

Building II Tabacalera Compound 900 Romualdez Street, Paco, Manila

PUREGOLD HEAD OFFICE 2

Building II Tabacalera Compound 900 Romualdez Street, Paco, Manila

PUREGOLD MAKATI

35 J.P Rizal Streer Corner Del Pan Street (near Tejenon), Barangay Singkamas, Makati City

PUREGOLD PASO DE BLAS

LG/F Tiange Unit N5, Paso De Blas Corner Gen. Luis Street Valenzuela City

PUREGOLD TAGUIG

G/F Puregold Taguig Gen Luna Corner Col P. Cruz Streets, Barangay Tuktukan, Taguig City

PUREGOLD VALENZUELA

G/F Puregold Valenzuela, 419 Manila North Road, McArthur Highway Dalandanan, Valenzuela City

PUREMART BAESA CALOOCAN

Lot 222-B2, Baesa Road Caloocan City

PUREMART FOURTH ESTATE PARAÑAOUE

Block 9 Lot 22 Fourth Estate Subdivision, Area 1, Barangay San Antonio, Parañaque City

PUREMART LAWANG BATO

49 Centro Street, Lawang Bato Valenzuela City

PUREMART SUCAT

Dir. A. Bunye Street, Sucat Muntinlupa City

QUEZON AVENUE

APC Building, 1186 Quezon Avenue Quezon City

S&R ALABANG

S&R Membership Shopping Entrance West Gate Development Filinvest Corporate City, Alabang Zapote Road Alabang, Muntinlupa City

S&R ASEANA

S&R Membership Shopping Entrance Bradco Avenue, Aseana Business Pard Boulevard 2000, Baclaran Paranaque City

S&R CIRCUIT

3/F S&R Membership Shopping, Ayala Circuit, Riverfront Drive, AP Reyes Street, Barangay Carmona, Makati City

S&R COMMONWEALTH

G/F Unit 4 S&R Membership Shopping Commonwealth Avenue Corner Quirino Highway, Barangay Kaligayahan, Novaliches, Quezon City

S&R CONGRESSIONAL

S&R Membership Shopping Entrance 30 Congressional Avenue, Ramon Magsaysay, Bago Bantay, Quezon City

S&R LIBIS 1

3/F S&R Membership Shopping E. Rodriguez Jr. Avenue, Calle Industria C-5, Barangay Bagumbayan Quezon City

S&R LIBIS 2

Unit 1 S&R Membership Shopping E. Rodriguez Jr. Avenue, Calle Industria C-5, Barangay Bagumbayan Quezon City

S&R NEW MANILA 1

3/F S&R Membership Shopping E. Rodriguez Sr. Avenue, Barangay Kalusugan, New Manila Quezon City

S&R NEW MANILA 2

G/F S&R Membership Shopping E. Rodriguez Sr. Avenue, Barangay Kalusugan, New Manila Quezon City

S&R PARAÑAQUE

S&R Membership Shopping Entrance Rodriguez Street Corner Ninoy Aquino Avenue, Barangay Sto. Nino, Sucat Parañaque City

S&R SHAW

S&R Membership Shopping Entrance 514 Shaw Boulevard Mandaluyong City

SAN MIGUEL AVENUE

G/F 101 One Magnificent Mile (OMM) Citra Condominium, San Miguel Avenue, Pasig City

SEN. GIL PUYAT BRANCH

G/F Oppen Building, 349 Sen. Gil Puyat Avenue, Makati City

SHAW

146 Shaw Boulevard Corner San Roque Street, Pasig City

SOUTHGATE MALL

3/F Alphaland Southgate Mall 2258 Chino Roces Avenue Corner EDSA Makati City

STA. MESA

440-A G. Araneta Avenue Corner Bayani Street, Sta. Mesa, Quezon City

T. ALONZO

G/F Tan Kiang Building, 665 T. Alonzo Street, Sta. Cruz, Manila

TIMOG

G/F Gil-Preciosa Building 2, 75 Timog Avenue, Quezon City

TOWER 6789

G/F Tower 6789, Ayala Avenue Makati City

TUTUBAN

Unit PL-LS07 & PL-LS08, Tutuban Center Prime Block, C.M. Recto Avenue, Manila

U.N. AVENUE

G/F Unit 101-102 Don Alfonso Sycip Condominium, 1108 M. H. del Pilar Street Corner U.N. Avenue & Guerrero Streets, Ermita, Manila

VALENZUELA

246 McArthur Highway, Karuhatan Valenzuela City

WILSON

G/F Unit 1B 186 Wilson Street San Juan City

LUZON REGION

ANGELES

G/F MLT Centre Building, Lot 28 Block 2 McArthur Highway, Barangay Ninoy Aquino, Angeles City, Pampanga

BAGUIO

G/F Unit 105-106-B Baguio Holiday Villas, 10 Legarda Road, Baguio City Benguet

BALESIN ISLAND 1

Balesin Island Club Resort, Balesin Polilio, Quezon

BALESIN ISLAND 2

Balesin Island Club Resort, Balesin Polilio, Quezon

BALIUAG

NE Super Bodega Doña Remedios Trinidad Highway, Baliuag, Bulacan

BATANGAS

Diego Silang Street, Batangas City Batangas

CABANATUAN

G/F SAM Building Along Maharlika Highway, Cabanatuan City, Nueva Ecija

CALAMBA

G/F Walter Mart Center, National Highway, Barangay Real, Calamba Laguna

CAUAYAN

Mateo-Patricia Building Along Rizal Avenue Extension, Cauayan, Isabela

DAGUPAN

Balingit Building, M.H. Del Pilar Street Dagupan City, Pangasinan

DASMARINAS

EVY Building, Molino-Paliparan Road Salawag, Dasmariñas, Cavite

IMUS

P. Nueño Corner Gaerlan Streets Imus, Cavite

JESUS OF NAZARETH 1

Jesus of Nazareth Multipurpose Cooperative Hospital, Gulod Itaas Batangas City, Batangas

JESUS OF NAZARETH 2

Healthcare Multi – Purpose Cooperative Jesus of Nazareth Hospital 2, Gulod Itaas, Batangas City Batangas

LA UNION

G/F C.J. Arch Building, Quezon Avenue San Fernando City, La Union

LEGAZPI - ALBAY

G/F Delos Santos Commercial Building Landco Business Park, Legazpi City Albay

LIPA

G/F ATDRMAM Laguna Corporation Building, Ayala Highway, Mataas na Lupa, Lipa City, Batangas

LUCENA

G/F VCII Building, Merchan Street Lucena, Quezon

MAGIC CENTERPOINT MALL

G/F Magic Mall Centerpoint Mall Zamora Street, Dagupan City Pangasinan

MAGIC WAREHOUSE

Magic Group of Companies (MGC) Central Offices and Warehouse 218 Malued District, Dagupan City Pangasinan

MALOLOS

Malolos Shopping Arcade, Paseo del Congreso, Barangay San Agustin Malolos, Bulacan

MARY MEDIATRIX MEDICAL CENTER

Mary Mediatrix Medical Center, Ayala Highway, Mataas na Lupa, Lipa City Batangas

MEYCAUAYAN

Mancon Building, McArthur Highway Barrio Calvario, Meycauayan, Bulacan

NAGA

G/F Rodriguez Building, 956 Panganiban Avenue Corner Balintawak Street, Naga, Camarines Sur

NE PACIFIC MALL

G/F NE Pacific Mall, 11 Maharlika Highway, Cabanatuan City Nueva Ecija

OLONGAPO

G/F YBC Centre Mall, Rizal Avenue Extension, Olongapo City

PUREGOLD AMPID SAN MATEO

KM 21 Gen Luna Street, Barangay Banaba, San Mateo, Rizal

PUREGOLD ANABU

Kiosk #19 Puregold, Along Emilio Aguinaldo Highway, Barangay Anabu Imus, Cavite

PUREGOLD BACOOR

Aguinaldo Highway, Barangay Panapaan 1, Bacoor, Cavite

PUREGOLD GMA

Governor's Drive, Barangay San Gabriel, GMA, Cavite

PUREGOLD LOS BAÑOS

National Highway, Barangay Batong Malaki, Los Baños, Laguna

PUREGOLD MONTALBAN

E. Rodriguez Highway, Barangay Rosario, Montalban (Rodriguez), Rizal

PUREGOLD PACITA COMPLEX

Pacita Complex, Barangay San Vicente San Pedro, Laguna

PUREGOLD SAN PABLO

Cosico Street, Barangay San Roque San Pablo City, Laguna

PUREGOLD TAGAPO - STA ROSA

Rizal Boulevard, Barangay Tagapo Sta. Rosa, Laguna

PUREGOLD TANZA

A. Soriano Highway, Daang Amaya Tanza, Cavite

PUREGOLD TAYTAY

346 Rizal Avenue, Barangay San Juan Taytay, Rizal

PUREMART CANIOGAN MALOLOS

Lot No. 483, Barangay Caniogan Malolos, Bulacan

PUREMART LABAS STA. ROSA

Lot 517, B. Olympia Subdivision Barangay Labas, Sta. Rosa, Laguna

PUREMART SALINAS

Saturn Street Corner Mercury Street Salinas, Bacoor, Cavite

S&R CABANATUAN

S&R Membership Shopping Entrance Felipe Vergara Highway Cabanatuan City, Nueva Ecija

S&R DAU

G/F Unit 2 S&R Membership Shopping Dau NLEX Access Road, Barangay Dau, Mabalacat, Pampanga

S&R IMUS

S&R Membership Shopping Entrance Barangay Anabu 1-D, Aguinaldo Highway, Imus, Cavite

S&R LIPA

S&R Membership Shopping Entrance Governor F. Leviste Corner Jose P. Laurel Highways, Barangay Marawoy Lipa City, Batangas

S&R NUVALI

S&R Membership Shopping Entrance Lot 1 Block 13 Solenad 3 Nuvali, Sta Rosa-Tagaytay Road, Barangay Sto. Domingo, Sta. Rosa, Laguna

S&R PAMPANGA

S&R Membership Shopping Entrance Jose Abad Santos Avenue San Fernando, Pampanga

SAN FERNANDO

McArthur Highway, Dolores San Fernando City, Pampanga

SAN PABLO

65 Rizal Avenue, Poblacion, San Pablo Laguna

SAN PEDRO

Puregold San Pedro, Old National Highway Corner Magsaysay Street San Pedro, Laguna

STA. ROSA

Unit 2, Paseo 5, Phase 2, Paseo de Sta. Rosa, Greenfield City, Sta Rosa Laguna

SUN VALLEY CLARK

T-309 Jose Abad Santos Avenue Sun Valley Clark Hub, Clark Freeport Zone, Pampanga

VISAYAS REGION

BACOLOD

G/F Units A-E Sorrento Building Lacson Street, Bacolod City, Negros Occidental

BREDCO PORT

Bredco Port Terminals, Reclamation Area, Barangay 12, Bacolod City Negros Occidental

CEBU BUSINESS PARK

G/F Unit 1 Mercedes Benz Tower Mindanao Avenue, Cebu Business Park Cebu City, Cebu

CEBU LAPU-LAPU

G/F Unit 11 Alpha Arcade Building M.L. Quezon Avenue, National Highway, Lapu-Lapu City, Cebu

CEBU MAGALLANES

Magallanes Near Corner Manalili Street, Cebu City, Cebu

CEBU MANDAUE

National Highway Corner L. Jayme Street, Mandaue City, Cebu

CEBU MANGO

General Maxillom Avenue (formerly Mango Avenue), Cebu City Cebu

EURONET - COSTABELLA HOTEL

Costabella Tropical Beach Hotel Buyong, Mactan Island, Cebu

EURONET - SHANGS ISLAND TOWN CENTER

Lot 5306, Datag, Maribago Lapu-Lapu City, Cebu

FOODA SAVERSMART

G/F Main Entrance Fooda Saversmart No. 280-A General Maxilom Avenue (formerly Mango Avenue), Cebu City Cebu

ILOILO

Ledesma Corner Valeria Streets Iloilo City, Iloilo

S&R CEBU

S&R Membership Shopping Entrance Ouano Avenue Corner E.O. Perez Street, Subangdaku, Mandaue City, Cebu

S&R ILOILO

S&R Membership Shopping Entrance Don Donato Pison Avenue Barangay San Rafael, Mandurriao Iloilo City, Iloilo

TACLOBAN

Imelda Veteranos Street, Barangay 23 Tacloban City, Leyte

TAGBILARAN

G/F LTS Building, 20 Carlos P. Garcia Avenue, Tagbilaran City, Bohol

MINDANAO REGION

CAGAYAN DE ORO

Tiano Brothers Corner Hayes Streets Cagayan de Oro

DAPPMC

G/F Main Entrance, Dr. Arturo P. Pingoy Medical Center, General Santos Drive, Barangay Zone IV Koronadal City, South Cotobato

DAVAO BAJADA

G/F RAQ Building, JP Laurel Avenue Bajada, Davao City

DAVAO MONTEVERDE

41 T. Monteverde Avenue, Davao City

DAVAO QUIRINO

111 E. Quirino Avenue, Davao City

GENERAL SANTOS

Santiago Boulevard General Santos City, Saranggani

ILIGAN

G/F M. Commercial Building, Zone 3 National Highway, Roxas Avenue Poblacion, Iligan City, Lanao Del Norte

KORONADAL

General Santos Drive, Koronadal South Cotabato

S&R CAGAYAN DE ORO

S&R Membership Shopping Entrance Zone 5, Butuan-CDO-Iligan Road Barangay Kauswagan, Cagayan De Oro

S&R DAVAO

S&R Membership Shopping Entrance McArthur Highway Corner J. Rodriguez Street, Talomo Avenue Barangay Ma-a, Davao City

TAGUM

Pioneer Avenue, Tagum Davao del Norte

YUBENCO 3

G/F Megalang Corporation, Don Alfaro Street, Barangay Tetuan Zamboanga City

YUBENCO MALL

Grandmega Supermart c/o Yubenco Starmall , MCLL Highway, Barangay Putik, Zamboanga City

YUBENCO SUPERMARKET

G/F San Jose Gusu Corner San Roque Streets, Zamboanga City

ZAMBOANGA VALDEROSA

G/F Interco Building, N.S. Valderosa Street , Zamboanga City

ZAMBOANGA VETERANS

G/F Door 5-7 BSC Tower (formerly Zamsulu Building) Veterans Avenue, Zamboanga City



Rethinking Sustainability

At a time when the global pandemic has affected the way people's norms are observed, many companies have started rethinking and reinforcing their efforts towards building a sustainable business. With the threat of a health crisis, many were forced to change the ways with which they live their lives and operate their businesses, with the ultimate goal – survival.

These changes, which may be viewed as a threat by others, The Philippine Bank of Communications views as an opportunity. An opportunity to reinforce what PBCOM has always been advocating: sustainable operations through the sound and efficient management of its economic, environmental and social impacts.

This report highlights some of the key changes and operational initiatives that PBCOM has undertaken in contributing to our sustainability goals and aspirations.

ECONOMIC

.⊙.

This relates on how the Bank directly increases the pool of economic resources that flows into the local and national

economy. The Bank ensures that it does not just create economic value for itself but also that this value flows back to its stakeholders such as shareholders, suppliers, employees, government, and the community.

ENVIRONMENT



This relates on how the Bank manages the natural resources it needs for its business, as well on how it minimizes its negative

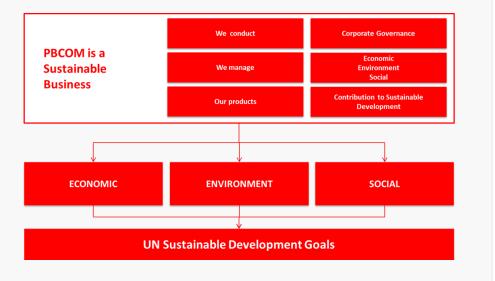
impacts to the environment. The Bank monitors how efficiently it uses natural resources, which has implications on reduction of environmental impacts from extraction and processing of these resources.

SOCIAL

This relates on how the Bank manages its relationship with its stakeholders such as employees, customers, suppliers,

communities, the public, and the government. The Bank ensures that it contributes to the overall growth of those invested in it, directly or indirectly.

The overall sustainability reporting framework of the Bank as a publicly listed company follows below structure:



Disclosures should reflect the Bank's significant economic, environmental, and social impacts and should consider the reasonable expectations and interests of key stakeholders.

FRAMEWORK

Materiality Process

The Bank has applied the following process in identifying the material topics contained in this report:

DISCOVERY

Review of the organization's mission and vision

- Review business priorities
- Benchmarking with peer brand
- Industry best practice

ASSESSMENT & VALIDATION

- Data collection
- Consultation and discussion with stakeholder
- Shortlisting of identified material issues

PRIORITIZATION

- Ranking of all material issues
- Shortlisting of priorities (1-3 years)
- Metrics identification, baselining and target setting
- Management and Board approval

MONITORING & REPORTING

- Monitoring of agreed metrics
- Performance reporting

Economic

ECONOMIC PERFORMANCE

Disclosure (in P '	000)	Amount
Direct economic	Direct economic value generated (revenue)	
Direct economic	c value distributed:	
a)	Operating costs	1,081,972
b)	Employee wages and benefits	1,009,118
c)	Payments to suppliers, other operating costs	963,756
d)	Dividends given to shareholders and interest payments to loan providers	-
e)	Taxes given to government	666,920
f)	Investments to community (e.g. donations, CSR)	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Improved Return on Capital means increased lending opportunity • Higher investment in human capital (learning and development) • More local community involvement • PBCOM as an engine of growth in nation building	Board of Directors and officers, employees, customers, suppliers and community • Employees • Employees and community • Board of Directors and officers, employees, customers, suppliers and community	Value focus in terms of the Bank's financial standing Alignment of training and development with overall strategic direction of the Bank Roll out of the financial inclusion program through branches More inclusive lending strategy such as the Bank's Puhunan Plus (microlending) and credit extension to the SME partners of the LC Group of Companies, among others.
The risk of non-compliance to regulator's requirement The risk of not being able to protect customer's deposit and investments The risk of negative return to shareholders.	Board of Directors, officers and employees Board of Directors and officers, employees, customers, suppliers and community	Proactive role of the Board of Directors and officers in Corporate Governance Adherence to AMLA and KYC regulations Prudent assessment of borrower's credit worthiness
Financial inclusionDigitalizationInnovation	Bank Community Customers	Financial inclusion program Execution of the Bank's digital strategy which includes financial and operational activities leading to reduced paper and eventually moving towards paperless.

Environment

By the latter half of the year 2020, PBCOM has begun investment and planning in a Procure-to-Pay (P2P) System that will automate the Bank's entire purchasing and payment process. With the launch expected by the 2nd half of 2021, the project aims to make the entire process online and decrease paper & shipping costs by 50%. Further, the overall goal of the project is transactional efficiency for the Bank's back-end teams.

SAFETY THROUGH CLEANLINESS

PBCOM strives for the working environment of each employee to not only be the most gratifying but the safest. Despite the year 2020 challenging the health of everyone around the world, the Bank has assured its employees and customers that all spaces and work areas will not be at risk of the pandemic. Commercial-grade and environmentally-compliant products are used to disinfect all branches and office common surfaces every two (2) hours. On top of this, disinfections are done daily by extra-attentive housekeeping teams.

FURTHER IMPROVING PBCOM TOWER

Being a pillar for the Bank, PBCOM Tower has continued its facilities upgrade throughout the year. While a lot are still ongoing, a few significant projects have been completed in 2020.

The building's 4 cooling towers are important massive parts of its air-conditioning system that operate 24x7. Its aluminum fan blades were upgraded with fiber-reinforced plastic (FBR), which makes the material considerably lighter and decreases the operational energy consumption of the cooling towers contributing to savings of 48,960 kWhs or P264,384.00 per month. Further to the safety of everyone in the building, 3 seismic sensors/accelerographs were installed in key points of the building to measure and record ground motions produced by earthquakes. By integrating this to both the Building Management System (BMS) and Fire Detection & Alarm System (FDAS), immediate notice during an intense earthquake will be sent to all occupants to ensure quick evacuation. Results are also immediately produced and can quickly verify the building's safety for occupancy.

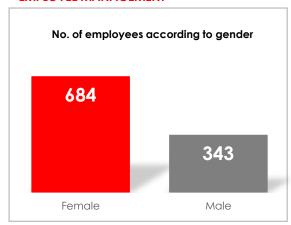
INITIATIVES ON GOING PAPERLESS

PBCOM has undertaken several initiatives to help save the environment, one page at a time. The Bank's Human Resources Group has been championing this move since 2017. Employees' payroll slip has been paperless since that year, from which, it was determined that PBCOM has been able to save P1,500/month worth of paper. The Recruitment Division, on the other hand, has stopped producing printed copies of the

Employee handbook since 2020, which is now made available online for new hires instead. With an average of 3-5 new hires per month in 2020, we were able to save at least 4,500 sheets of paper for the 75-page document.



EMPLOYEE MANAGEMENT



9.67% ATTRITION RATE

Ratio of lowest paid employee against minimum wage :

105% ABOVE MINIMUM FOR LOWEST PAID EMPLOYEE

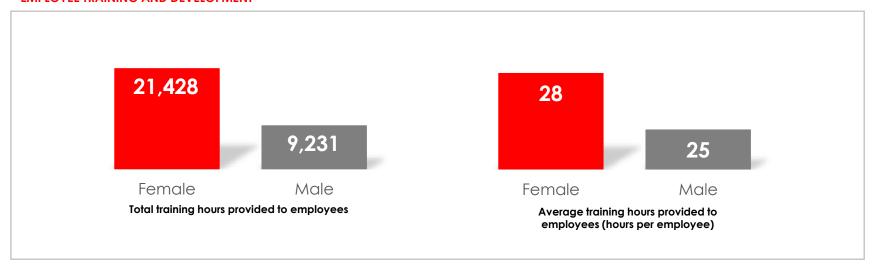
EMPLOYEE BENEFITS

LIST OF BENEFITS	Y/N	% OF FEMALE EMPLOYEES WHO AVAILED FOR THE YEAR	% OF MALE EMPLOYEE WHO AVAILED FOR TH YEAR
SSS	Υ	Loan - 17% Sickness Benefit – 0%	Loan - 7% Sickness Benefit – 0%
PhilHealth	Υ	Data not available	Data not available
Pag-IBIG	Υ	6%	3%
Parental leaves	Υ	5%	0.6%
Vacation leaves	Υ	96.49%	94.46%
Sick leaves	Υ	89.9%	90.38%
Medical benefits (aside from PhilHealth)	Υ	100%	100%
Housing assistance (aside from Pag-IBIG)	Υ	1%	1%
Retirement fund (aside from SSS)	Υ	5%	6%
Further education support	Υ	2.49%	2.52%
Telecommuting	Y*	55%	27%
Flexible working hours	Υ	100%	100%
(Others)	Υ		
Uniform allowance		100%	100%
Rice allowance		100%	100%
Bereavement		1%	0%
Appliance loan		2% 0%	1% 3%
Car loan		0%	3% 1%
Emergency loan		21%	17%
Salary Ioan		10%	9.2%

*In compliance with the IATF directive, telecommuting was allowed for employees whose physical presence in the office is not necessary.

All employee benefits follow the labor standards if not exceeding them, particularly in the compensation area. Hence, there is no employee of the Bank that is paid below the government-mandated minimum wage rate.

EMPLOYEE TRAINING AND DEVELOPMENT



The Bank recognizes the need to enhance employees' competencies and development at work creating a learning culture that will bring out employees' full potentials and peak performance.

Training and Employee Engagement Division implements programs that are based on suggestions of the group heads during the Training Needs Analysis (TNA) activity. The output of the said activity is the training plan for the year which is divided into various development categories (regulatory, mandatory, technical, functional, job-specific, professional, leadership, and culture integration).

In 2020, the pandemic provided an opportunity to widen the scope of the trainings using technology since employees based outside of Metro Manila were able to join the sessions.

LABOR-MANAGEMENT RELATIONS

DISCLOSURE	QUANTITY	UNITS
% of employees covered with Collective Bargaining Agreements (CBA)	27%	%
Number of consultations conducted with employees concerning employee- related policies	1	#

The Bank honors its commitment made in the CBA with the union, thus maintaining industrial peace. It also conducts regular grievance meetings with the union officers to discuss issues relating to policies which affect the working conditions of the rank and file. Because of the lockdown, there was only one consultation done this year.

DIVERSITY AND EQUAL OPPORTUNITY

DISCLOSURE	QUANTITY	UNITS
% of female workers in the workforce % of male workers in the workforce	67 33	% %
Number of employees from indigenous communities and/or vulnerable sector*	29	#

^{*}Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

The Bank is an equal opportunity employer and recognizes, in particular, that those beyond retirement age are still productive. It looks up to them for experience and wisdom especially for the highly technical and more senior roles in the Bank.

WORKPLACE CONDITIONS, LABOR STANDARDS, AND HUMAN RIGHTS: OCCUPATIONAL HEALTH AND SAFETY

DISCLOSURE	QUANTITY	UNITS
Safe Man-Hours		Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

The Bank gives priority to the health and safety of its employees by ensuring that employees and one nominated dependent each are covered by company HMO in addition to maintaining a clinic with a company doctor and a nurse within its premises despite having a nearby hospital from its head office. We have also certified first aiders in the head office and branches in accordance with DOLE directives.

The Bank participated in the annual fire and earthquake drills mandated by the local governments in every city or town where branches are located in previous years. However, due to the pandemic, the were no annual fire and earthquake drills were conducted.

LABOR LAWS AND HUMAN RIGHTS

DISCLOSURE	QUANTITY	UNITS
No. of legal actions or employee grievances involving forced or child labor	0	#

The Bank strictly adheres to the provisions of the labor code and its Implementing Rules and Regulations (IRR), as well as directives of the Department of Labor and Employment. The Bank's code of conduct explicitly states that all laws, including labor laws and sexual anti-harassment among others, must be strictly followed under pain of penalty for its violations.

SIGNIFICANT IMPACT ON LOCAL COMMUNITIES

As stated in PBCOM's new Vision Mission and Values, the Bank "fulfills its social responsibilities in the communities it serves". As an institution, PBCOM is very much involved and concerned with the welfare of the communities in which the Bank has presence.

PBCOM Board of Directors, Senior Management Team, and the rest of the employees have been supporting the initiatives and activities of local government and non-government units which have significant impact on the environment and social welfare at the barangay and municipal levels. These activities include various fund raising projects to help victims of calamities and conflicts, protect the environment, and uplift the lives of the less fortunate.

REAM OF JOY

2020 was a very challenging year for everyone as we all faced the global pandemic. As the government limited face-to-face interaction and prohibited mass gatherings, the Department of Education's schooling approach was to implement distance learning program for students through online, television, radio, and printed materials. With this sudden shift, majority of the students residing in far flung areas needed help to fund the production of physical copies of learning modules for those who cannot access online

facilities. The government funds were scarce and delayed so some teachers had already resorted to buying materials out of their own pockets.

Amidst the pandemic challenge which affected everyone, the entire PBCOM family continued to extend a helping hand to Luayon Junior High School in Makilala, South Cotabato through the Ream of Joy fund raising project. PBCOM employees donated cash to support the module printing needs of the said school. With the help of our Mindanao team, the Bank was able to donate 1 brand new photocopier, 150 reams of bond paper and 170 school kits with assorted school supplies to Luayon Junior High School.







CUSTOMER MANAGEMENT

CUSTOMER SATISFACTION

94%Customer Satisfaction

CSAT conducted internally by PBCOM Customer Care

CUSTOMER PRIVACY

No substantiated complaints on product, service health and safety.

PRODUCTS AND SERVICES

a total of **Sixty eight (68) complaints**

16

Sixteen

were Branch Banking service-related

52

Fifty two

were Consumer Finance and CASA product related

All were addressed and resolved in a timely manner.

CLIENT INFORMATION USED FOR SECONDARY PURPOSES

No. of customers, users and account holders whose information are used for secondary purposes

52,812

Voice of Customer (VOC)
campaign recipients of Customer
Experience Division. This is to
measure the customer satisfaction
of the digital channels, branch
banking, consumer finance, and
customer care hotline.

4,311

Clients offered with Bale product by Transaction Banking Group

5,894

Unique accounts endorsed to authorized 3rd party collection agency of Consumer Finance Group

SUSTAINABILITY IN CUSTOMER SERVICE

Sustainability is usually applied to ecological performance such as energy production, renewable resources, carbon foot print and programs that lead to not harming the environment; but, in PBCOM, we also included it in various activities of the business including customer service.

Our desire is to provide an excellent customer service on a long term basis. To adapt with the changing times and customer needs it is quite challenging to maintain service at our desired level unless we make a plan that is sustainable - a plan that meets the needs of our customers without compromising other aspects of the business.

The long term plan is to have a sustainable customer service performance which will create a good relationship with our internal and external customers. Our goal is to decrease customer dissatisfaction and complaints by using our customer feedback to improve on our process, products and service delivery.

To have a baseline and benchmark in improving customer satisfaction, PBCOM installed and implemented standards for service delivery, and established long & short term goals.

CUSTOMER SERVICE IMPROVEMENT PROGRAM

A customer service improvement program was launched last 2017 by facilitating customer service training programs initially for all frontliners. All branch personnel were included in the training program and service delivery became part of their KPIs.

This training program was incorporated later on to the required modules/trainings that each employee should attend. Even non-external customer facing employees became part of this initiative. Standards for grooming, service delivery and inner spaces were also part of the monitoring program which was used as a basis for improvement for all front liners. Service Level Agreement (SLA) for complaints resolution and feedback was also part of the standards that were implemented.

Voice of Customer (VOC) was rolled out to measure customer satisfaction and the content of the VOC program was aligned with what was facilitated in the customer service training programs. This approach gives our employees a chance to adjust, and allows possible changes in the process for better service delivery.

To build sustainability, we made short-term changes involving reasonable and measureable goals that can be clearly obtained. Once the goals were achieved this will be established as the norm then we move on further for other improvements.

EMPLOYEE BUY-IN

In PBCOM, we believe that our employees play a vital role in making or breaking our business. Especially in the case of front liners, merely interacting with our clients may cause a positive or a negative impact.

Our mentoring culture plays a big part in honing our employees' service delivery skills. New service directives are not simply rolled out for our employees to comply with, but rather, we ensure that their buy-in has been solicited. In this way, employees feel more involved in the process. To put it simply, employees are more likely to follow directives which they believe can really help.

The process is really simple, when introducing changes in process or directives, front liners are provided with the reason why these changes should take place. These reasons include client requests, feedback, suggestions, and changes in function. When our front liners understand the "why", a better response and follow-through rate is expected.

We also recognize and reward employees' active participation and involvement on the achievement of excellent service delivery. During our annual service excellence awarding ceremony, we recognize and incentivize employees who displayed exceptional customer service. Certificates and awards were also given out to employees who were customer service champions in their respective groups, to

employees who received client commendations, and to employees who excelled in our customer service programs.

We actively solicit employee feedback. Employees' insights, suggestions, and concerns are taken into account in developing plans and programs in light of continuous improvement and customer satisfaction.

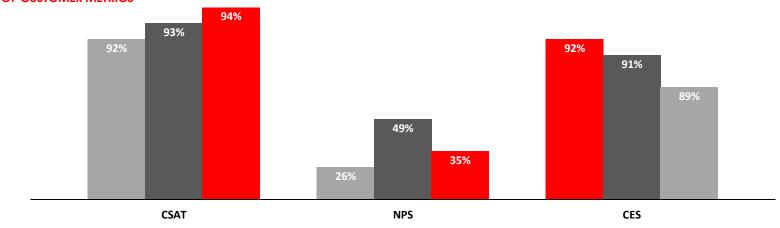
Further, we regularly conduct trainings and other developmental programs. This equips our team, especially the customer-facing ones, with the appropriate skills in handling our clients. This also allows them to easily adapt to changes and unexpected challenges.

THE VOICE OF CUSTOMER

Importance of a sustainable customer service is seen in the impact created on the customer which, in turn, leads to contribution in the business' bottom line. We deployed several customer feedback platforms to know if changes are needed and which service or products are worth improving.

Customer feedback was obtained through survey methods like SMS, email, call-out, app review, and social medial platforms. As part of the plan, we would also do focus group discussions, in-app feedback and one-on-one feedback to further get our customers' sentiments about the Bank's product and service features.

VOICE OF CUSTOMER METRICS



2018 2019 2020

CSAT (Customer Satisfaction); NPS (Net Promoter Score); CES (Customer Effort Score)

We also monitor and measure customer effort. This is equally important for the Bank to have a reference on what processes need improvement to make their banking transactions easy and convenient. For 2020, customer transactions shifted towards our digital channels. To further improve on our POP and PBCOMobile platforms, a Customer Experience (CX) journey mapping was also conducted to understand the customer's effort in onboarding and their transactional experience. In this way, we were able to enhance the platform features for a

seamless customer experience.

Our Net Promoter Score (NPS) results and promoters are utilized for loyalty and referral programs which also assist our Consumer Finance Group (CFG) and Branch Banking Group (BBG) sales in customer retention and acquisition.

Complaints received are also considered as feedback and basis for improvement. We value this as well as regular feedbacks coming from our Voice Of Customer (VOC) programs.

The Bank sets a Service Level Agreement (SLA) in complaint resolutions. We initially set a target at 90% and increased it on our 2nd year of monitoring. We have been exceeding our target of 95% for the past years. Complaint types are also monitored and a target was set to decrease controllable complaints received on a year-to-year basis. This is one metric that we have to ensure that improvements on certain processes and service delivery are effective and successful.

Part of the customer service improvement program will be revising Key Performance Indicators (KPIs) according to customer needs. Metrics set for complaints handling will be drilled down further to assist the Bank in improving service.

Customer feedback is needed before any service improvements. Information from the feedback can initially indicate areas for improvement and be used as a benchmark for comparison after the improvement has been established. It can also help check if efforts for changes adopted have been successful.

Customer preferences change, and these changes are reflected on their feedback, which can then be our basis to adapt to their needs and requirements.

COMPLAINTS HANDLING METRICS	2020	2019	2018
SLA Achievement – complaints addressed within SLA	99.04%	99.76%	99.45%

DATA SECURITY

2020 was a challenging year for PBCOM to maintain a strong cybersecurity posture with all the events, threats, attacks, and associated security risks or exposures that happened across the globe. Aside from the fact that it had faced unanticipated challenges, new concerns, and constant adjustments forced by the global COVID-19 pandemic, the Bank was also compelled to rethink the ways in which employees work (e.g. work from home/anywhere arrangement, day-to-day activities to an online environment, etc.). These changes presented a prime opportunity to highlight the criticality of cybersecurity and reexamine approaches to cybersecurity readiness of the Bank and its employees.

NO REPORTED DATA BREACH INCLUDING LEAKS, THEFT AND LOSS OF DATA



UN SUSTAINABLE DEVELOPMENT GOALS

Key Products and Services	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Money Talk (Oplan Ipon)	UN SDG (1): NO POVERTY Assist low-wage earners and the unbanked establish savings habit through basic financial wellness program that includes sharing of knowledge and ideas on the proper ways of saving money.	Lack of understanding of the unbanked segment may lead to product offerings that may not match the need of the customer.	Program modules are developed according to the profile of the target segment. The modules are reviewed, and, if necessary, amended on an annual basis.
pbcom2go	UN SDG (9): INDUSTRIES, INNOVATION & INFRASTRUCTURE A bank-booking service which allows PBCOM customers to arrange for pick-up of banking transactions such as cash or check deposits.	Security and public safety.	Agents and transactions are covered by insurance.
PBCOMobile	UN SDG (9): INDUSTRIES, INNOVATION & INFRASTRUCTURE Digital-only bank which allows for account opening, maintenance and transactions to be done digitally thus providing financial accessibility and a more environmentally- friendly means of doing financial transactions.	Lack of personal relationships; and Increase fraud.	Digital banking to be complemented by the Bank's brink and mortar channel; Strengthen vigilance and frequent review of the effectivity of existing controls.
Puhunan Plus (Microfinance Loan)	UN SDG (10): REDUCED INEQUALITIES Credit extension to micro-business owners of up to P150.0k in loans which aides in business expansion, generate employment opportunities and help local economic growth.	Could potentially lead to borrower being over-leveraged; Loan proceeds may potentially be used to fund personal consumption thus limiting long-term economic growth.	Lending will focus on microbusiness owners with historical purchases in the retail institution partners of the Bank. Purchases will be used in establishing credit limit of the borrower.

UN SUSTAINABLE DEVELOPMENT GOALS

Key Products and Services	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Basic Deposit Account	WN SDG (10): REDUCED INEQUALITIES A savings account that requires no more than P100.00 in account opening balance but with allowed maximum balance of P50.0k. Account is not subject to minimum maintaining balance. Follows simplified Know-Your-Customer as customers are deemed to be low risk.	Product may be subject to abuse given the KYC procedure is not as stringent as a regular account.	Institute monitoring and control of accounts exceeding balances of P50.0k, with accounts exceeding the threshold amount converted to a regular deposit account.
Sustainable Finance	UN SDG (11): SUSTAINABLE CITIES AND COMMUNITIES Help drive environmental sustainability through funding of projects with focus on sustainable solutions.	Lack of expertise in identifying projects that are consistent with the principles of sustainable development.	Talent development to include training in future industries such as green energy.
Cash 360 & Check Image Clearing System (CICS)	UN SDG (12): RESPONSIBLE CONSUMPTION & PRODUCTION Provides an alternative means of depositing cash & check without having to step out of the place of business. This also reduces the carbon footprint of the customer and of the bank.	Lack of personal relationships.	To be complemented by the Bank's brink and mortar channel.
Lending for Capacity Development	UN SDG (17): PARTNERSHIP FOR THE GOALS Supporting funding requirements of partners in the areas of Agriculture and Infrastructure development (Build-Build-Build programs).	Absence of mechanism to monitor bankable projects.	Close coordination with government agencies and private firms to enable effective monitoring of projects that may require funding.



PBCOM Board of Directors and management, employees and shareholders, believe that Corporate Governance is a necessary component of what constitutes a sound strategic business management. Thus, the Bank has undertaken every effort necessary to create awareness for this within its organization. All Directors and Senior Management are required to attend its annual continuing education program on Corporate Governance and risk awareness.

The Board, Senior Management and all employees conduct themselves with utmost honesty and integrity in the discharge of their duties, functions and responsibilities, thus nurturing the continuing success of the Bank and securing its competitiveness in the best interest of the Bank, its shareholders and other stakeholders. Bank officers promote the good governance practices within the Bank by ensuring that policies on governance are consistently adopted across the organization, with measurable standards, initiatives and specific responsibilities and accountabilities for each personnel.

Consistent with global best practice of good Corporate Governance, the Bank's overriding commitment to a culture of good governance is seen through the following underlying principles:

- It is the Bank's objective to enhance shareholders' value by making the most efficient use of resources. Its human capital strategy is one of its vital focus areas, as it is a principal indicator for the company's success.
- The Board of Directors constitute Board Committees namely: Governance Committee, Risk Oversight Committee, Audit Committee and Related Party Transactions Committee which are all chaired and composed of majority of Independent

- Directors, all of whom have a good understanding of the business.
- The Bank's Governance Committee, through its Nominations Sub-Committee, ensures the quality of its leadership, consistent with its "fit and proper" rule when selecting its Directors and Senior Management Team. The Performance Evaluation Sub-Committee recommends and oversees the implementation of a Performance Management Process for Senior Management and members of the Board, reviews performance vis-a-vis gareed upon objectives, evaluates progress made with respect to Senior Management and Directors development plans, monitors changes in professional affiliations, personal status, even health, which could have aualifications. resignation and succession implications.
- 4. Transparency in its Annual Reports is ensured and reflects true and fair accounting information prepared in accordance with applicable standards; discloses and discusses all material risks; and discloses and explains the rationale for all material estimates. Disclosures are all completed in a timely manner.
- To ensure that all act in the best interest of the Bank, full disclosure by its Directors, officers and employees on any actual or expected conflict of interest is required.
- The Bank's Code of Ethics and Code of Conduct clearly states Management's philosophy and compliance standards.

Annually, the Bank through the Governance Committee reviews the Corporate Governance Manual and recommends changes/amendments /revisions for the approval of the Board of Directors when and where necessary.

SELECTION PROCESS OF THE BOARD AND SENIOR MANAGEMENT

Directors of the Bank are elected at the annual shareholders' meeting to hold office until the next succeeding meeting and until their respective successors have been elected and qualified.

In compliance with the SEC SRC Rule 38, and as a matter of practice, the Bank has adopted the following rules in the nomination and election of Directors:

- All nominations for Directors and Independent Directors shall be submitted to the Nominations Sub-Committee though any of its members or the Corporate Secretary at any time before the submission of the Definitive Information Statement to the Securities and Exchange Commission (SEC), allowing the Nominations Committee sufficient time to pass upon the qualifications of the nominees.
- All nominations shall be in writing duly signed by a shareholder and accepted and conformed to by the nominees likewise in writing indicating whether a particular nominee/s is/are intended to be an Independent Director or not. It must contain the nominee's age, educational attainment, work and/or business experience and/or affiliation.
- No individual shall be nominated as Director or Independent Director unless he meets the minimum requirements/qualifications prescribed by the regulatory agencies/offices concerned of listed banks.
- The Nominations Sub-Committee shall prescreen the qualifications of the nominees and prepare a final list of candidates, including a summary of all relevant information about them.

The Nomination Sub-Committee of the Corporate Governance Committee shall be responsible for the appointment/selection of key members of Senior Management and heads of control functions and the Compensation and Remuneration Sub-Committee, also of the Governance Committee, for the approval of a sound remuneration and other incentives policy for personnel. In this regard, the Board through the Governance Committee shall oversee the selection of the CEO and other key personnel, including members of Senior Management and heads of control functions based on the application of fit and proper standards. Integrity, technical expertise, and experience in the Bank's business, either current or planned, shall be the key considerations in the selection process. Moreover, since mutual trust and a close working relationship are important, the members of Senior Management shall uphold the general operating philosophy, vision and core values of the Bank.

BOARD QUALIFICATIONS

Executive and Non-Executive Directors Criteria Director shall have the following minimum aualifications:

 a. He must be fit and proper for the position of a Director.

In determining whether a person is fit and proper for the position of a Director, the following matters must be considered:

- Integrity/probity, physical/mental fitness;
- Relevant education/financial literacy/training;
- Possession of competencies relevant to the job, such as knowledge and experience, skills, diligence and independence of mind; and
- Sufficiency of time to fully carry out responsibilities.

 b. He must have attended a seminar on Corporate Governance for Board of Directors within a period of six months from date of election. A Director shall submit to the BSP a certification of compliance with the BSP - prescribed syllabus on Corporate Governance for first time Directors and documentary proof of such compliance.

Independent Directors Criteria

Must have all the qualifications of a regular Director and in addition:

- Is not or was not a Director, officer or employee of the Bank, its subsidiaries, affiliates or related interests during the past 3 years counted from the date of his election/appointment;
- Is not or was not a Director, officer, or employee of the Bank's substantial shareholders and their related companies during the past 3 years counted from the date of his election/appointment;
- Is not an owner of more than 2% of the outstanding shares or a shareholder with shares of stock sufficient to elect 1 seat in the Board of Directors of the institution, or in any of its related companies or of its majority corporate shareholders;
- Is not a close family member of any Director, officer or shareholder holding shares of stock sufficient to elect 1 seat in the Board of Directors of the Bank or any of its related companies or of any of its substantial shareholders:
- Is not acting as a nominee or representative of any Director or substantial shareholder of the Bank, any of its related companies or any

- of its substantial shareholders;
- Is not or was not retained as professional adviser, consultant, agent or counsel of the Bank, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past 3 years counted from the date of his election:
- Is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the Bank or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a Director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment;
- Was not appointed in the Bank, its subsidiaries, affiliates or related interest as Chairman
 "Emeritus", "Ex-Oficio", Directors/officers or members of any advisory board, or otherwise appointed in a capacity to assist the Board of Directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his appointment;
- Is not affiliated with any non-profit organization that receives significant funding from the Bank or any of its related companies or substantial shareholders;
- Is not employed as an executive officer of another company where any of the Bank's executives serve as Directors.

BOARD'S OVERALL RESPONSIBILITY

The Board of Directors is primarily responsible for defining the Bank's vision and mission. The Board of Directors has the fiduciary roles, responsibilities and accountabilities as provided under the law, the Bank's Articles and By-Laws, and other legal pronouncements and guidelines to the Bank, all its shareholders including minority shareholders and other stakeholders. The Board also recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

Board of Directors

The Board of Directors is composed of Executive, Non-Executive and Independent Directors. They act in the interests of the Bank to the best of their ability and judgment, consistent with their responsibilities in achieving the overall direction of the organization and protecting the interest of its shareholders.

Board of Directors' Role

- Approves and oversees the implementation of strategies to achieve corporate objectives
- Approves and oversees the implementation of Risk Governance Framework and the systems of checks and balances.
- Establishes a sound Corporate Governance Framework.
- Approves the selection of the CEO and key members of Senior Management and control functions and oversees their performance.

Board of Directors' Accountabilities

- The Board of Directors shall define the Bank's corporate culture and values.
- The Board of Directors shall be responsible for approving Bank's objectives and strategies and in overseeing management's implementation thereof.
- The Board of Directors shall be responsible for the appointment/selection of key members of

- Senior Management and heads of control functions and for the approval of a sound remuneration and other incentives policy for personnel.
- The Board of Directors shall be responsible for approving and overseeing implementation of the Bank's Corporate Governance Framework
- The Board of Directors shall be responsible for approving Bank's Risk Governance Framework and overseeing management's implementation thereof.
- The Board of Directors may delegate some of its functions, but not its responsibilities, to Board-level committees.

The Chairman of the Board

The Chairman of the Board leads the Board of Directors in achieving its mandate of setting the overall direction of the organization and representing the interests of shareholders. He provides leadership in the Board of Directors, ensures that the Board takes an informed decision and set the tone of good governance from the top. His accountabilities include:

- Ensures effective functioning of the Board, including maintaining a relationship of trust with Board members;
- Ensures a sound decision in process-making; encourages and promotes critical discussions and ensures that dissenting views can be expressed and discussed within the decisionmaking process;
- Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- Guarantees that the Board receives accurate, timely, relevant, insightful, concise

- and clear information to enable it to make sound decisions;
- Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging in the skills and expertise of individual Directors:
- Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by management;
- Assures the availability of proper orientation for first time Directors and continuing training opportunities for all Directors; and
- Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

BOARD COMMITTEES

Executive Committee

The Executive Committee is composed of at least 5 but not more than 7 members of the Board who shall be appointed or elected by the Board of Directors based on the recommendation of the Governance Committee. The Committee has the power to exercise functions and prerogatives of the Board of Directors during intervals between Board meetings except for matters the Board has specifically reserved for itself by law or under the By-Laws. A quorum at any meeting of the Executive Committee consists of a majority of all members thereof. A majority of members constituting a quorum can decide any question that may come before the meeting.

In case of any vacancy in the Executive Committee, whether such vacancy shall be filled or not, shall be left to the discretion of the Board. However, should vacancies occur reducing the number of Executive Committee members to less than the required quorum, the Chairman may designate any officer or member of the Board to

fill such vacancy, and the Executive Committee member chosen shall serve only for the unexpired portion of the vacated term to be confirmed by the Board of Directors. The Corporate Secretary shall act as the Secretary.

Executive Committee's responsibilities are the following:

- Review of corporate financial status, policies and procedures and the approval/recommendation of revisions thereto, including periodic registration and disclosure statements, publications, etc.;
- Review of specific business or operating plans regarding significant investments, acquisition or disposal of assets (e.g. CAPEX, OPEX, etc.);
- Subject to limits imposed by the Board, authorization or approval to invest in or acquire another company, to extend loans to corporations or individuals, to enter, modify, extend, renew or terminate partnerships, joint venture or any other business dealing, and to sell or dispose acquired and/or fixed bank properties;
- Evaluation and recommendation to the Board of policies and/or transactions where the proposed amount involved exceeds the limit imposed by the Board as set forth in the relevant rules and/or regulations;
- Approval of any and all major policies and strategic actions to be undertaken by management beyond the authorities established for management; and
- Such other functions as may be delegated by the Board to the Executive Committee, which shall include, the approval of credits and setting of authorization limits thereof. This shall, however, exclude material RPT and DOSRI transactions, which are required to be approved by the Board.

Governance Committee

The Governance Committee is composed of 5 members of the Board of Directors, 3 of whom are Independent Directors, and under the chairmanship of an Independent Director. The Committee assists the Board of Directors in fulfilling its Corporate Governance responsibilities. The Committee acts as the primary arm of the Board of Directors in determining the structure, charter, policies and practices of the Board and its Committees. Its mandate covers the organization of the Board of Directors, screening of new members, nomination process for members of the Board, continuing education program, evaluation process, assessing the propriety of business strategies and determining how the Bank operates, makes decisions and builds its relationships with shareholders and the public at large.

The Corporate Governance function ensures that accountability is enforced at all levels and that the Bank always acts in the best interest of the company, its shareholders and stakeholders. The Committee ensures that such purposes are met by creating a climate of transparency in the Bank where shareholders are fully informed of business decisions and long-term business plans.

One of the primary responsibilities of the Committee is to evaluate and recommend amendments to the Articles of Incorporation and By-Laws, as well as to set up Corporate Governance guidelines including, but not limited to:

- Size (number of members) of the Board
- Criteria for membership (e.g. Qualifications, Stock Ownership, Diversity)
- Mix of management and Independent

Directors

- · Prevention of conflicts of interest
- Compensation and benefits program of managing and non-managing members of the Board and Senior Management
- Structure and charter of Board committees
- Rotation of committee members and chairs
- Performance evaluation of CEO and members of the Board succession planning and development program for Senior Management and Directors
- Continuing education program for Board of Directors

In addition, the Governance Committee oversees the Bank's compliance system and oversees the programs of the following sub-committees:

Nomination Sub-Committee

The Nomination Sub-Committee identifies, evaluates and recommends individuals qualified to become Directors of the Bank based on factors such as probity of character, extent of business experience and expertise and maturity of judgment. The Sub-Committee also exercises oversight functions in the selection, nomination and appointment of members of Senior Management.

Compensation and Remuneration Sub-Committee

This Committee overseas the implementation of the compensation and benefits program for Directors and Senior Management to attract and retain the best talents by benchmarking against other leading financial institutions.

Performance Evaluation Sub-Committee

This Sub-Committee oversees the implementation of a performance management program for Senior Management and the members of the Board.

Audit Committee

The Audit Committee is composed of 4 members of the Board of Directors, 2 of whom are Independent Directors including the Chairman. The Chairman is not the Chairman of the Board or of any other Board Committee. The Audit Committee has a written charter, which includes its purpose, objectives, duties and responsibilities. duly approved by the Board. The Committee assists the Board of Directors in fulfilling its statutory and fiduciary responsibilities with respect to internal controls, including financial reporting practices, information technology security, accounting policies, and auditing. The Committee oversees the internal and external audit function. The Committee shall meet once a month and a quorum at any meeting shall include a majority of its independent and nonexecutive members.

Risk Committee

The Risk Oversight Committee is composed of five (5) members of the Board of Directors, 3 of whom are Independent Directors who possess adequate knowledge of the Bank's risk exposures. The Chairman of the Committee is an Independent Director and not Chairman of the Board or any other Board Committee. The Committee assists the Board of Directors in the execution of its function in overseeing the risk management framework, adherence to risk appetite and risk management function of the Bank. An effective risk management framework is a critical component of a financially sound Bank operations. It is a key element in achieving PBCOM's goals and objectives, optimizing growth and capital while minimizing losses to the Bank.

Trust Committee

The Trust Committee is composed of 5 members: three members of the Board of Directors, 2 of whom are Independent

Directors: the President and CEO: and the Trust Officer. The Trust Committee acts within the authorities and powers delegated by the Board of Directors and as provided in the Trust Committee charter, and in compliance with the requirements under the BSP Manual of Regulations for Banks for the practices on Investment Management Activities, Trust and Other Fiduciary Business. The Trust Committee is responsible for the oversight of the all Trust business activities. Further, the Committee also ensures that Trust policies and procedures remain relevant to ensure that proper risk management framework, compliance programs and internal controls are sound and enforceable for the prudent administration and management of Trust activities.

Related Party Transactions Committee

The Related Party Transactions Committee is composed of 4 members of the Board of Directors, 3 of whom are Independent Directors, including the Chairman. The Committee entirely composed of Independent Directors and Non-Executive Directors, with Independent Directors comprising the majority of the members. The Compliance Officer is the committee secretariat, while the Internal Auditor may sit as the resource person.

The Committee has the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, in complicance with applicable laws and regulations, conducted on an arm's length basis, and that no stakeholder is unduly disadvantaged to protect the interest of depositors, creditors, fiduciary client and other stakeholders. They evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored,

and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. They also evaluate all material RPTs and oversee the implementation of the RPT system. They ensure that transactions with related parties are subject to periodic review or audit, and report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.

DIVIDEND POLICY

The Board of Directors of a stock corporation may declare dividends out of the unrestricted retained earnings which shall be payable in cash, in property, or in stock to all shareholders on the basis of outstanding stock held by them: Provided, that any cash dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription plus costs and expenses, while stock dividends shall be withheld from the delinquent shareholder until his unpaid subscription is fully paid: Provided, further, that no stock dividend shall be issued without the approval of shareholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting duly called for the purpose.

REMUNERATION POLICY

The Bank provides a commensurate and rational salary structure depending on the scope of responsibilities/functions of each employee, which is reviewed periodically to align with the current regulatory provisions and industry trends. It complies with the wage orders or government mandated pay adjustments issued by the Department of Labor and Employment, the Tripartite Wage Boards and applicable provisions of the existing Collective Bargaining Agreement.

Compensation of Directors and Executive Officers

Since the Bank obtained an exemption from the SEC to disclose the required detailed compensation information, disclosure of aggregate compensation paid or accrued during the last three fiscal years 2018 to 2020 of the Bank's Chief Executive Officer and four other most highly compensated executive officers are as follows:

	2020	2019	2018
	Patricia May T. Siy	Patricia May T. Siy	Patricia May T. Siy
	President & CEO	President & CEO	President & CEO
	John Howard D.	John Howard D.	John Howard D.
	Medina	Medina	Medina
	Executive Vice	Executive Vice	Executive Vice
	President	President	President
CEO and four	Alan E. Atienza	Alan E. Atienza	Delbert S. Ang It
nost highly	Executive Vice	Executive Vice	Senior Vice President
compensated	President	President	
Executive			Alan E. Atienza
Officers	Victor O. Martinez	Arlene M. Datu	Senior Vice President
	Executive Vice	Senior Vice President	
	President		Expedito G. Garcia, Jr.
		Expedito G. Garcia, Jr.	Senior Vice President
	Arlene M. Datu Senior Vice President	Senior Vice President	Semon vice resident
Salary Bonus Other Annual	P 50,719 P 18,685	P 48,960 P 16,320	P 46,05 P 15,35
Compensation			
TOTAL	P 69.404	P 65.280	P 61.400

All officers and directors as Group Unnamed					
Salary	P621,114	P620,420	P551,901		
Bonus	P192,947	P188,364	P180,367		
Other Annual	-	-	-		
Compensation					
TOTAL	P814,061	P808,784	P732,268		

The following is the estimated annual compensation for year 2021:

	Salary	Bonus	Other Annual Compensation	Total
Total of CEO and Four most highly compensated Executive Officers	P 59,575	P 18,858	none	P 78,433
All officers as a group unnamed	P631,913	P197,519	none	P829,432

The Director's per diem and other fees amounted to P12.425 Million, P9.75 Million and P9.7Million, as of December 31, 2020, 2019 and 2018, respectively.

The 5 Independent and 4 other Regular Directors are entitled to a Director's fee for attending Board meetings. The remaining 6 Directors have waived their right to receive Director's fees. As stipulated in the By-Laws, Directors are also entitled to share in the net profits to be distributed in such manner as the Board may provide but not exceeding 4 percent.

There are no other terms and conditions with regard to employment contract between PBCOM and named Executive Officers or any other more compensatory plans or arrangement except those disclosed above.

There are no outstanding warrants or options held by the Directors and officers as of December 31, 2020.

The Bank has no record of adjusting or amending the exercise price of stock warrants previously awarded to any of the officers and Directors.

ORIENTATION AND TRAINING PROGRAM

The Bank provides its responsible Directors and employees with efficient, adequate and continuous education program to enable them to fully and consistently comply with all their obligations.

We believe that continuous learning and development aids the Board in the performance of their functions and optimizes the competence of the Individual Directors. New Directors are required to attend a special seminar on Corporate Governance for Board of Directors conducted by a private or government institution recognized/accredited by the BSP.

The Bank provides employees with efficient, adequate and continuous AML education program to enable them to fully and consistently comply with all their obligations under AMLA Rules.

Training requirements, however, for new hires, frontliners, compliance office staff, Senior Management and Directors and other key Head Office staff are customized/tailored fit according to their knowledge and competency needs of their respective positions.

AML Sessions are conducted annually to different branch personnel nationwide and selected Head Office units. In 2020, 10 batches of AML Updates: Money Laundering and Terrorist Financing Prevention Program (MTPP) via Zoom were attended by 513 attendees between the period of June 3 to July 21. Moreover, a Computer Based Training (CBT) of AML-MTPP has also been rolled-out between May 13 to June 3, 2020 and was taken by all employees.

RETIREMENT AND SUCCESSION PROGRAM

Retirement Policy - Directors

The Board recognizes the best interests of the Bank are served by continuing qualification for Director and age is not the main factor in determining the effectiveness of the Director in fulfilling his duties and responsibilities. The wisdom, experience, expertise, authority are valuable assets. A Director may continue to serve regardless of age as long as he/she is physically

and mentally fit, has complied with all the qualifications and does not possess any of the disqualifications and is able to effectively carry out his/her duties and responsibilities as provided in the Corporate Governance guidelines.

However, an Independent Director may only serve for a maximum cumulative term of 9 years, after which the Independent Director should be perpetually barred from re-election as such. He may however continue to qualify for nomination and election as a Regular Director. In the instance that a bank wants to retain an Independent Director who has served for 9 years, the Board should provide meritorious justification/s and seek shareholders' approval during the Annual Shareholders' Meeting.

Retirement Policy - Officers

The Bank has 2 categories of retirement, namely: Voluntary and Compulsory. Voluntary retirement is applied to any regular employee who has rendered at least 5 years of continuous service. Compulsory retirement, on the other hand, shall be required of all employees who reach the age of 60 years irrespective of their length of service.

Retirement pay is computed in accordance with the table below:

LENGTH OF SERVICE	
5 to 10 years	100%
>10 – 15years	110%
>15 – 20 years	120%
>20 – 25 years	130%
>25 – 30 years	140%
>30 years	150%

Succession Policy - Board

To ensure continuous strategic direction of the Bank, succession or filing up any vacancies in the Board shall be made by the vote of at least majority of the remaining Directors.

The Governance Committee shall evaluate the candidate based on his/her qualifications.

Succession Policy - Officers and Management

The Bank recognizes the importance of leadership continuity in the organization and the need to immediately fill open critical positions arising from attrition and other modes of separation. Hence, consultants are engaged to hold key management posts to perform full-time regular banking functions. In the succession policy, heads are required to identify at least 1 successor to key management positions in the units under their supervision.

PERFORMANCE ASSESSMENT PROGRAM

The Bank recognizes the need to link overall business goals to team and individual contributions to ensure optimal productivity; thus, it implements a performance management system to its employees where deliverables are defined, outputs are quantified, and performance gaps are addressed.

For the Board of Directors:

The Governance Committee, with the assistance of the Compliance Management Group, oversees the annual performance evaluation of the Board of Directors and Board-level committees. Areas subject for evaluation are focused on the director/member's competence, attendance and participation in meetings, integrity, and overall execution of duties and responsibilities.

In addition, the performance of the Bank's independent control functions (Compliance, Audit and Risk) as well as the respective Heads of each control function (Chief Compliance Officer, Chief Audit Executive and Chief Risk Officer) are also being evaluated annually by their respective Board committees. This allows the Board committee members to periodically evaluate the credibility and effectiveness of the function and its leadership.

The Governance Committee ensures that the results of the evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.

The Results of the 2020 Performance Evaluation of the Board and Board-level committees are shown on the next page.

For the Senior Management Team (SMT)

The members of the Senior Management Team are assessed through the Bank's annual performance management system as facilitated by the Human Resources Group. At the beginning of each year, SMT members submit their goals for the year, also known as Key Result Areas (KRAs), subject for review and approval of the President and CEO. For revenue generating groups, certain scores have to be provided by the Performance and Project Management Division based on actual achieved numbers vs targets. By January of the following year, SMT members submit selfrating for the previous year's performance for review, revision and approval by the President and CEO. Once finalized, the Performance Appraisal forms are signed by the President/CEO and acknowledged by each SMT member.

RESULTS OF THE 2020 PERFORMANCE EVALUATION OF THE BOARD AND BOARD LEVEL COMMITTEES

	BOARD EN BANC	DIRECTORS' SELF EVALUATION	EXECUTIVE COMMITTEE	GOVERNANCE COMMITTEE	AUDIT COMMITTEE	RISK OVERSIGHT COMMITTEE	RELATED PARTY TRANSACTIONS COMMITTEE	TRUST COMMITTEE
Directors' Points on Qualitative Performance	334.87	77.67	184.33	189.20	230.75	196.20	191.00	188.50
Attendance (Perfect 40)	39.18	39.18	38.80	38.00	37.27	38.67	35.00	37.50
Total Director's Score	374.05	116.85	223.13	227.20	268.02	234.87	226.00	226.00
Total Perfect Score	390.00	120.00	230.00	230.00	280.00	240.00	240.00	240.00
Total Score (%)	95.91	93.67	97.01	98.78	95.72	97.86	94.17	94.17

POLICIES AND PROCEDURES ON RELATED PARTY TRANSACTIONS

PBCOM has business relationships with certain related parties. Transactions with such parties should be made in the ordinary course of business and on substantially the same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions must not involve more than the normal risk of collectability or present other unfavorable conditions.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

It is the policy of the Bank that Related Party Transactions (RPT) between the Bank and related parties are identified and subjected to review and approval to ensure that they are at arm's length, the terms are fair and they will inure to the best interest of the Bank and its depositors, creditors, fiduciary client, and other stakeholders. RPTs shall be disclosed, reviewed and approved in accordance with the Bank's policy consistent with the principles of transparency and fairness and in accordance with applicable law, rules and regulations. The policy requires that any transaction with related parties is made on terms equivalent to those that prevail in an arm's length transaction.

The Bank and its subsidiaries or affiliates shall enter into any RPT solely in the ordinary course of business and on ordinary commercial terms subject to appropriate corporate approvals and actions of the Bank. In addition, the Bank shall exercise appropriate oversight and implement control systems for managing potential exposures brought about by RPTs as these may lead to abuses that are disadvantageous to the Bank and its depositors, creditors and other stakeholders.

The Board of Directors, officers and shareholders shall disclose whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matter affecting the Bank. Directors and officers with interest in the transaction shall abstain from the discussion, approval and management of such transaction or matter affecting the Bank.

The Bank shall at all times observe and adhere with the provisions of all relevant laws, rules and regulations, as may be applicable in the review and approval of RPTs.

The Bank shall at all times observe, uphold and respect the rights of its shareholders, minority and majority alike.

Related Party Transactions Materiality

Materiality Threshold: 10% of the Bank's total assets based on latest audited financial statement. Total asset pertains to total consolidated assets.



Adjusted Materiality Threshold:

TRANSA	CTIONS	THRESHOLD	
	Corporate Loan – Secured	P120.0M	
Condit Francisco /	Corporate Loan – Clean	P 60.0M	
Credit Exposures/ Accommodations/Borrowings	Consumer:		
	Home Loan	P 15.0M	
	Auto/Personal Loan	P 2.5M	
Investments	P240.0M		
Others/Non-Credit Exposures	P 30.0M		
Trust	Follow the same materiality threshold as with the Bank Proper		

In 2020, following are the Material Related Party Transactions endorsed by ExCom, reviewed/vetted by RPT Committee and approved by the Board:

RELATED PARTY	NATURE	TERMS	CONDITIONS	ORIGINAL LOAN GRANTED	OUTSTANDING BALANCE AS OF DEC 31, 2020
QC Styropackaging Corporation Group: • QC Styropackaging Corp • Multiplast Corp	Credit Facility: • Omnibus Line - 60M • Omnibus Line - 80M Total - 140M	a. Clean Ioan line - available via short-term PN up to 180 days; extendable for another 180 days. Full payment upon maturity b. Foreign/Domestic LC/TR Line - available via sight or usance Letters of Credit including DA/DP with drafts not to exceed 360 days. c. TR period of 180 days, inclusive of IB & usance days. TR to be fully paid on the 180th day.	a. Interest based on prevailing market rate collectible monthly in advance or in arrears, repriced monthly. b. LC opening charges/bank commission at 1/32 of 1% for two (2) months. No Marginal Deposits required, SSB allowed. c. For BP line - Acceptance of client's own checks and personal checks of principals representing fund transfer and facilitation of payment.	Q.C. Styropackaging Corp 32.3M Multiplast Corp 50.56M	Q.C. Styropackaging Corp 32.3M Multiplast Corp 50.56M
Rotterham Devt Corp	Credit Facility: • Omnibus Line - 20.8M • Secured Loan Line - 60M Total - 80.8M	Available via Short Term PNs up to 360 days	Interest based on prevailing market to be collected in arrears. Payable and subject to monthly repricing.	9.5M	9.5M

SELF-ASSESSMENT FUNCTION

Audit Function

The Internal Audit Group represents the permanent internal audit function of PBCOM. It reports functionally to the Board's Audit Committee. Internal Audit's coverage and service extends to all business and operating units of the Bank as well as to its subsidiaries and affiliates.

The Internal Audit Group exists to support the Board of Directors and Management in the effective discharge of their responsibilities. It has the authority to audit all parts of the Bank and shall have full and complete access to any of the organization's records, files, data, physical properties, and personnel relevant to the performance of an audit. It primarily follows the International Professional Practices Framework of the Institution of Internal Auditors in the conduct of its internal auditing functions.

A written report will be prepared and issued by the Chief Audit Executive following the conclusion of each audit. Copies of the report will be distributed as appropriate. The concerned line management receiving the report is responsible for ensuring that progress is made toward correcting any issues of findings raised in the audit report. Internal Audit is responsible for determining whether the action taken is adequate to resolve audit findings. If the action is not adequate. Internal Audit will inform Bank

Management of the potential risk and exposure in allowing the unsatisfactory conditions to continue.

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to internal operating controls, accounting policies, financial reporting, information technology security, and auditing and financial reporting practices.

Compliance Function

Compliance function, through the Compliance Management Group, assists management in ensuring observance of applicable provisions in order to identify at an early stage the risk associated with regulations which could harm the Bank's reputation, to avert such risk as far as possible and to guarantee the Bank's irreproachable business conduct.

Compliance function has a formal status within the Bank. It has the right to obtain access to information necessary to carry out its responsibilities, conduct investigations of possible breaches of the compliance policy, and directly report to and have direct access to the Governance Committee and the Board of Directors. Compliance function shall facilitate effective management of compliance risk by:

- Advising the Board of Directors and Senior Management on relevant laws, rules and standards, including keeping them informed on developments in the area;
- Apprising Bank personnel on compliance issues, and acting as a contact point within the Bank for compliance queries from Bank personnel;
- c. Establishing written guidance to staff on the appropriate implementation of laws, rules and standards through policies and

- procedures and other documents such as compliance manuals, internal codes of conduct and practice guidelines;
- d. Identifying, documenting and assessing the compliance risks associated with the Bank's business activities, including new products and business units;
- e. Assessing the appropriateness of the Bank's compliance procedures and guidelines, promptly following up any identified deficiencies, and where necessary, formulating proposals for amendments;
- Monitoring and testing compliance by performing sufficient and representative compliance testing;
- g. Maintaining a constructive working relationship with the BSP and other regulators.



COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

BOARD OF DIRECTORS	ATTENDANCE
Eric O. Recto, Chairman	13/13
Leonardo B. Dayao, Vice-Chairman	12/13
Lucio L. Co, Director & Executive Committee	13/13
Chairman	
Patricia May T. Siy, President & CEO	12/13
Jaime J. Bautista, Director*	7/7
Bunsit Carlos P. Chung, Director	13/13
Susan P. Co, Director	13/13
Jack Ekian T. Huang, Director	13/13
Levi B. Labra, Director	13/13
Ralph C. Nubla, Jr., Director**	2/6
Gregorio T. Yu, Director	13/13
Conrado A. Gloria, Jr., Independent Director	13/13
Jesus S. Jalandoni, Jr., Independent Director 🕆	13/13
Bienvenido E. Laguesma, Independent Director	13/13
Emmanuel Y. Mendoza, Independent Director	11/13
Gilda E. Pico, Independent Director	13/13
* Member effective July 14, 2020	

^{*} Member effective July 14, 2020

^{**} Member up to July 13, 2020

EXECUTIVE COMMITTEE	ATTENDANCE
Lucio L. Co, Chairperson	49/50
Eric O. Recto	46/50
Leonardo B. Dayao	48/50
Patricia May T. Siy	49/50
Jaime J. Bautista*	23/23
Bunsit Carlos G. Chung	49/50
Ralph C. Nubla, Jr.**	14/27

^{*} Member effective July 14, 2020

GOVERNANCE COMMITTEE	ATTENDANCE
Gilda E. Pico, Chairman	12/12
Eric O. Recto	11/12
Leonardo B. Dayao	10/12
Conrado A. Gloria, Jr.	11/12
Bienvenido E. Laguesma	12/12

AUDIT COMMITTEE	ATTENDANCE
Emmanuel Y. Mendoza, Chairman	11/11
Gilda E. Pico	11/11
Levi B. Labra	8/11
Jaime J. Bautista*	6/6
* Effective July 14, 2020	

RISK OVERSIGHT COMMITTEE	ATTENDANCE
Conrado A. Gloria, Jr, Chairman	11/12
Jesus S. Jalandoni, Jr. 🕆	12/12
Bienvenido E. Laguesma	12/12
Patricia May T. Siy	12/12
Levi B. Labra	11/12

TRUST COMMITTEE	ATTENDANCE
Eric O. Recto, Chairman	4/4
Patricia May T. Siy	4/4
Jesus S. Jalandoni, Jr. 🕆	4/4
Jack Ekian T. Huang	3/4
Josephine G. Cervero	4/4

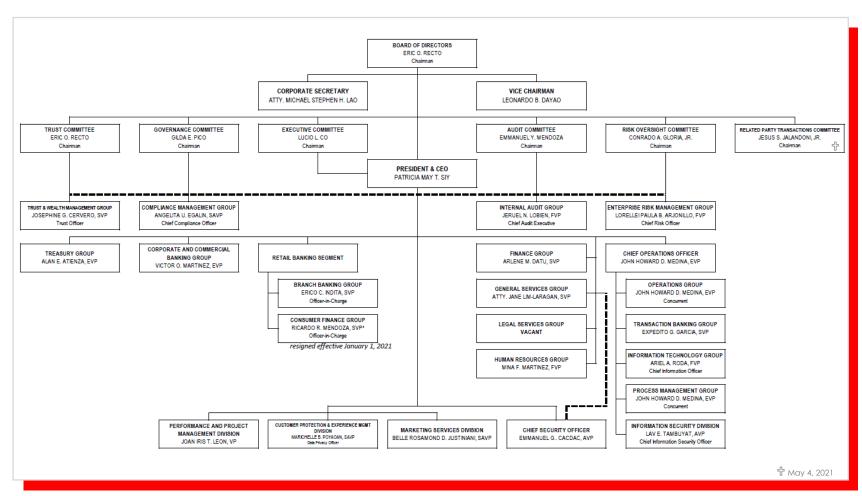
RELATED PARTY TRANSACTIONS COMMITTEE	ATTENDANCE
Jesus S. Jalandoni, Chairman 🕆	4/4
Levi B. Labra	2/4
Gilda E. Pico	4/4
Conrado A. Gloria, Jr.	4/4

[₽] May 4, 2021

^{**} Member up to July 13, 2020

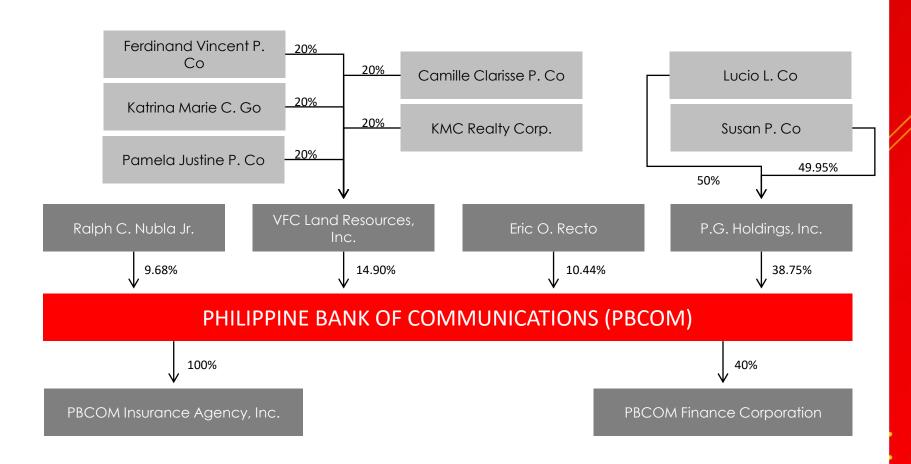
ORGANIZATIONAL STRUCTURE

as of December 31, 2020



CONGLOMERATE MAP

as of December 31, 2020



TOP TWENTY (20) SHAREHOLDERS as of December 31, 2020

		CITIZENSHIP	NO. OF SHARES	%
1	P.G. Holdings, Inc.	Filipino	186,241,408	38.75
2	VFC Land Resources, Inc.	Filipino	71,619,038	14.90
3	Recto, Eric O.	Filipino	49,835,776	10.37
4	PCD Nominee Corporation	Filipino	46,408,997	9.66
	PCD Nominee Corporation	Non-Filipino	1,935,704	0.40
5	Nubla, Jr., Ralph C.	Filipino	46,519,036	9.68
6	Telengtan Brothers & Sons, Inc.	Filipino	31,859,844	6.63
7	Langford Universal Finance Ltd.	BVI	15,263,964	3.18
8	La Suerte Workmen's Compensation Fund	Filipino	7,687,833	1.60
9	DTO CME Holdings Corp. (formerly ISM Communications Corp.)	Filipino	4,806,987	1.00
10	TTC Development Corporation	Filipino	4,181,665	0.87
11	Roxas-Chua, Ray Anthony Go	Filipino	3,070,724	0.64
12.	Cham, Edison Siy	Filipino	1,790,853	0.37
13.	KLG International, Inc.	Filipino	1,790,853	0.37
14.	Yu, Gregorio T.	Filipino	1,432,692	0.30
15	Chungunco, Raymond N.	Filipino	604,011	0.13
16	TFC Holdings, Inc.	Filipino	562,588	0.12
17	Chung, Bunsit G. (a.k.a. Carlos G. Chung)	Filipino	550,716	0.11
18.	Chung, Patricia Regine K.	Filipino	261,294	0.05
19	Chung, Philippe Ryan K.	Filipino	261,294	0.05
20.	Ching, Winnifred	Filipino	187,798	0.04



ENTERPRISE RISK MANAGEMENT FRAMEWORK

OVERALL RISK MANAGEMENT CULTURE and PHILOSOPHY

Enterprise Risk Management (ERM) is the framework of policies, processes, and systems, effected by an entity's Board of Directors, management, and other personnel, applied in strategy setting across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

PBCOM applies risk management across the entire organization — from the Board of Directors, Senior Management, business segments and groups, branches, support units, and to individual employees, as well as in specific functions, programs, projects, and activities.

Implementation of the framework contributes to strengthening management practices, decision making, and resource allocation, and increasing shareholder value; while protecting the interest of its clients, maintaining trust and confidence, and ensuring compliance with regulations.

ERM VISION, MISSION, PHILOSOPHY, AND OBJECTIVES

Vision Statement. To protect and optimize PBCOM's enterprise value through effective risk management.

Mission Statement. To develop risk awareness and a risk/return consciousness in the Bank in order to protect deposits, preserve capital, and ensure adequate return on capital.

Philosophy. PBCOM recognizes that Enterprise Risk Management is fundamental for its safe and sound operation and sustainable growth. It ensures business success through balanced risk and reward, operational excellence, and conformance to the highest ethical standards and regulatory requirements. Enterprise Risk Management in PBCOM is aligned to its business objectives and strategies. It operates at all levels and in all units of PBCOM that continually manage risk in an environment fostered by an appropriate governance structure, a strong "control culture", and a proactive process of identification, understanding, assessment, and mitigation of all its material risks.

Objectives

- Identify, measure, manage, and control risks inherent in PBCOM's activities or embedded in its portfolio.
- Define and disseminate risk management philosophy and policies.
- Assist risk-taking business and operating units in understanding and measuring risk/return profiles.
- Develop a risk management infrastructure that includes policies and procedures, organization, limits and approval authorities, MIS and reporting, systems, and risk models.
- Promote a risk awareness and strong "control culture" in PBCOM.

RISK POLICIES AND FRAMEWORKS

PBCOM Risk and Capital Management is to actively manage its capital base to cover risks inherent in the business and being guided by the:

- Enterprise Risk Management Framework
- Market Risk and Capital Oversight Manual

- Credit Policy Manual
- Operational Risk Management Framework
- Fraud Risk Management Framework
- Crisis Management Framework
- IT Risk Management Framework
- Business Continuity Management Framework
- Information Security Risk Management Framework
- Trust Risk Management Framework
- Consumer Protection Risk Management System (CPRMS)
- Social Media Risk Management Framework

RISK APPETITE STATEMENT AND ARTICULATION FRAMEWORK

PBCOM recognizes that having an appropriate level and quality of capital is necessary for the achievement of its business objectives. The Bank regards capital as the primary defense against any potential losses that may arise from various risks taken in the course of its operations over its strategy for profitability and balance sheet growth. Hence, it is the Bank's view that it should hold capital not merely to meet minimum regulatory requirement, but should maintain capital adequate to cover other material risks that the Bank is exposed to.



The Board of Directors in its meeting in March 2021 reviewed and approved the 2021 risk appetite as endorsed by the Internal Capital Adequacy Assessment Process (ICAAP) Steering Committee and Risk Oversight Committee: Internal Risk Based Capital Adequacy Ratio (RBCAR) limit of 12% and CET 1 limit of 9%.

Any level below the Board-approved RBCAR appetite of 12% and/or CET 1 limit of 9% shall serve as trigger for management and the Board to commence the capital planning process. In the event that the Bank's RBCAR falls below the Board-approved appetite level, management shall evaluate and re-assess the scenario to identify whether this can be attributed to:

- Events related to the execution of strategy which is ideal and valuable to the capital;
- Events related to losses in assets or excessive leverage that do not provide sufficient return in capital (e.g., increase in RWA with minimum in capital)

The management courses of action in the event of exceptions to the risk appetite levels shall likewise be subject for approval of the Board.

To supplement this, the Bank shall have the following alert system:

Status	RBCAR	CET 1
RED	<12%	<9%
ORANGE	>12% up to 13.5%	>9% up to 10.5%
GREEN	Above 13.5%	Above 10.5%

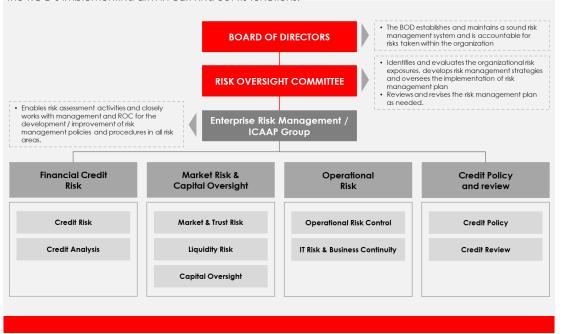
Monitoring of the RBCAR levels against regulatory requirements and the Bank's targets is performed

by ERMG based on RBCAR reports provided by Finance Group. Monitoring results are provided to the Asset and Liability Committee (ALCO), the Risk Oversight Committee (ROC), and the Board at least on a monthly basis. For 2020, the Bank is compliant with prescribed regulatory ratios and Board-approved appetite.

In addition to the Board-approved RBCAR appetite, the Bank's acceptable level of exposure to recognized material risks is also established, with approval by the ROC and the Board, in the form of quantitative and qualitative limits. These limits are aligned with the Bank's capability to manage risk and are anchored to its business plan and financial targets.

RISK GOVERNANCE STRUCTURE AND RISK MANAGEMENT PROCESS

The Risk Oversight Committee (ROC) assists the Board of Directors in the effective discharge of its function in overseeing the enterprise risk management program of the Bank. The ERM/ICAAP Group is the ROC's implementing arm in carrying out its functions.



HIERARCHY OF RISK ACCOUNTABILITY

FIRST LINE: LINE MANAGEMENT	 Self-Assessment & Control – All personnel: Identify, mitigate, and manage risks Comply with policies, standards, and regulations Ensure day-to-day control procedures are in place Undertake tests to ensure controls are followed
SECOND LINE: ENTERPRISE RISK MANAGEMENT / ICAAP GROUP/COMPLIANCE MANAGEMENT GROUP	Sets and Monitors Standards: Establish risk management framework, standards, and policies Validate risk ratings Challenge control levels and action plans
THIRD LINE: INTERNAL AUDIT GROUP	Independent Assurance Review – Internal Auditors Independent assurance review Audit the adequacy of risk assessment and the risk management process

ENTERPRISE RISK MANAGEMENT PROCESS

The Enterprise Risk Management process refers to the systematic application of management policies, procedures, and practices to the activities of identifying, measuring, controlling, monitoring, and reporting risks and controls. To properly identify risks, PBCOM recognizes and understands existing or potential risks that may arise from new business initiatives. Risk identification being employed by the Bank is a continuing process and occurs at both the transaction and portfolio level.

ANTI-MONEY LAUNDERING (AML) GOVERNANCE AND CULTURE

In consonance to the policy of the State:

- To protect and preserve the integrity of the Philippine financial system, including the confidentiality of bank accounts
- To ensure that the Philippines, in general, and the covered persons, in particular, shall not be used as money laundering sites and conduit for the proceeds of unlawful activities
- To protect life, liberty, and property from acts of terrorism and to condemn terrorism and those who support and finance it and reinforce the fight against terrorism by criminalizing the financing of terrorism and related offenses
- To recognize terrorism and terrorist financing as inimical and dangerous to national security and the welfare of the people and make the financing of terrorism a crime against the Filipino people, against

- humanity, and against the law of nations
- To adhere to international commitments to combat financing of terrorism, specifically, the International Convention for the Suppression of the Financing of Terrorism, as well as other binding terrorism related resolutions of the United Nations Security Council
- To enforce effective measures to establish domestic controls to prevent the proliferation of Weapons of Mass Destruction (WMD) and their means of delivery.
- To maintain international peace and security, and promote economic growth by facilitating trade and investment through the responsible management of strategic goods and the provision of related services.

The Bank has adopted the following principles to combat money laundering and terrorist financing:

- PBCOM shall ensure that business is conducted in conformity with high ethical standard in order to protect the safety and soundness as well as the integrity of the national and financial system.
- To ensure that PBCOM's reputation is not compromised, it is the Bank's guiding principle that our employees will not aid or abet money laundering and terrorist financing activities and will protect the integrity and confidentiality of bank accounts.
- PBCOM shall not allow the opening of anonymous accounts, accounts under fictitious names, and all other similar accounts.
- PBCOM shall extend full cooperation with the Anti-Money Laundering Council (AMLC) Secretariat, the Philippine's Financial Intelligence Unit.
- PBCOM shall not allow itself to be used as an intermediary for the deposit, investment, or

- transfer of money derived from unlawful activities.
- Officers and Employees especially frontliners are expected to be conversant with the Anti-Money Laundering and Terrorist Financing rules to provide information and guidance to existing and prospective clients, as part of the Bank's Anti-Money Laundering and Terrorist Financing educational campaign.
- PBCOM shall cooperate fully with the Anti Money Laundering Council (AMLC) and the BSP within limits allowed by law.

Also, the Bank has adopted and implemented a sound AML and terrorist financing risk management system to ensure risks associated with money laundering and terrorist financing such as counterparty, reputational, and compliance risks among others are identified, assessed, monitored, mitigated, and controlled, as well as to ensure effective implementation of these regulations, to the end that PBCOM shall not be used as a vehicle to legitimize proceeds of unlawful activity or to facilitate or finance terrorism.

CAPITAL MANAGEMENT

The Bank adheres to banking laws and regulations issued under the Basel Accords and adopted by the BSP that aim to ensure capital adequacy to support all business risks and apply appropriate risk management techniques in managing and monitoring risks. The Bank through Enterprise Risk Management/ICAAP Group (ERMG) interrelates the capital assessment of each of the categories of risk as described in the succeeding section and ensures inclusion of the following principles as basis in designing the

Bank's framework for capital oversight:

- A process for assessing the overall capital adequacy in relation to the risk profile.
- A strategy for maintaining, at least, the minimum level of regulatory capital.
- A process for reviewing and evaluating internal capital adequacy assessments and strategies.
- A means of ensuring compliance to regulatory capital ratios.

The Bank's Board of Directors is ultimately responsible for ensuring that the Bank maintains an appropriate level and quality of capital commensurate not just with the risks covered by BSP's Risk-Based Capital Adequacy Framework, but also with all other material risks to which it is exposed. Hence, the Bank has in place an ICAAP that takes into account all of these risks. For this purpose, the Bank constituted an ICAAP Steering Committee (ISC), a management level committee to assist the Board of Directors in accomplishing this objective. Furthermore, the capital management processes contain the following features:

- Board and Senior Management Oversight
- Sound capital assessment
- Risk assessment
- Monitoring and reporting
- Internal control

CAPITAL STRUCTURE AND ADEQUACY REPORTING

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank's "qualifying capital" (regulatory net

worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies that may differ from the Philippine Financial Reporting Standards (PFRS) in some respect.

Note 23 of the 2020 Audited Financial Statements contain in greater detail the quality of comprehensive explanations of how ratios involving components of regulatory capital are calculated.

Enterprise Risk
Management is
fundamental to
PBCOM's safe
and sound
operation and
sustainable
growth.

The Bank's RBCAR as reported to BSP as of December 31, 2020 and 2019 are shown in the table below (amounts in PHP millions).

	Consolic	dated	Parent	
CAPITAL RESOURCES	2020	2019	2020	2019
CORE EQUITY - TIER ONE	12,444	11,092	12,444	11,092
Paid-in Common Shares	14,278	14,278	14,278	14,278
Retained Surplus (Deficit)	(1,217)	(2,527)	(1,217)	(2,527)
Accumulated Other Comprehensive Income	6	102	6	102
Less: Regulatory Adjustments to CET-1				
Investments in Subsidiaries	(6)	-	(6)	(6)
Investments in Affiliates	(14)	(20)	(14)	(14)
Intangible Assets	(603)	(667)	(603)	(667)
Defined benefit pension fund assets (liabilities)	-	(74)	-	(74)
ALTERNATIVE TIER ONE CAPITAL				
TIER TWO CAPITAL	2,226	2,255	2,226	2,255
Valuation Increment Reserves on PBCom Tower	1,640	1,625	1,640	1,625
General Loan Loss Provision	586	630	586	630
QUALIFIED CAPITAL	14,670	13,347	14,670	13,347
Tier One	12,444	11,092	12,444	11,092
Core Equity	12,444	11,092	12,444	11,092
Alternative Tier One			-	-
Tier Two	2,226	2,255	2,226	2,255
Risk Weighted Assets	77,754	81,045	77,754	81,047
Credit Risk-Weighted Assets	69,987	72,949	69,987	72,951
Market Risk-Weighted Assets	182	1,266	182	1,266
Operational Risk-Weighted Assets	7,585	6,830	7,585	6,830
Core-Equity, Tier One Ratio (Adjusted CET-1 Capital/Total Risk Weighted Assets)	16.00%	13.69%	16.00%	13.69%
Tier One Ratio (Adjusted Tier One Capital/Total Risk Weighted Assets)	16.00%	13.69%	16.00%	13.69%
Capital Adequacy Ratio (Total Capital/Total Risk Weighted Assets)	18.87%	16.47%	18.87%	16.47%
Capital Conservation Buffer (Excess Adjusted CET-1/Total Risk Weighted Assets)	10.00%	7.69%	10.00%	7.69%

	Consolidated	P	arent	
RECONCILIATION OF REPORTED CAPITAL RESOURCES	2020	2019	2020	2019
PFRS Capital	12,530	11,355	12,530	11,355
Differences in Accounting Principles Recycled to P&L & Retained as Earnings	316	174	316	174
Differences in Comprehensive Income (Loss) on Equity Securities	(4)	4	(4)	4
Differences in Appraisal Increment Reserves	1,640	1,625	1,640	1,625
Differences in Cumulative Translation Adjustment	121	242	121	242
Actuarial loss on Post-Retirement Benefits (PAS 19R)	105	78	105	78
RAP Capital	14,708	13,478	14,708	13,478
General Loan Loss Provision	586	630	586	630
Investment in Subsidiaries and Affiliate	(20)	(20)	(20)	(20)
Intangible Assets and Goodwill	(603)	(667)	(603)	(667)
Defined benefit pension fund assets (liabilities)	-	(74)	-	(74)
Qualified Capital for Minimum Adequacy Compliance under Basel III	14,671	13.347	14.671	13,347

December 31, 2020	Credit Risk		Market	t Risk	Operation	nal Risk
December 31, 2020	Group	Parent	Group	Parent	Group	Parent
On-Balance Sheet	68,605	68,605				
Off-Balance Sheet Commitments to Lend	1,368	1,368				
Counterparty Risk-Weighted Assets in the Banking Book	14	14				
Counterparty Risk-Weighted Assets in the Trading Book						
Interest Rate Risk on the Trading Books			108	108		
Foreign Exchange Risk			74	74		
Basic Indicator Approach					7,585	7,58
Total	69,987	69,987	182	182	7,585	7,585
Capital Requirements	6,999	6,999	18	18	759	759

December 21, 2010	Credit Risk		Market	Risk	Operation	nal Risk
December 31, 2019	Group	Parent	Group	Parent	Group	Parent
On-Balance Sheet	71,419	71,421				
Off-Balance Sheet Commitments to Lend	1,518	1,518				
Counterparty Risk-Weighted Assets in the Banking Book	12	12				
Counterparty Risk-Weighted Assets in the Trading Book						
Interest Rate Risk on the Trading Books			767	767		
Foreign Exchange Risk			499	499		
Basic Indicator Approach					6,830	6,830
Total	72,949	72,951	1,266	1,266	6,830	6,830
Capital Requirements	7,295	7,295	127	127	683	683

The table on the left shows reconciliation between PFRS capital, capital under Philippine Regulatory Accounting Principles, and Qualifying Capital under Basel III (amounts in PHP millions).

CAPITAL REQUIREMENTS BY QUALITY AND BY CLASS OF RISK

Minimum capital requirements of Philippine Banking Regulations for each level of capital are:

- Core Equity Tier One Six percent
- Tier One Capital Seven and a half percent
- Total Capital Ten percent

Minimum capital requirements apply to these three classes of risks that regulators determine as the major components of a bank's risk profile: Credit Risk, Market Risk, Operational Risk. The table below shows the details of risk-weighted assets and capital requirements for the three classes of risk. (amounts in PHP millions)

CAPITAL CONSERVATION BUFFER

Banking regulations recommend that banks accumulate and hold capital resources in addition to minimum requirements. The recommendation places constraints on the ability of a bank to transfer or return capital and encourages banks to accumulate and retain earnings during normal market conditions. This added buffer helps conserve a bank's capital and extends compliance with minimum capital requirements during periods of market-wide shock.

Philippine regulations recommend that banks retain earnings to sustain a buffer that is equivalent to two and a half percent of its risk

weighted assets. This buffer must be in the form of Core-Equity Tier One Capital.

PBCOM carries sufficient capital resources to cover the required buffer. Therefore, the Bank enjoys unrestricted transfer of capital while remaining above compliance.

RISK EXPOSURES AND ASSESSMENTS

CREDIT RISK

Note 5 "Financial Risk Management Objectives and Policies" of the attached 2019 Audited Financial Statements contain in greater detail the quality of comprehensive explanations of how ratios involving components of regulatory capital are calculated.

CREDIT RISK MANAGEMENT PROCESS

Credit risk is the primary financial risk in the banking system and exists in all revenue generating activities. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk arises any time a bank's funds are extended, committed, invested, or exposed through actual or implied contractual agreements resulting from its lending operations, trading of securities, and foreign exchange activities. Capital depletion through loan losses has been the ultimate cause of most institutions' failures.

The Financial Credit Risk Management Division and the Credit Policy and Review Division under are responsible for overseeing the Bank's credit

risk, achieved through various functions embedded within the group. The Bank, in recognition of the importance of identifying and rating credit risk as the initial step towards its effective management, has put in place a comprehensive set of policies and established underwriting processes, as approved by the Board of Directors. Regular analysis of the ability of potential and existing borrowers to meet interest and capital repayment obligations are made, including amendment of lending limits when appropriate. The Bank is thus able to continually manage credit-related risks in its risk asset portfolio through objective assessments/ evaluations of credit proposals prior to presentation to the appropriate approval authorities, ensuring the highest standards of credit due diliaence and independence. The Bank's approval matrix begins at carefully reviewed and selected individual limit delegations, working its way up to the Executive Committee (EXCOM) and the Board of Directors as appropriate.

COLLATERAL AND OTHER CREDIT ENHANCEMENTS

Exposure to credit risk is also managed in part by obtaining collateral and suretyship/guarantees. The amount and type of security required depends on the assessment of the credit risk of the counterparty. In order to minimize credit loss, additional security is sought from the borrower when impairment indicators are observed. The Bank implements guidelines on the acceptability and valuation parameters of specific classes of collateral for credit risk mitigation. The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions: cash or securities;
- For commercial lending: mortgages over real estate properties, machineries, inventory and

- inventory and trade receivables; and
 For retail lending: mortgages over residentia
- For retail lending: mortgages over residential properties and vehicles.

It is the Bank's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general, the Bank does not occupy repossessed properties for business use.

The credit risk management function also involves the identification of inherent risks related to transactions or processes executed with respect to all lending-related activities. In line with this function, the Risk Control Self-Assessment (RCSA) serves as the primary operational risk tool in identifying, assessing, and monitoring the risk profile of the Bank's business units (e.g. lending and support groups).

INTERNAL CREDIT RISK RATING SYSTEM (ICRRS)

Banking regulations mandate the implementation of an Internal Credit Risk Rating System that is consistent with global ratings standards, compliant with Basel II requirements, and appropriate to a bank's nature, complexity, and scale of activities. For purposes of measuring credit risk for every exposure in a consistent and accurate manner to support business and financial decision making, the Bank uses several solutions systems. For corporate and commercial loans, the Bank uses an internal scoring system based on the Bank's portfolio. For consumer loan accounts, the Bank uses a set of Minimum Risk Acceptance Criteria (MRAC) together with data from TransUnion, a trusted provider of information solutions, for assessing and managing risk. The foregoing risk rating systems shall be monitored for their predictive capability and model performance.

MINIMUM CAPITAL REQUIREMENTS TO COVER CREDIT RISK EXPOSURES

PBCOM measures credit risk exposure in terms of regulatory capital requirement using the standardized approach. Under this method, credit exposures are risk-weighted depending on the type of assets the Bank is exposed to.

			C	onsolidate	d		
December 31, 2020				Risk weight			
December 31, 2020	0%	20%	50%	75%	100%	150%	Total
On-Balance Sheet							
Cash and Other Clearing Items	1,956	-					1,956
Due from Bangko Sentral ng Pilipinas	24,502						24,50
Due from Banks		81	3,258		307		3,64
Securities Portfolio (Excluding Trading Books Positions)	2,329	-	5,126		1,228		8,68
Loan Portfolio (Net of Specific Provisions for Loss)	932.25	-	1,830	-	53,671	1,163	57,59
Sales Contracts Receivable					22	33	5
Real & Other Properties Acquired						569	569
Other Assets					5,605		5,60
Off-Balance Sheet Commitments to Lend	11,134	1,280			1,112		13,52
Counterparty Risk-Weighted assets in the Banking book					14		14
Counterparty Risk-Weighted assets in the Trading book							-
Total Credit exposure	40,853	1,362	10,214		61,960	1,765	116,15
Total Risk-Weighted On-Balance Sheet assets	-	16	5,107	-	60,834	2,648	68,60
Total Risk-Weighted Off-Balance Sheet assets	-	256	-	-	1,112	-	1,36
Total Counterparty Risk-Weighted assets in the Banking book	-	-			14	-	1
Total Counterparty Risk-Weighted assets in the Trading book				-			-
Total Credit Risk-Weighted Assets	-	272	5,107		61,960	2,648	69,98

D				Risk weight	Risk weight						
December 31, 2019	0%	20%	50%	75%	100%	150%	Total				
On-Balance Sheet											
Cash and Other Clearing Items	1,771	-					1,77				
Due from Bangko Sentral ng Pilipinas	10,214						10,21				
Due from Banks		25	841		210		1,07				
Securities Portfolio (Excluding Trading Books Positions)	15,523		3,673		3,841		23,03				
Loan Portfolio (Net of Specific Provisions for Loss)	964.73		2,250		55,530	1,011	59,75				
Sales Contracts Receivable					32	61	9				
Real & Other Properties Acquired						519	51				
Other Assets					6,033		6,03				
Off-Balance Sheet Commitments to Lend	9,642	886			1,341		11,86				
Counterparty Risk-Weighted assets in the Banking book					12		1				
Counterparty Risk-Weighted assets in the Trading book							-				
Total Credit exposure	38,114	910	6,764	-	66,998	1,592	114,37				
Total Risk-Weighted On-Balance Sheet assets		5	3,382		65,646	2,387	71,42				
Total Risk-Weighted Off-Balance Sheet assets	-	177	-	-	1,341		1,51				
Total Counterparty Risk-Weighted assets in the Banking book				-	12		1				
Total Counterparty Risk-Weighted assets in the Trading book		-	-	-	-						
Total Credit Risk-Weighted Assets	-	182	3.382		66.998	2.387	72,94				

				Parent					
December 31, 2020	Risk weight								
December 31, 2020	0%	20%	50%	75%	100%	150%	Total		
On-Balance Sheet									
Cash and Other Clearing Items	1,956	-					1,95		
Due from Bangko Sentral ng Pilipinas	24,502						24,50		
Due from Banks		81	3,258		307		3,64		
Securities Portfolio (Excluding Trading Books Positions)	2,329	-	5,126		1,228		8,68		
Loan Portfolio (Net of Specific Provisions for Loss)	932	-	1,830	0	53,671	1,163.41	57,59		
Sales Contracts Receivable					22	33.29			
Real & Other Properties Acquired						568.62	56		
Other Assets					5,605		5,60		
Off-Balance Sheet Commitments to Lend	11,134	1,280			1,112		13,52		
Counterparty Risk-Weighted assets in the Banking book					14				
Counterparty Risk-Weighted assets in the Trading book									
Total Credit exposure	40,853	1,362	10,214	-	61,960	1,765	116,1		
Total Risk-Weighted On-Balance Sheet assets		16.28	5,107.15		60,833.52	2,647.98	68,604.9		
Total Risk-Weighted Off-Balance Sheet assets		256			1,112		1,30		
Total Counterparty Risk-Weighted assets in the Banking book		-	-		14				
Total Counterparty Risk-Weighted assets in the Trading book		-		-					
Total Credit Risk-Weighted Assets		272	5.107		61.960	2.648	69,98		

December 21, 2010			1	Risk weight			
December 31, 2019	0%	20%	50%	75%	100%	150%	Total
On-Balance Sheet							
Cash and Other Clearing Items	1,771	-					1,771
Due from Bangko Sentral ng Pilipinas	10,214						10,214
Due from Banks		25	841		210		1,076
Securities Portfolio (Excluding Trading Books Positions)	15,523		3,673		3,841		23,037
Loan Portfolio (Net of Specific Provisions for Loss)	965		2,250	-	55,530	1,011	59,756
Sales Contracts Receivable					32	61	93
Real & Other Properties Acquired						519	519
Other Assets					6,034		6,034
Off-Balance Sheet Commitments to Lend	9,642	886			1,341		11,868
Counterparty Risk-Weighted assets in the Banking book					12		12
Counterparty Risk-Weighted assets in the Trading book							
Total Credit exposure	38,114	910	6,764	-	66,999	1,592	114,379
Total Risk-Weighted On-Balance Sheet assets		5	3,382		65,647	2,387	71,421
Total Risk-Weighted Off-Balance Sheet assets		177		-	1,341		1,518
Total Counterparty Risk-Weighted assets in the Banking book				-	12		12
Total Counterparty Risk-Weighted assets in the Trading book				-		-	-
Total Credit Risk-Weighted Assets		182	3.382		66.999	2,387	72,951

The capital requirement under the RBCAR framework at 10% of the amount of Credit Risk Weighted Assets as of December 2020 is more than sufficient to cover the amount of internal capital requirement as assessed by the Parent Bank to cover Credit Risk.

MARKET RISK

Market risk is the risk of loss with respect to future earnings, fair value, or future cash flows, which may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices, and other market conditions. Discussed in this section is an overall description of the Bank's market risk management system in addition to the information contained in Note 5 "Financial Risk Management Objectives and Policies" of the attached 2020 Audited Financial Statements that describe in greater detail the qualitative and quantitative information on market risk.

MANAGING MARKET RISK IN THE TRADING BOOK

The trading business of the Bank centers on exposures to interest rates from the portfolio of debt securities and from the currency mismatches on and off the balance sheet. Market risk in the trading book proceeds from the potential impact of adverse movements in market conditions either eroding asset values or increasing liabilities resulting in financial losses.

These principally include:

- Changes in prevailing interest rates eroding the values of securities and foreign exchange contracts; and
- Changes in prices affecting the values of positions in foreign currency.

Management of market risk in the trading book begins at the level of the portfolio managers in Treasury that execute trading strategies. The portfolio managers are responsible for the results of their execution, including financial performance, adherence to limits, and compliance with regulation. The Treasurer discusses the condition and performance of trading books exposures at the meetings of the Bank's ALCO.

Risk control functions ensure that the exposures taken on the trading books remain consistent with those approved by and acceptable to the Board of Directors.

- The Enterprise Risk Management function sets the risk framework and conducts an independent revaluation of all risk exposures to ensure adherence to the limits approved by the Board. They report their findings in each of the monthly meetings of the Board's Risk Oversight Committee.
- Financial control and operations ensure that all exposures are recognized, reported and re-measured according to proper financial reporting standards. The Chief Executive Officer reports the financial condition and performance to Senior Management and the Board of Directors.

 Compliance ensures that both risk-taking and risk management actions remain consistent with the requirements of regulations. They report any issues to the Board's Corporate Governance Committee.

The Internal Audit (IA) function conducts reviews of the effectiveness of the governance and risk infrastructure supporting the trading business and recommends solutions to further strengthen the ability of the whole business to properly achieve its objectives. Independent reviews of the market risk measurement system also cover assessments of the assumptions, parameters, and methodologies used. IA reports their findings to the Board's Audit Committee.

MARKET RISK MEASUREMENT AND REPORTING

The following are the market risk measurement tools and reports that are regularly provided by ERMG to ALCO and to the Risk Oversight Committee:

- Value-at-Risk of FVPL and FVOCI Debt Securities being managed at fair market value and the Bank's Foreign Currency (FX) Net Open Position
- Market Stress Testing for the FVPL and FVOCI bonds and FX Net Open Position
- Market Risk Assessment Report that summarizes the overall market risk assessment using a five-point rating scale ("1" being the High Risk and "5" being Low Risk) based on the individual risk assessment in each of the market risk factors / areas and its corresponding weights

MINIMUM CAPITAL REQUIREMENTS TO COVER MARKET RISK

PBCOM computes for capital requirements to cover market risk exposures using Standardized Approach for each market risk exposure. The table provided in the Capital Requirements by quality and by class of risk in the previous section shows the details in different market risk-weighted assets using the standardized approach and its equivalent capital requirements in accordance with BSP Circular No. 538.

The Bank assessed an additional P379 million market risk weighted assets in its Internal Model used in the 2020 ICAAP. The Internal Model used in the ICAAP involves subjecting the Value at Risk (VaR) to a multiplication factor corresponding to the number of back testing exceptions for the past 250 trading days in order to compute for market risk capital charge.

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

This section is an abridged description of the Bank's risk management system for IRRBB in addition to the information contained in Note 5 "Financial Risk Management Objectives and Policies" of the attached 2020 Audited Financial Statements that describe in greater detail the qualitative and quantitative information on IRRBB.

MANAGING IRRBB

The core business of the Bank is to source funding

and extend credit. Exposures in the banking book arise from mismatches in the structure of its transactions that result in assets and liabilities re-pricing at differing times.

The risks in the banking book originate from the structure of both the balance sheet and other obligations to pay and are affected by changes in market conditions. Risks from exposures may include:

- Spread compression risk when assets and liabilities re-price at different times leading either to the yield of assets dropping or the cost of liabilities rising resulting in compression of interest rate spreads.
- Yield-curve risks where sudden changes in the relative spreads between short-term and longterm interest rates may erode the profitability of the funding strategies of the Bank.
- Basis risks where the re-pricing characteristics of assets and liabilities do not perfectly correlate resulting in adverse changes to interest spreads.
- Foreign exchange risk that occurs when adverse changes in exchange rates erode the Philippine Peso value of interest income in foreign currency generated by the Bank.
- Price risk when adverse changes in interest rates erode the values of marketable securities resulting in the total return on the investment (interest plus fair value gain) falling below the cost of the funds dedicated.

PBCOM structures its balance sheet and prices its funds to maximize the interest rate spreads between assets and liabilities. The structure of the balance sheet and the pricing of funds form part

of the regular discussions at the meetings of the Bank's Asset and Liability Committee.

Risk control functions ensure that the exposures taken on the banking books remain consistent with those approved by and acceptable to the Board of Directors.

- The Enterprise Risk Management function sets the risk framework and conducts an independent measurement of all risk exposures to ensure adherence to the limits approved by the Board.
- Financial control and operations ensure that all exposures are recognized, reported, and re-measured according to proper financial reporting standards.
- Compliance ensures that both risk taking and risk management remains consistent with the requirements of regulation.

The Internal Audit function conducts reviews of the effectiveness of the governance and risk infrastructure supporting the business and recommends solutions to further strengthen the ability of the whole business to properly achieve its objectives.

IRRBB MEASUREMENT FRAMEWORK

The Bank's management of IRRBB centers on interest rate re-pricing gap reports. The Enterprise Risk Management function prepares these reports, one per currency, reflecting the interest rate sensitive assets and liabilities of the Bank in each of a series of time bands that begin at one month and stretch out to non-rate sensitive. The

assumptions used to position the assets and liabilities in the time band are:

- Actual or contractual maturity when there is a definite schedule in payment of interest and principal where the stipulated interest will not change through maturity.
- Re-pricing date when there is a definite schedule in payment of interest and principal where the stipulated interest is subject to periodic re-price or change.
- Behavioral when there is no specified timing of payment. Designation of time bands depends on the earliest time the interest could possibly change.

The Bank measures risk exposure to IRRBB using the following models:

- Earnings-at-Risk (EAR) is an earnings perspective risk measurement model. The focus of EAR is to quantify the impact of changes in interest rates on accrual or reported net interest income over a running 12-month period. Variation in earnings is an important focal point as reduction in earnings or outright losses can threaten the Bank's financial stability by undermining its capital adequacy, shaking market confidence, and weakening liquidity.
- Economic Value of Equity (EVE) is a financial measure of the value of the bank's equity reflected as the difference between the weighted duration of the bank's assets and the weighted duration of the Bank's liabilities. The resulting measure reflects how changes in interest rates will affect the value of the Bank's equity.

The Bank determined its exposures to be as follows:

ASSET-LIABILITY GAP POSITION

(amounts in millions PHP)

December 31, 2020	≤1 month	1 - 3 months	3 - 12 months	1 - 3 years	3 - 5 years	5 - 15 years	> 15 years	Total
Total Assets	60,938.46	7,960.33	2,417.50	1,066.71	4,004.85	5,751.00	693.57	82,832.43
Total Liabilities	22,483.21	13,534.35	4,187.11	1,446.07	3,770.59	31.75	-	45,453.09
Re-pricing Gap	38,455.25	(5,574.02)	(1,769.61)	(379.37)	234.26	5,719.25	693.57	37,379.33

December 31, 2019	≤1 month	1 - 3 months	3 - 12 months	1 - 3 years	3 - 5 years	5 - 15 years	> 15 years	Total
Total Assets	47,010.81	7,568.87	3,589.51	4,513.63	3,538.83	10,509.88	5,770.59	82,502.11
Total Liabilities	33,074.15	11,089.23	3,835.68	1,273.33	3,263.82	25.78	-	52,561.98
Re-pricing Gap	13,936.66	(3,520.36)	(246.17)	3,240.30	275.01	10,484.10	5,770.59	29,940.13

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities. During a period of rising interest rates, a negative gap entails higher interest expense than interest income. On the other hand, during a period of falling interest rates, a negative gap entails lower interest expense than interest income.

EARNINGS-AT-RISK AND ECONOMIC VALUE OF EQUITY STRESS TESTING

The Bank also employs stress testing particular to market risk on the banking books and relates the result to the capital and to current and target net interest income to assess the impact of changes in net interest income on the ability of the Bank to sustain both profitability and adequate capital cover.

Impact amounts in millions and	202	0	2019		
in PHP for RBU and in US\$ for FCDU	RBU	FCDU	RBU	FCDU	
Earnings at Risk					
at +200 bps	600.16	0.64	205.67	0.02	
at +300 bps	900.24	0.96	308.51	0.03	
at +400 bps	1,200.32	1.28	411.34	0.04	
at +500 bps	1,500.40	1.60	514.18	0.05	
at +600 bps	1,800.48	1.92	617.02	0.05	
EVE Sensitivity					
at +200 bps	(734.63)	(4.47)	(3,192.29)	(4.40)	
at +300 bps	(1,101.95)	(6.71)	(4,788.44)	(6.60)	
at +400 bps	(1,469.26)	(8.95)	(6,384.58)	(8.80)	
at +500 bps	(1,836.58)	(11.18)	(7,980.73)	(11.00)	
at +600 bps	(2,203.89)	(13.42)	(9,576.87)	(13.20)	

LIQUIDITY RISK

This section is an abridged description of the Bank's risk management system for liquidity risk in addition to the information contained in Note 5 "Financial Risk Management Objectives and Policies" of the attached 2020 Audited Financial Statements that describe in greater detail the qualitative and quantitative information on liquidity risk.

MANAGING LIQUIDITY RISK

Liquidity risk or funding management risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity daily.

This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required. In addition, the Bank makes use of Liquidity Gap Reports in analyzing its liquidity position where the difference between the Bank's maturing assets and liabilities is captured. A Maximum Cumulative Outflow limit is likewise established to control the liquidity gap for each currency. The ALCO meets on a weekly basis to discuss among others the liquidity state of the Bank.

The Bank maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flows. The Bank also has committed lines of credit that it can access to meet liquidity needs. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and the Bank in particular.

In managing liquidity risk, the Bank maintains substantial holdings of High Quality Liquid Assets (HQLA) which can easily be converted to cash.

LIQUIDITY RISK MEASUREMENT AND REPORTING

The Bank employs liquidity ratios, liquidity stress testing, liquidity gapping report, liquidity funding concentration, and Maximum Cumulative Outflow (MCO) limit to manage liquidity risk. Market stress testing results are also applied to the Liquidity Gap report to measure impact on future cash flows. The Bank also uses Liquidity Risk Assessment Matrix to assess the overall liquidity risk profile of the Bank.

The Bank has developed its Sustainability
Framework Transition Roadmap that was
approved by the Board of Directors. This
roadmap delineates the schedule of activities
that the Bank will be undertaking within 3 years to
integrate fully the sustainability principles into its
Corporate Governance Framework, Risk
Management System, and Strategic Objectives.
The activities include:

- Formulating Strategic Objectives and Risk Appetites
- Setting of database to easily identify high risk industries or sectors
- Setting up of Environment and Social Risk Management System (ESRMS)

The Bank's existing products and processes will be aligned with the established policies and procedures to incorporate sustainability principles. For credit granting, this includes implementation of Environment and Social Risk (E&S Risks) evaluation in the credit process and formulation of new, or enhancement of existing products, to adhere to sustainability principles and objectives. Other sustainability initiatives shall likewise be integrated in the Bank's operational process moving forward.

OPERATIONAL RISK

MANAGING OPERATIONAL RISK

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes,

people and systems, or from external events. It includes legal risk and people risk but excludes strategic and reputational risk. The primary tool in managing operational risk is an effective system of internal controls effected by the Board and participated by each employee of the Bank. The Bank's Operational Risk Management Framework was updated to comply with the requirements of BSP Circular 900 re: Guidelines on Operational Risk Management. The framework, which provides for a strengthened foundation and guidance on how PBCOM should effectively manage its operational risks, is periodically reviewed by the Board of Directors to ensure that operational risk management policies, processes, and systems are implemented effectively at all decision levels.

The Bank has implemented a robust operational risk management system in each operating unit of the Bank. The Bank's operational risk management tools include the Risk Control Self-Assessment (RCSA), Key Risk Indicators (KRI), incident reports, and the internal operational loss database, results of which are periodically reported by the Operational Risk Management Division (ORMD) to the ROC. ORMD likewise ensures that other operational risk reports such as Profile of Complaints, Legal Case Profile, Bank Security Assessments, and Vendor Performance Evaluation Results are assessed and reported by the concerned banking units to the ROC on a periodic basis. Moreover, a system for reporting of operational crimes and losses, and policies on whistleblowing and handling administrative cases are in place.

To instill risk awareness and an operational risk control environment, the Bank's ERMG and Compliance Management Group (CMG) conduct regular in-house seminars and trainings, like the orientation for newly hired employees with presentations focusing on risk management and regulatory compliance. Both groups continuously develop and implement risk management and compliance policies, while holding interactive meetings with operating units to address risk issues and implement process enhancements. The Bank has a Computer-Based Training project that enables training content more readily available and accessible, providing training and tests statistics, analytics, and a database for employees' educational achievements.

TECHNOLOGY RISK MANAGEMENT

The Bank's Technology Risk Management Framework provides a foundation and guidance on how the Bank should effectively manage emerging technology risks. The IT Risk Management Unit (ITRMU) under the ERMG regularly updates the framework by incorporating the existing BSP regulatory requirements. It considers that strategic, operational, compliance, and reputational risks are periodically reviewed and updated to ensure that all risks in the Bank's technology-enabled products, services, delivery channels, and processes are effectively managed and that any gaps are regularly monitored and addressed.

A comprehensive risk assessment and profiling methodology for both IT functions and application systems are in place. Risk identification and assessments over project management were enhanced from project initiation to implementation. Control validation process was incorporated in technology risk assessments to ensure the effectiveness of established risk mitigation strategies. Corrective action plans are periodically monitored and reported by ITRMU to ensure that risk issues are timely addressed and proactively managed. The Bank's risk management team continues to play an active role in providing risk insights and assessments during the launch of new products, technologies, and services, development of risk management policies, and imbibing a culture of risk awareness in the organization through the conduct of trainings and seminars to Bank employees.

BUSINESS CONTINUITY MANAGEMENT

The Bank has a Business Continuity Management Framework that guides for continuous operations in the event of any disruptions. The framework specifies proactive mechanisms designed to prevent interruptions to critical business functions and improve the Bank's resiliency. The Business Continuity Risk Management Unit under the ERMG follows a robust business continuity planning process that involves conducting of a business impact analysis/risk assessment, periodic review and updating of business continuity plans, and the conduct of BCP test exercises and corresponding evaluation.

Crisis Management and Emergency Preparedness, Pandemic, Cyber Resiliency, and Bankwide Business Continuity Plans are in place. These documents detail the step-by-step procedures to be taken to respond to the threat or impact of a crisis and how the Bank will respond to emergencies to protect life, property, and environment, addressed in a timely manner.

LEGAL RISK MANAGEMENT

Legal risk is the risk of financial loss due to nonexistent, incomplete, incorrect, and unenforceable documentation used by the Bank to protect and enforce its rights under contracts and obligations. It includes the kind of conduct that can lead to unspecified erosion in the Bank's value as an institution. Closely related to legal risk are fiduciary and reputational risk.

Legal Risk Management is the process of establishing and maintaining procedures for identifying and avoiding the consequences of legal risks. The Bank believes that failure to manage legal risks effectively can result in litigation, civil, and/or criminal sanctions that impact its reputation. To ensure consistent management of legal risk, the Bank's Legal Services Group (LSG) maintains and regularly updates the Bank's Legal Risk Management Manual, which applies to all employees and all branches and units of the Bank. LSG also covers regular review of the status of cases, assessing potential outcomes, and reports the same to the Risk Oversight Committee on a periodic basis.

MINIMUM CAPITAL REQUIREMENTS TO COVER OPERATIONAL RISK EXPOSURES

PBCOM computes for capital requirements to cover operational risk exposures using the Basic Indicator Approach. Under this approach to operational risk, banks must maintain 15% of average positive gross income over the previous three years as capital buffer for losses due to operations. Philippine Banking Regulations apply a capital coverage requirement that is 1.25 times higher than other regulators resulting in Philippine banks having to carry 18.75% of previous 3 years as capital buffer for losses due to operations. The equivalent risk weighted asset is ten times the capital charge. The Bank uses the Basic Indicator Approach in computing Operational Risk in accordance with BSP Circular No. 538 (amounts in millions):

	2020	2019
Average Gross Income (Previous 3 Years)	4,045	3,643
Capital Charge (Average Gross Income times 18.75% ^(a))	758	683
Risk Weighted Asset (Capital Charge times 10)	7,585	6,830
(a) Faujvalent to adjusted capital charge of	15% of 125% to b	e

(a) Equivalent to adjusted capital charge of 15% of 125% to be consistent with required minimum Capital Adequacy Ratio of 10%

Capital requirement under the RBCAR framework as of December 2020 is more than sufficient to cover the amount of internal capital requirement by the Parent Bank to cover operational risk.

INFORMATION SECURITY, CYBERSECURITY AND PRIVACY RISKS

INFORMATION SECURITY MANAGEMENT

PBCOM has built its Information Security Division (ISD) based on the provision of BSP Circular 982 – Enhanced Guidelines on Information Security Management which imposes specific technical safeguards as well as governance, risk assessment, monitoring and testing, reporting and other requirements. PBCOM Information Security Management Systems, Framework, Practices, and Standards have also been created and referenced their contents globally accepted frameworks, standards and good practices such as ISO/IEC 27002 and 27001: National Institute of Standards and Technology (NIST) Special Publications regarding information and cyber security; and Control Objectives for Information and Related Technology(COBIT) Framework for Information Security.

The Bank is committed to continuously enhance its internal processes and implement robust security measures (technical, administrative and physical controls) to protect/safeguard the Bank's information assets. PBCOM consistently monitors, develops and improves its information technology networks and security infrastructure to prevent, deter, detect and timely mitigate risks of

security threats to Bank's information and information systems/resources. This year 2020, amidst the uncertainty and increasing security

threats and attacks brought about by the COVID-19 global pandemic, PBCOM continuously evaluates and enhances its systems and processes for effective and efficient interaction with customers, partners, affiliates and employees.

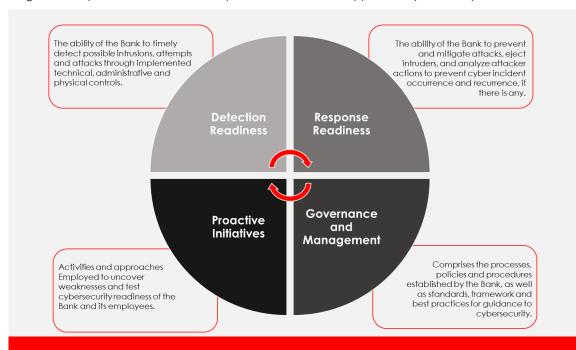
Cybersecurity risk is an important, constant, and evolving focus of PBCOM. Despite the increased sophistication and frequency of cyber security threats and attacks, PBCOM Information Security Division (ISD) continues to develop and employ additional preventative measures to continually challenge the Bank's defenses and controls against cyber-attacks and ensure adequate protection of the Bank's information and information assets that matter to their customers. The Bank recognizes the need to institute a cybersecurity culture within PBCOM; thus, constantly promote security awareness to their people and customers.

CYBERSECURITY RISK MANAGEMENT

It was a challenging year for PBCOM to maintain a strong cybersecurity posture with all the events threats, attacks, and associated security risks exposures that happened across the globe in 2020. Aside from the fact that it had faced unanticipated challenges, new concerns, and constant adjustments forced by the global COVID-19 pandemic; the Bank was also compelled to rethink the ways in which employees work (e.g., work from home/anywhere arrangement, day-to-day activities to an online environment, etc.). These changes presented a prime opportunity to highlight the criticality of cybersecurity and reexamine approaches to cybersecurity readiness of the Bank, its employees and customers.

While the cybersecurity preparedness and readiness of PBCOM continues to improve, the Bank continues to be vulnerable because cyber threats are constantly evolving in sophistication and remains fluid. It is said that prevention is better than cure and although the BSP requirement on Security Operations Center (SOC) is yet to be mandatory for PBCOM, the Bank has initialized and is already taking steps to prepare for this SOC set-up. SOC is responsible for the 24x7 continuous, round-the-clock security monitorina and real-time analysis of security incidents and cyber-related events. This will not only further improve cybersecurity readiness and preparedness, but it will also provide strong cybersecurity posture of the Bank.

Figure below presented the 4 main components of the Bank's key pillars to cybersecurity readiness:



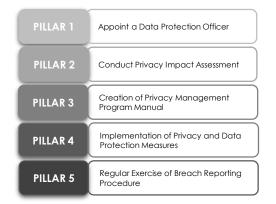
DATA PRIVACY MANAGEMENT

PBCOM cares about the protection of personal identifiable and/or sensitive information provided by customers and/or clients, thus, shall always abide to the minimum regulatory and statutory requirements. PBCOM built its privacy risk management system based on the provisions of Republic Act 10173 – Data Privacy Act of 2012, its Implementing Rules and Regulations (IRR), National Privacy Commission (NPC) issuances, and other related laws.

Privacy risk is defined as a potential loss of control over personal identifiable and/or sensitive personal information. With the emerging threats on data privacy, the Bank had instituted control measures to efficiently manage the risk to an acceptable level.

PBCOM, through the designated Data Protection Officer (DPO), manages the risk related to data privacy by adhering to the five (5) pillars of compliance as mandated by the NPC, at the minimum.

The Bank's compliance to data privacy is reported to the Board of Directors (BOD), through the ROC, on a quarterly basis or as deemed necessary.



REPUTATIONAL RISK

Reputational risk is the risk from current and prospective impact on earnings or capital arising from negative public opinion. This affects the Bank's ability to establish new relationships or services or continue servicing existing relationships.

Reputational risk in relation to the Bank's Risk Assessment & Prioritization Guidelines is brokendown to 2 risk names:

- Risk Related to Customer Complaint. It is based on documented reports from clients about problems with a product or service that may lead to varying degrees of negative public opinion against the organization.
- Risk Related to Negative Public Opinion and Credibility. It refers to incidents of negative public opinion or issues on credibility adversely affecting the ability to establish new relationships or services or continue servicing existing relationships.

INTERNAL CAPITAL RISK ASSESSMENT

The Reputation risk capital charge is qualitatively determined considering evaluations performed from tools or conclusions derived from reports that are available to the Bank. In assessing reputational risk to capital, the Bank uses the results of and conclusions arrived from the following risk tools and assessment reports:

- Media Value Analysis
- Bank-wide Profile of Complaints
- Analysis of Bank-wide RCSA
- Effect of unfavorable media content
- Bank-wide Service Metrics

STRATEGIC RISK

Strategic Risk is the risk from current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. This risk is a function of the compatibility of the Bank's

strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation.

Strategic Risk in relation to the Bank's Risk Assessment and Prioritization Guidelines is brokendown to 3 risk names:

- Risk Related to Competition is the failure of the Bank to cope with competitors' strategies & products resulting to decline in market share and possible losses.
- Risk Related to Strategy Implementation is the failure to develop, utilize, and integrate organizational structure, control systems, and culture to follow and monitor strategies that lead to competitive advantage and better performance.
- 3. Risk Related to Earnings Performance is the

deficiency in earnings as noted between actual and target figures.

INTERNAL CAPITAL RISK ASSESSMENT

Internal capital requirement for strategic risk is equivalent to the present value of the amount of the expected growth in capital that does not materialize due to the inability of executing the Board-approved business plan discounted at the prevailing Weighted Average Cost of Capital (WACC) of the Bank. In assessing Strategic Risk to capital, the Bank also uses the results of and conclusions arrived from the following risk tools and assessment reports:

- Actual Financial Performance and Business Plan Review
- Analysis of Bankwide Risk Aggregation and Prioritization related to Strategic Risks





CONSUMER PROTECTION

PBCOM is dedicated to providing our customers with excellent customer experience. With responsiveness as one of the organization's core values, we take pride in the level of service that our employees provide to both our internal and external customers. We make sure that the voice of our customer is heard through the various programs and plans that we implement which, in turn, helps us understand the ever changing needs and demands of the times.

PBCOM provides "an enabling environment that protects the interest of financial consumers and institutionalizes the responsibilities of all stakeholders". We are committed to protecting the interest of our financial customers, ensuring that they are secure during their entire relationship with the Bank.

We continue to adhere to the provisions of BSP Circular 1048 on Consumer Protection and have been consistent in complying with its requirements. We have established a Customer Assistance Office which is dedicated to assist clients with their concerns.

The Customer Protection and Experience Management Team ensures that the Bank is compliant with the standards of conduct and regulations in protecting not only the customer but their data and personal information as well. The team is constantly working on reviewing and improving the Bank's programs for financial education, fair treatment, customer handling, data protection and risk management. PBCOM's Board of Directors is also involved in the approval of the Bank's risk assessment strategies, review of policies and procedures, oversight of the implementation of consumer and

data protection strategies and ensuring compliance and performance of the Senior Management in managing the day-to-day consumer and data protection strategies.

The Senior Management team is responsible for the implementation of the consumer and data protection policies approved by the Board. They also manage the day-to-day consumer and data protection activities of the Bank. Everyone in PBCOM acknowledges and recognizes the importance of protecting our customers and has a common objective: to deliver an excellent customer experience.

CUSTOMER SATISFACTION

In order to fully recognize our customers' needs in terms of service, it is vital to listen and understand our customer feedback. With this in mind, the bank has established a full Voice of Customer (VOC) program. Currently, customer feedback is obtained through different survey methods like SMS messages, emails, and phone surveys. As part of the sustainability plan, we are also poised to do focus group discussions, in-app feedback solicitation, and one-on-one correspondence to further get our customers' sentiments.

With the primary aim of improving the overall customer experience, PBCOM monitors and measures 3 important metrics, namely, Customer Satisfaction Score (CSAT), Net Promoter Score (NPS), and Customer Effort Score (CES).

CSAT focuses on customers' service satisfaction particularly from the branch, which comprises a majority of the interaction of external stakeholders with the Bank. We have also deployed other platforms for the different business units.

The Bank also assesses the likelihood of our customers promoting and becoming advocates through the NPS survey.

Equally important for us is to know how much effort our customers put in doing their banking transactions though the CES survey. Our aim is to make it as easy and convenient for them.

The results of these feedback mechanisms are presented to the Senior Management and are used to assess and determine which processes and systems would take priority in terms of resource allocation and overall improvements. The ultimate objective is to further develop the ways by which the Bank delivers products and services to our customers, giving them a seamless and hassle-free customer experience.



2020 VOC results indicate that the Bank's effort at improving customer service is successful especially because high service satisfaction directly translates to an increase in brand advocates. Customer effort score remains at a high level with an average of 90%, which is a further indication of effective improvements in process and service delivery.

Qualitative feedback derived from these surveys have shown that customers prefer to have alternative channels not only to raise their inquiries and requests but to learn more about the products and services of the Bank. They expect ready access to information enabling them to easily perform their financial transactions.

With these, PBCOM has started fully utilizing non-voice channels such as SMS, live chat, in-app and email platforms to promote awareness on products and services and address customer inquiries and requests in the digital space. Likewise, PBCOM continues to cater to the customer segment who prefer face-to-face transactions, through continuous technical, product and service capability programs for frontliners.

COMPLAINTS HANDLING

The Bank puts significant importance in resolving the complaints that we receive through various channels as we consider these feedback as further ways to improve our service. We ensure that these complaints are resolved strictly within the service level agreement (SLA) and turnaround time set by the BSP, and aligned with the Bank's Consumer Protection Framework.

Our Consumer Assistance Office under the Customer Protection and Experience Management Division, which reports directly to the President and CEO, stringently ensures that customer concerns and issues are handled properly and within the standards set by BSP and the Bank. Proper coordination then takes place among PBCOM branches, customer care, business units involved, and Customer Assistance Office in order to ensure prompt and efficient handling of each of the concerns raised.

The team has constantly been exceeding the set SLA target of 95% for the past years. These complaints are categorized according to relevance and type, of which, those that are controllable on the Bank's end are consistently monitored and assessed in order to decrease year-on-year. This decrease is a result that proves improvements in processes and systems are effective and successful.

COMPLAINTS HANDLING METRICS	2020	2019	2018
SLA Achievement – complaints addressed within SLA	99.04%	99.76%	99.45%

PBCOM provides its customers with accessible and efficient means to communicate their inquiries, requests, concerns and feedback. Each feedback that we receive is treated as an opportunity for the Bank to evaluate and improve its services and provide an excellent banking experience to our customers.

PBCOM customers may communicate concerns through different channels, namely: (1) phone call, (2) email, (3) social media sites, (4) corporate website, (5) branches, (6) SMS, (7) chat thru live chat or chatbot, and (8) mobile app thru the in-app inbox. All concerns reported through these channels are documented and handled in compliance with existing Bank and BSP-prescribed guidelines. The nature, profile and

details of these concerns are then reported to the Board of Directors on a quarterly basis through the Risk Oversight Committee.

The Bank has implemented a centralized Feedback and Complaint Management System thru a ticketing system which efficiently logs and monitors customer concerns. With the system's periodic and thorough customer service reports, the Bank gains valuable insight with which we refine and improve the "overall customer experience".

SECURITY AND FRAUD PREVENTION

PBCOM ensures that there are control systems for customers to have secure and consistent banking transactions, whether through the branches or through digital channels. This is to safeguard the Bank's customers from security threats such as financial and personal identity theft:

- Regular physical checks of PBCOM ATMs are done to minimize the risk of card data skimmina
- Stringent security and control systems are implemented to protect the Bank's customers from thefts and security threats
- Continuous issuance of warnings and advisories on information security threats provide the public with practical and useful guides on how to protect themselves against such threats

PBCOM also enhanced the verification process across various channels to protect our customers from theft of personal information. The Bank added several layers of positive identification measures before assisting customers with their banking transactions.

With all these measures in place, the Bank provides a safe and secure environment



providing protection not only to our own network and resources, but ultimately, to our valued customers.

DATA PRIVACY

Protection of customer privacy is recognized as an essential factor for the Bank's service standards. There is close coordination among our Chief Information Security Officer (CISO), Chief Information Officer (CIO), Chief Risk Officer (CRO) and the Legal Team, whereby PBCOM strictly monitors privacy protection for all our customers, employees and stakeholders according to the Data Privacy Act and its Implementing Rules and Regulations. Due to the vigilant monitoring and security measures that we put in place, there were no customer complaints received concerning breach or protection of personal information.

Continued collaboration with different units from the Bank is done on a regular basis to further strengthen our organizational, technical and physical security measures. We see this as essential to excellent customer service as we always put our customers at the center of all banking relationship and business decisions. This is to ensure that in PBCOM we protect any personal information that we collect, process and store.

PBCOM practices data protection beyond just obtaining consent from our customers. Organizational, technical, and physical security measures are in place and compliant to NPC's regulations to ensure that our customers are protected from unauthorized disclosure and processing of their personal information. Major data privacy milestones include:

On February 07, 2019, NPC thru their Compliance and Monitoring Division, confirmed that the Bank has duly complied with the registration requirements of the Data Privacy Act of 2012, its IRR, and all related issuances.

PBCOM, through the designated Data Protection Officer (DPO), manages the risk related to data privacy by adhering to the five (5) pillars of compliance as mandated by the NPC. This includes the Board approved Data Privacy Manual and Privacy Policy.

The Bank ensures that the employees are fully aware of the provisions of the Data Privacy Act, and, in this connection, their rights and responsibilities as both data subjects and data processors. Ongoing data privacy training programs were launched through both computer-based and face-to-face trainings for all bank personnel. In fact, 100% of PBCOM employees have undergone the training course on data privacy. The Human Resources Group has played an important role in the dissemination of this information through discussing the privacy policy and regularly obtaining consent from employees during onboarding.

The Bank has also been consistently disseminating information in different channels to both internal and external audiences as part of its program to increase awareness on data privacy. This includes publication of the Bank's privacy policy, propagation of NPC advisories, posting of tips on how to protect personal information, and other information campaigns. This information is published in the Bank's social media accounts, the corporate website, email blasts, and other digital channels in order to ensure that customers and employees alike are duly informed of their right to privacy and how PBCOM handles their personal information.

The designated DPO, with the assistance of the CISO and the Enterprise Risk Management Group, has conducted a Privacy Impact Assessment (PIA).

This is a process used to evaluate and manage impacts on privacy of a particular process, program, project, measure, and system or technology product of a Personal Information Controller and/or Processor (PIC/PIP). The DPO conducted a workshop for all identified units that handle and process personal information to assist them on what to take into account regarding the nature of personal data that the Bank needs to protect the personal data flow and the risks to privacy and security.

To assess the readiness of the Bank in case of a data privacy breach, a (tabletop) breach drill has been held in accordance with the Data Breach Management Framework. It was conducted with the help of the Data Privacy Breach response team composed of the DPO, CISO, CIO and CRO. Also, the Bank's DPO has passed the DPO ACE Certification Program facilitated by the NPC last November 2019.

DISCLOSURE AND TRANSPARENCY

With the continuous innovation of the Bank's products and services, PBCOM makes these accessible, understandable, clear, and accurate

by ensuring that all necessary and relevant information are available to the customers. Nevertheless, the customers have the right to be adequately educated regarding features, terms, systems and procedures, and inherent risks of the Bank's products and services, including their responsibilities. Further, they have the right to be protected against fraudulent, dishonest or misleading, advertising, labeling, or promotion, and to seek redress for misrepresentation, breach of contractual obligations, shoddy goods or unsatisfactory services.

The Bank's frontliners are equipped with the knowledge and IT-supported technical capabilities to confidently advise the customers on security and fraud prevention, as well as the procedure for the reporting and resolution of fraud cases and card related concerns. They are also professionally trained to handle inquiries and complaints about our products, services and processes.

PBCOM ensures that the information about its products and services are accurate, easy to understand, clear, and readily available & accessible. All BSP required information are displayed at our branches and our corporate website. Our front liners are equipped to discuss financial matters, our products and services, and its risks so the customers can make sound decisions.

FINANCIAL EDUCATION AND AWARENESS

It has always been PBCOM's thrust to put our customers at the heart of everything we do. The main objective is ensuring fairness in our dealings, an open communication with our clients & employees, and providing protection to our customers in all their financial transactions with us.

PBCOM has been very active in promoting a responsible financial system that protects the interest of our customers. Our service delivery is anchored on our core values PRIDE (Passion, Responsiveness, Integrity, Dynamism, and Excellence) to ensure that all our efforts are geared towards creating the best experience for our customers. This is strengthened by the various on-boarding and training programs that the Bank has facilitated for its employees.

The Bank is an advocate of empowering customers in making sound financial decisions in saving, investing, budgeting and borrowing. We have implemented a number of campaigns and programs that help equip our customers and the public in general, with both technical and practical knowledge.

The Bank, through its Marketing, Customer Protection and Experience, Products, and Branch Banking groups has rolled out "Oplan Ipon", a financial inclusion and awareness program to provide our various audiences with knowledge on efficiently and effectively handling their finances.



FINANCIAL HIGHLIGHTS

		Consolidated		rent Bank (Solo)
in PHP thousands	Y2020	Y2019	Y2020	Y2019
Profitability				
Total Net interest income	3,925,494	3,205,033	3,925,494	3,205,033
Total Non-interest income	1,966,957	1,619,024	1,966,890	1,789,316
Total Non-interest expense	3,075,188	3,086,796	3,075,121	3,257,088
Pre-provision profit	2,817,263	1,737,261	2,817,263	1,737,261
Allowance for credit losses	1,418,228	377,613	1,418,228	377,613
Net Income	1,168,912	1,157,257	1,168,912	1,157,157
Selected Balance Sheet Data				
Liquid Assets	38,734,372	36,599,588	38,734,372	36,599,588
Gross Loans	58,444,855	61,061,770	58,444,855	61,061,770
Total Assets	101,230,218	102,740,504	101,237,673	102,748,072
Deposits	83,781,412	75,881,839	83,790,273	75,890,815
Total Equity	12,529,678	11,355,201	12,529,678	11,355,201
Selected Balance Sheet Data				
Return on Equity	9.79	10.68	9.79	10.67
Return on Assets	1.15	1.12	1.15	1.13
CET 1 capital ratio	16.01*	13.69*	16.01	13.69
Tier 1 capital ratio	16.01*	13.69*	16.01	13.69
Capital Adequacy Ratio	18.87*	16.47*	18.87	16.47
Per common share data				
Net Income per share				
Basic/Diluted	2.43	2.41	2.43	2.41
Book value	26.07	23.62	26.07	23.62
Others				
Cash dividends declared Headcount			none	none
Officers			752	765
Staff			275	314
Jiuii			2/3	314

STATEMENT OF **MANAGEMENT'S RESPONSIBILITY** FOR FINANCIAL **STATEMENTS**

The management of Philippine Bank of Communications (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2020, 2019 and 2018, in accordance with prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

ERIC O. RECTO

Chairman of the Board

ALAN E. ATIENZA

Treasurer

Tam: May 1. Sig PATRICIA MAY T. SIY

President & CEO

ARLÈNE M. DATU Comptroller

INDEPENDENT AUDITOR'S REPORT



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

Tel: (632) 8891 0307 Fax: (632) 8819 0872 ey.com/ph BOA/PRC Reg. No. 0001, October 4, 2018, valid until August 24, 2021 SEC Accreditation No. 0012-FR-5 (Group A), November 6, 2018, valid until November 5, 2021

The Stockholders and the Board of Directors Philippine Bank of Communications

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of Philippine Bank of Communications and its subsidiary (the Group) and the parent company financial statements of Philippine Bank of Communications (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2020 and 2019, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2020, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2020 and 2019, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2020, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

Applicable to the Audit of the Consolidated and Parent Company Financial Statements

Recognition of expected credit losses(ECL) on loans and receivables

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

Allowance for credit losses for loans and receivables as of December 31, 2020 for the Group and the Parent Company amounted to ₱2.49 billion. Provision for credit losses of the Group and the Parent Company in 2020 amounted to ₱1.42 billion.

Refer to Notes 3 and 17 of the financial statements for the details of the allowance for credit losses using the ECL model.

Audit response

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

We (a) assessed the Group's and the Parent Company's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place, and management's assessment of the impact of the coronavirus pandemic on the counterparties; (c) tested the Group's and the Parent Company's application of internal credit risk rating system, including the impact of the coronavirus pandemic on the borrowers, by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's and the Parent Company's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) checked the forward-looking information used for overlay through corroboration of publicly available information and

our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge, including the impact of the coronavirus pandemic; and (h) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems.

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

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

Recognition of deferred tax assets

As of December 31, 2020, the gross deferred tax assets of the Group and the Parent Company amounted to ₱690.01 million. The recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of the Group and the Parent Company. The estimation uncertainty on the Group's and the Parent Company's expected performance have increased as a result of the uncertainties brought about by the coronavirus pandemic.

The disclosures relating to deferred tax assets are included in Notes 3 and 30 to the financial statements.

Audit response

We involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by the Group and the Parent Company and the applicable tax rate. We also re-performed the calculation of the deferred tax assets. We reviewed the management's assessment on the availability of future taxable income in reference to financial forecast and tax strategies. We evaluated management's forecast by comparing the loan portfolio and deposit growth rates to the historical performance of the Group and the Parent Company and the industry, including future market circumstances and taking into consideration the impact associated with the coronavirus pandemic. We also reviewed the timing of the reversal of future taxable and deductible temporary differences.

Accounting for disposals of investment securities under a hold-to-collect business model

In 2020, the Group and the Parent Company disposed investment securities managed under the hold-to-collect (HTC) business model with total carrying amount of \$10.44 billion. The disposals resulted in a gain of \$2.55 million. Investment securities held under a hold-to-collect business model, which are classified as 'Investment securities at amortized cost', are managed to realize cash flows by collecting contractual payments over the life of the instrument.

The accounting for the disposals is significant to our audit because the amounts involved are material relative to the total amount of investment securities at amortized cost. Moreover, it involves the exercise of significant judgment by management in assessing whether the disposals are consistent with the HTC business model and that it would not impact the measurement of the remaining securities in the affected portfolios.

The disclosures related to the disposals of investment securities are included in Notes 3 and 11 to the financial statements.

Audit response

We obtained an understanding of the Group's and the Parent Company's objectives for disposals of investment securities at amortized cost through inquiries with management and review of approved internal documentations, including governance over the disposals. We evaluated management's assessment of the impact of the disposals in reference to the Group's and the Parent Company's business models and the relevant accounting standards and regulatory issuances. We also test computed the calculation of the gains on the disposals and the measurement of the remaining securities in the affected portfolios.

We reviewed the disclosures related to the disposals based on the requirements of PFRS 7, Financial Instruments: Disclosures, PFRS 9 and Philippine Accounting Standard (PAS 1), Presentation of Financial Statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and parent company financial
 statements, whether due to fraud or error, design and perform audit procedures responsive to those
 risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
 The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting
 from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the
 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
 that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
 effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may east significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company
 financial statements, including the disclosures, and whether the consolidated and parent company
 financial statements represent the underlying transactions and events in a manner that achieves fair
 presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
 We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Reports on the Supplementary Information Required Under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 and Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BSP Circular No. 1074 in Note 38 and Revenue Regulations No. 15-2010 in Note 39 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Philippine Bank of Communications. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Ray Francis C. Balagtas.

SYCIP GORRES VELAYO & CO.

Ray Francis C. Balagt as

Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

SEC Accreditation No. 1510-AR-1 (Group A),

September 18, 2018, valid until September 17, 2021

Tax Identification No. 216-950-288

BIR Accreditation No. 08-001998-107-2020,

November 27, 2020, valid until November 26, 2023

PTR No. 8534218, January 4, 2021, Makati City

May 14, 2021

STATEMENTS OF FINANCIAL POSITION

	Consol	lidated	Parent C	ompany
	Decem	ber 31	Decem	ber 31
	2020	2019	2020	2019
		(Amounts in T	housands)	
ASSETS				
Cash and Other Cash Items	₽2,467,099	₽2,698,682	₽2,467,099	₽2,698,682
Due from Bangko Sentral ng Pilipinas	, ,		, ,	
(Notes 18 and 19)	20,597,868	10,213,521	20,597,868	10,213,521
Due from Other Banks	1,495,485	357,960	1,495,485	357,960
Interbank Loans Receivable and Securities	, ,	,	, ,	,
Purchased under Resale Agreements (Note 8)	6,054,454	717,736	6,054,454	717,736
Financial Assets at Fair Value through	-,,	,	-,,	,
Profit or Loss (Note 9)	718,294	1,667,827	718,294	1,667,827
Financial Assets at Fair Value through Other	. 10,27	1,007,027	, 10,2,	1,001,02
Comprehensive Income (Note 10)	5,137,816	8,094,362	5,137,816	8,094,362
Investment Securities at Amortized Cost (Note 11)	2,263,356	12,849,500	2,263,356	12,849,500
Loans and Receivables (Note 12)	57,623,993	61,257,040	57,626,707	61,259,793
Investments in Subsidiary and an Associate	37,023,773	01,237,040	37,020,707	01,237,77.
(Note 7)	14,114	13,849	20,252	20,053
Property and Equipment (Note 13)	894,617	974,210	894,617	974,210
Investment Properties (Note 14)	034,017	9/4,210	094,017	974,210
	1 700 550	1 927 041	1 700 550	1 927 041
Condominium units for lease	1,788,559	1,836,941	1,788,559	1,836,941
Foreclosed properties	610,075	588,451	610,075	588,451
Office units for lease	2,923	3,274	2,923	3,274
Intangible Assets (Note 15)	613,526	673,089	613,526	673,089
Deferred Tax Assets - Net (Note 30)	170,608		170,608	
Other Assets (Note 16)	777,431	794,062	776,034	792,673
TOTAL ASSETS	₽101,230,218	₽102,740,504	₽101,237,673	₽102,748,072
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 18 and 31)				
Demand	₽30,865,282	₱27,204,604	₽30,874,143	₱27,213,580
Savings	9,664,945	9,180,273	9,664,945	9,180,273
Time	40,367,517	36,594,232	40,367,517	36,594,232
Long-term negotiable certificates of deposits	2,883,668	2,902,730	2,883,668	2,902,730
	83,781,412	75,881,839	83,790,273	75,890,815
Bills Payable (Note 19)	2,182,844	13,064,824	2,182,844	13,064,824
Outstanding Acceptances	497,813	91,855	497,813	91,855
Manager's Checks	188,100	442,811	188,100	442,811
Accrued Interest, Taxes and Other Expenses	,	,	,	,
(Note 20)	802,785	712,428	802,637	712.277
Income Tax Payable	146,866	23,441	146,866	23,441
Deferred Tax Liabilities - Net (Note 30)		782	- 10,000	782
Other Liabilities (Note 21)	1,100,720	1,167,323	1,099,462	1,166,066
TOTAL LIABILITIES	88,700,540	91,385,303	88,707,995	91,392,871
TOTAL LIADILITIES	00,700,340	91,303,303	00,/0/,995	91,392,8/1

STATEMENTS OF FINANCIAL POSITION

	Conso	lidated	Parent C	Company	
	Decem	ber 31	Decem	nber 31	
	2020	2019	2020	2019	
		(Amounts in T	Thousands)		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
Common stock (Note 23)	₽12,016,129	₱12,016,129	₽12,016,129	₱12,016,129	
Additional paid-in capital	2,262,246	2,262,246	2,262,246	2,262,246	
Surplus reserves (Note 23)	106,418	105,952	106,418	105,952	
Deficit (Notes 2 and 23)	(1,638,621)	(2,807,067)	(1,638,621)	(2,807,067	
Unrealized gain on financial assets carried at fair value through other comprehensive income					
(Note 10)	100,093	87,932	100,093	87,932	
Cumulative translation adjustment	(211,464)	(231,664)	(211,464)	(231,664	
Remeasurement losses on retirement liability					
(Note 27)	(105,123)	(78,327)	(105,123)	(78,327	
TOTAL EQUITY	12,529,678	11,355,201	12,529,678	11,355,201	
TOTAL LIABILITIES AND EQUITY	₽101,230,218	₽102,740,504	₽101,237,673	₽102,748,072	

See accompanying Notes to Financial Statements.

STATEMENTS OF INCOME

		Consolidated		Pa	rent Company	
			Years Ended De	cember 31		
	2020	2019	2018	2020	2019	2018
		(Amounts	in Thousands, Exce	ept Earnings per Sha	re)	
INTEREST INCOME						
Loans and receivables (Notes 12 and 31)	₽4,325,208	₽4,468,479	₱3,723,359	₽4,325,208		₱3,723,359
Investment securities (Note 26)	363,618	588,317	709,008	363,618	588,317	709,008
Interbank loans receivable and securities purchased under resale agreements (Note 8)	92,746	40,246	41,291	92,746	40,246	41,291
Financial assets at fair value through profit or loss (Note 26)	80,007	159,297	15,810	80,007	159,297	15,810
Deposits with other banks	132,408	11,981	10,845	132,408	2019 c) ₱4,468,479 588,317 40,246	10,845
	4,993,987	5,268,320	4,500,313	4,993,987	5,268,320	4,500,313
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 18 and 31)	921,459	1.501.587	1.161.819	921,459	1.501.587	1.161.819
Bills payable, borrowings and others (Note 19)	147,034	561,700	468,685	147,034	561,700	468,685
	1,068,493	2,063,287	1,630,504	1,068,493	561,700 2,063,287	1,630,504
NET INTEREST INCOME	3,925,494	3,205,033	2.869,809	3.925,494	3,205,033	2,869,809
Rent income (Notes 14, 28 and 31)	673,414	736,341	661,017	673,414	736,341	661,196
Trading and securities gain (loss) - net (Note 26)	654,731	408,413	23,336	654,731	408,413	23,336
Service charges, fees and commissions	389,096	407,507	342,915	389,096	407,507	342,915
Foreign exchange gain - net	59,185	49,873	49,953	59,185	49,873	49,953
Income from trust operations (Note 25)	25,689	21.095	15,707	25,689	21.095	15,707
Profit (loss) from assets sold (Notes 13, 14 and 16)	6,779	97,739	(9,562)	6,779	97,739	(9.562)
Gain (loss) on assets exchange - net (Note 14)	(3,157)	(11,850)	13,133	(3,157)	(11,850)	13,133
Gain on sale of investment securities at amortized cost (Note 3 and 11)	2,552		′ =	2,552		_
Miscellaneous (Note 29)	158,402	137,783	114,176	158,402	137,783	114,176
TOTAL OPERATING INCOME	5,892,185	5,051,934	4,080,484	5,892,185	5,051,934	4,080,663

		Consolidated		Pa	rent Company	
			Years Ended De			
	2020	2019	2018	2020	2019	2018
		(Amounts	in Thousands, Exce	ept Farnings per Sha	ге)	
DPERATING EXPENSES						
Provision for credit and impairment losses - net (Notes 17)	₽1,418,228	₱377,613	₱209,914	₽1,418,228	₽377,613	₽209,914
Compensation and fringe benefits (Notes 14, 27 and 31)	1,009,118	978,869	1,040,602	1,009,118	978,153	1,039,169
axes and licenses (Notes 14 and 30)	640,060	624,122	542,936	640,053	624,115	542,911
Depreciation and amortization (Note 13)	380,653	445,979	386,917	380,653	445,979	386,917
nsurance	153,762	139,771	141,847	153,762	139,771	141,847
fanagement and professional fees	139,999	106,543	112,989	139,944	106,443	112,889
Intertainment, amusement and recreation	126,572	82,483	86,137	126,572	82,483	86,137
occupancy and other equipment-related costs (Notes 14, 28 and 31)	101,334	130,220	243,921	101,334	130,169	243,769
oss on sale of a subsidiary (Note 7)					171,173	
ecurity, clerical, messengerial and janitorial services	83,426	97,754	96,210	83,426	97,747	96,135
Communications	47,487	48,661	53,645	47,487	48,661	53,645
Aiscellaneous (Notes 14 and 29)	392,777	432,394	338,062	392,772	432,394	338,047
OTAL OPERATING EXPENSES	4,493,416	3,464,409	3,253,180	4,493,349	3,634,701	3,251,380
NCOME BEFORE SHARE IN NET INCOME OF SUBSIDIARY AND AN						
ASSOCIATE	1,398,769	1,587,525	827,304	1,398,836	1,417,233	829,283
HARE IN NET INCOME (LOSS) OF SUBSIDIARY (Note 7)	_	_	_	(67)	(58,116)	22,981
SHARE IN NET INCOME OF AN ASSOCIATE (Note 7)	266	531	250	266	531	250
NCOME BEFORE INCOME TAX	1,399,035	1,588,056	827,554	1,399,035	1,359,648	852,514
PROVISION FOR INCOME TAX (Note 30)	230,123	202,391	226,281	230,123	202,391	226,281
NET INCOME FROM CONTINUING OPERATIONS	1,168,912	1,385,665	601,273	1,168,912	1,157,257	626,233
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS (Note 7)	_	(228,408)	24,963	-	_	_
NET INCOME	₽1,168,912	₽1,157,257	₽626,236	₽1,168,912	₽1,157,257	₽626,233
atributable to:						
Equity holders of the Parent Company	₽1,168,912	₱1,157,257	₽626,233			
Non-controlling interests		· · · -	3			
•	₽1,168,912	₽1,157,257	₽626,236			
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent						
Company (Note 32)	₽2.43	₽2.41	₽1.30			

See accompanying Notes to Financial Statements

STATEMENTS OF COMPREHENSIVE INCOME

		Consolidated	7 E 1 1		arent Company	r
	2020		ears Ended	December 31 2020	2010	2010
	2020	2019	(Amounts in		2019	2018
NET INCOME FOR THE YEAR	₽1,168,912	₽1,157,257	P626,236		₽1,157,257	P626,233
OTHER COMPREHENSIVE INCOME (LOSS)	11,100,712	11,137,237	1020,230	11,100,712	11,157,257	1 020,233
FOR THE YEAR, NET OF TAX						
Items that may be reclassified to profit or loss in						
subsequent periods:						
Net unrealized gain (loss) on debt securities at						
fair value through other comprehensive	7.516	(0.51)	(114.064)	7.516	60.516	(114.064
income (Note 10) Net movement in cumulative translation	7,516	68,516	(114,964)	7,516	68,516	(114,964
adjustment	20,200	(54,605)	(54,796)	20,200	(54,605)	(54,796
Unrealized gain as a result of reclassification	,	(- 1,111)	(- 1,11 -)	,	(,)	(,
of debt securities from amortized cost to						
fair value through other comprehensive			£C 001			5 C 001
income (Note 3)	27,716	13.911	56,901	27,716	13,911	56,901
Items that may not be reclassified to profit or loss	27,/16	13,911	(112,859)	27,/16	13,911	(112,859
in subsequent periods:						
Unrealized gain on equity securities carried at						
fair value through other comprehensive						
income (Note 10) Change in remeasurement gains on retirement	4,645	_	13,029	4,645	_	13,029
liability (Note 27)	(71,848)	(111,505)	97,755	(71,848)	(111,505)	94,704
Income tax relating to change in	(/1,010)	(111,505)	,,,,,,,	(/1,010)	(111,505)	, 1,,, 0
remeasurement gains on retirement						
liability	45,052	8,157	(10,866)	45,052	8,157	(9,951
	(22,151)	(103,348)	99,918	(22,151)	(103,348)	97,782
	5,565	(89,437)	(12,941)	5,565	(89,437)	(15,077
TOTAL OTHER COMPREHENSIVE INCOME						
BEFORE SHARE IN OTHER						
COMPREHENSIVE INCOME OF SUBSIDIARIESSUBSIDIARY	1,174,477	1.067.820	613,295	1,174,477	1,067,820	611,156
	1,174,477	1,007,820	013,233	1,174,477	1,007,820	011,130
SHARE IN OTHER COMPREHENSIVE INCOME OF SUBSIDIARIESSUBSIDIARY						
Item that may not be reclassified to profit or loss in subsequent periods:						
Change in remeasurement gains on retirement						
liability (Note 27)	_					3,051
Income tax relating to components of other						
comprehensive income (Note 7)						(915 2,136
TOTAL OTHER COMPREHENSIVE INCOME		P1 067 920	BC12 205	D1 174 477	P1 007 920	
	₽1,174,477	₽1,067,820	₽613,295	₽1,174,477	₽1,067,820	₽613,292
Attributable to:						
Equity holders of the Parent Company	₽1,174,477	₽1,067,820	P613,292			
Non-controlling interests			3			
TOTAL COMPREHENSIVE INCOME	₽1,174,477	P1,067,820	P613,295			

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

						Consolidated					
					Years Ended D	ecember 31, 2020, 20	19 and 2018				
				Equ	ity Attributable to	Equity Holders of th	e Parent Company	,			
	Common Com Stock	Subscribed mon Stock – net	Additional	Surplus Reserves	Deficit	Unrealized Gain (Loss) on Financial Assets Carried at Fair Value Through Other Comprehensive		Remeasurement Fains (Losses) on Retirement Liability		Non- Controlling	
	(Note 23)	(Note 23)	Paid-in Capital	(Note 23)		Income (Note 10)	Adjustment	(Note 27)	Total	Interests	Total Equity
	(Amounts in Thousands)					, , , , , , , , , , , , , , , , , , , ,					, , ,
Balances at January 1, 2020	₽12,016,129	₽-	₽2,262,246	₽105,952	(P2,807,067)	₽87,932	(P231,664)	(₽78,327)	₽11,355,201	₽_	₽11,355,201
Transfer to surplus reserves	_	-	-	466	(466)	-		-	-	-	_
Total comprehensive income (loss) for the year	_	-	-	-	1,168,912	12,161	20,200	(26,796)	1,174,477	-	1,174,477
Balances at December 31, 2020	P12,016,129	₽-	₽2,262,246	₽106,418	(₱1,638,621)	₽100,093	(P211,464)	(P105,123)	₽12,529,678	₽-	P12,529,678
Balances at December 31, 2018, as previously reported	₱12,016,129	₽-	P2,252,826	₱105,893	(P3,916,336)	₱19,416	(P177,059)	₱25,021	P10,325,890	P24	₱10,325,914
Effect of the adoption of PFRS 16, Leases (Note 2)					(47,929)				(47,929)	-	(47,929
Balances at January 1, 2019, as restated	12,016,129		2,252,826	105,893	(3,964,265)	19,416	(177,059)	25,021	10,277,961	24	10,277,985
Derecognition of share of PRBI as a result of sale	_	-	9,420	-	-	-	-	-	9,420	(24)	9,396
Transfer to surplus reserves	_	-	-	59	(59)	_	-	-	_	_	_
Total comprehensive income (loss) for the year	_	-	-	-	1,157,257	68,516	(54,605)	(103,348)	1,067,820	-	1,067,820
Balances at December 31, 2019	P12,016,129	P	P2,262,246	P105,952	(P2,807,067)	P87,932	(P231,664)	(P78,327)	P11,355,201	P-	P11,355,201
Balances at January 1, 2018	12,016,129	-	2,252,826	105,824	(4,542,500)	64,450	(122,263)	(61,868)	9,712,598	21	9,712,619
Transfer to surplus reserves	_	-	-	69	(69)			_		_	
Total comprehensive income (loss) for the year					626,233	(45,034)	(54,796)	86,889	613,292	3	613,295
Balances at December 31, 2018	P12,016,129	P	P2,252,826	P105,893	(P3,916,336)	P19,416	(P177,059)	P25,021	P10,325,890	P24	P10,325,914

					Parent Company ecember 31, 2020, 2015	2 and 2018			
	Common Stock (Note 23)	Subscribed Common Stock - net (Note 23)	Additional Paid-in Capital	Surplus Reserves (Note 23)		Unrealized Gain (Loss) on Financial Assets Carried at Fair Value Through Other Comprehensive Income (Note 10)	Cumulative Translation Adjustment	Remeasurement Gains (Losses) on Retirement Liability (Note 27)	Total Equity
	(Amounts in Thousands)								
Balances at January 1, 2020	₽12,016,129	₽-	₽2,262,246	₱105,952	(P2,807,067)	₽87,932	(P231,664)	(₱78,327)	₱11,355,201
Transfer to surplus reserves	_	-	_	466	(466)	_	_		-
Total comprehensive income (loss) for the year	_	-	-	_	1,168,912	12,161	20,200	(26,796)	1,174,477
Balances at December 31, 2020	₽12,016,129	₽−	₽2,262,246	₽106,418	(₽1,638,621)	₽100,093	(₽211,464)	(₽105,123)	₽12,529,678
Balances at December 31, 2018, as previously reported	₽12,016,129	₽	₽2,262,246	₽105,893	(₱3,916,336)	₽19,416	(₱177,059)	₱25,021	₱10,335,310
Effect of the adoption of PFRS 16, Leases (Note 2)	_	-	_	_	(47,929)	_	_	_	(47,929)
Balances at January 1, 2019, as restated	12,016,129	-	2,262,246	105,893	(3,964,265)	19,416	(177,059)	25,021	10,287,381
Derecognition of share of PRBI as a result of sale									
Transfer to surplus reserves				59	(59)				
Total comprehensive income (loss) for the year					1,157,257	68,516	(54,605)	(103,348)	1,067,820
Balances at December 31, 2019	₱12,016,129	₽-	₱2,262,246	₽105,952	(P2,807,067)	₽87,932	(P231,664)	(₱78,327)	₱11,355,201
Balances at January 1, 2018	12,016,129	-	2,262,246	105,824	(4,542,500)	64,450	(122,263)	(61,868)	9,722,018
Transfer to surplus reserves	_	-	-	69	(69)	_	_	_	-
Total comprehensive income (loss) for the year	_	-	-	-	626,233	(45,034)	(54,796)	86,889	613,292
Balances at December 31, 2018	P12.016,129	P-	P2.262.246	P105.893	(P3,916,336)	P19.416	(P177,059)	P25.021	P10.335.310

See accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

	Consolidated Parent Company						
	Years Ended December 31						
	2020	2019	2018	2020	2019	2018	
			(Amounts in	Thousands)			
CASH FLOWS FROM OPERATING							
ACTIVITIES							
Income before income tax from continuing							
operations	₽1,399,035	P1,588,056	P827,554	₽1,399,035	P1,359,648	₽852,514	
Income before income tax from discontinued							
operations		(226,132)	26,412				
Income before income tax	1,399,035	1,361,924	853,966	1,399,035	1,359,648	852,514	
Adjustments to reconcile income before income tax						_	
to net cash generated from (used for) operations:							
Depreciation and amortization (Note 13)	380,653	445,979	386,915	380,653	445,979	386,917	
Provision for credit and impairment losses	300,033	443,575	360,713	300,033	443,575	300,517	
(Note 17)	1,418,228	377,613	209,914	1,418,228	377,613	209,914	
Trading gains on financial assets at FVOCI	1,410,220	377,013	200,014	1,410,220	377,013	200,014	
(Note 26)	(277,278)	(309,176)	(32,522)	(277,278)	(309,176)	(32,522	
Loss (profit) from assets sold (Notes 13, 14 and	(277,270)	(505,170)	(32,322)	(277,270)	(505,170)	(32,322	
16)	(6,779)	(97,739)	9,562	(6,779)	(97,739)	9,562	
Accretion of interest on unquoted debt securities	(-,)	(,)	- ,	(-,)	(,)	- ,	
(Note 12)	(77,216)	(88,233)	(94,844)	(77,216)	(88,233)	(94,844	
Accretion of interest on lease liability (Note 21)	17,603	18,711	(5.,5.1)	17,603	18,711	(- 1,0 11	
Loss on sale of a subsidiary (Note 7)		,	_	,	171,173	_	
Loss (gain) on assets exchange (Note 14)	3,157	11,850	(13,133)	3,157	11,850	(13,133	
Share in net income of subsidiary and an	· ·			ŕ	1		
associate (Note 7)	(265)	(531)	(250)	(199)	57,584	(23,231)	
Unrealized gains on financial assets at fair value							
through profit or loss	(478)	(1,495)	(5,195)	(478)	(1,495)	(5,195	
Changes in operating assets and liabilities:							
Decrease (increase) in the amounts of:							
Loans and receivables (Note 33)	2,137,326	(3,678,579)	(7,339,515)	2,137,365	(3,675,826)	(7,156,411	
Financial assets at fair value through							
profit or loss	950,011	(773,116)	1,852,450	950,011	(773,116)	1,852,450	
Other assets	59,546	(361,667)	(70,826)	59,556	(363,056)	(63,370	
Increase (decrease) in the amounts of:							
Deposit liabilities	7,923,791	3,546,513	3,292,913	7,923,676	3,555,488	3,290,312	
Manager's checks	(254,711)	345,364	(329,958)	(254,711)	345,364	(329,958	
Accrued interest, taxes and other							
expenses	90,360	32,576	263,342	90,360	32,425	250,926	
Other liabilities	(93,399)	421,668	7,918	(93,399)	421,677	9,202	
Net cash provided by (used in) operations	13,669,584	1,251,662	(1,009,263)	13,669,584	1,488,871	(856,867	
Income taxes paid	(233,541)	(210,254)	(231,355)	(233,541)	(207,978)	(227,778	
Net cash provided by (used in) operating activities	13,436,043	1,041,408	(1,240,618)	13,436,043	1,280,893	(1,084,645	
CASH FLOWS FROM INVESTING							
ACTIVITIES	(2.002.050)		40.200	(2.002.050)	12.121	40.200	
Decrease (increase) in interbank loans receivable	(3,902,952)	13,121	49,290	(3,902,952)	13,121	49,290	
Acquisitions of:	(70.01 (51.1)	(60.224.120)	(10 (22 017)	(70.01 / 51.0	(60 224 120)	(10 (22 017	
Financial assets at FVTOCI	(78,016,514)	(68,324,130)	(18,623,917)	(78,016,514)	(68,324,130)	(18,623,917	
Investment securities at amortized cost	(191,880)	(97.122)	(41,444)	(191,880)	(97.122)	(41,444	
Property and equipment (Note 13)	(49,355)	(87,133)	(105,732)	(49,355)	(87,133)	(109,712	
Software costs (Note 15) Investment properties (Notes 13 and 14)	(15,069)	(39,172)	(33,583)	(15,069)	(39,172)	(32,979)	
investment properties (Notes 15 and 14)	_	_	(423)	_	_	(423	

STATEMENTS OF CASH FLOWS

		Consolida			Parent Comp	oany	
	Years Ended December 31						
	2020	2019	2018	2020	2019	2018	
	(Amounts in Thousands)						
Proceeds from disposals of:							
Financial assets at FVTOCI	₽81,263,005	₽67,695,250	₽13,604,095	₽81,263,005	₽67,695,250	₽13,604,09	
Investment securities at amortized cost	10,498,994	-	_	10,498,994	-		
Investment properties (Note 14)	20,441	314,655	30,634	20,441	314,655	1,12	
Property and equipment (Note 13)	7,671	20,532	14,816	7,671	20,532	14,29	
Chattel mortgage	18,097	91,812	154,313	18,097	91,812	154,31	
Subsidiary		500,220			500,220		
Proceeds from maturity of investment securities	250,168	200,000	405,000	250,168	200,000	405,00	
Net cash provided by (used in) investing activities	9,882,606	385,155	(4,546,951)	9,882,606	385,155	(4,580,35	
CASH FLOWS FROM FINANCING							
ACTIVITIES							
Availments of:							
Bills payable	58,922,973	392,583,853	423,360,260	58,922,973	392,583,853	423,185,78	
Outstanding acceptances	855,416	573,187	265,439	855,416	573,187	265,44	
Marginal deposits	18,700	321,701	2,391	18,700	321,701	2,39	
Settlements of:	,			ĺ	,		
Bills payable	(69,802,907)	(397,121,016)	(418, 263, 661)	(69,802,907)	(397,121,016)	(418,156,98	
Outstanding acceptances	(438,206)	(522,775)	(285,122)	(438,206)	(522,775)	(285,12	
Marginal deposits	(46,275)	(287,657)	(2,619)	(46,275)	(287,657)	(2,61	
Lease liabilities	(124,495)	(119,169)		(124,495)	(119,169)	•	
Net cash provided by (used in) financing activities	(10,614,794)	(4,571,876)	5,076,688	(10,614,794)	(4,571,876)	5,008,88	
EFFECT OF FOREIGN CURRENCY							
TRANSLATION ADJUSTMENT	20,200	(54,605)	(54,796)	20,200	(54,605)	(54,79	
NET INCREASE (DECREASE) IN CASH		. , ,	. , ,		` ' '	. ,	
AND CASH EQUIVALENTS	12,724,055	(3,199,918)	(765,677)	12,724,055	(2,960,433)	(710,90	
CASH AND CASH EQUIVALENTS AT							
BEGINNING OF YEAR							
Cash and other cash items	2,698,682	1,389,869	974,207	2,698,682	1,357,609	941.82	
Due from Bangko Sentral ng Pilipinas	10,213,521	15,224,382	15,340,711	10,213,521	15,168,302	15,279,08	
Due from other banks	357,960	379,723	1,166,063	357,960	228,578	965,82	
Interbank loans receivable (Note 33)	717,736	193,843	472,513	717,736	193,843	472,51	
	13.987.899	17.187.817	17.953.494	13,987,899	16.948.332	17,659,24	
CASH AND CASH EQUIVALENTS AT	,,,	,,	,,	,,-,-,-	, ,	,,	
END OF YEAR							
Cash and other cash items	2,467,099	2,698,682	1,389,869	2,467,099	2,698,682	1,357,60	
Due from Bangko Sentral ng Pilipinas	20,597,868	10,213,521	15.224,382	20,597,868	10,213,521	15,168,30	
Due from other banks	1,495,485	357,960	379,723	1,495,485	357,960	228,57	
Interbank loans receivable (Note 33)	2,151,502	717,736	193,843	2,151,502	717,736	193,84	
initial initial initial (11010 00)	₽26,711,954	P13,987,899	₽17,187,817	₽26,711,954	P13,987,899	P16.948.33	

OPERATIONAL CASH FLOWS FROM INTEREST

	Conso	Consolidated		Parent Company				
		Years Ended December 31						
	2020	2019	2018	2020	2019	2018		
		(Amounts in Thousands)						
Interest paid	₽1,139,197	₽2,121,862	₽1,514,955	₽1,139,197	₽2,103,611	₽1,461,109		
Interest received	4,979,867	5,547,387	4,678,218	4,979,867	5,592,985	4,368,913		

See accompanying Notes to Financial Statements.

BUSINESS CONTRIBUTION BY SEGMENT

				Consolidated			
				2020			
-	Branch Banking	Corporate	Treasury	Consumer	Trust and Wealth Management	Head office and	Teach
Revenue	Group	Banking Group	Segment	Finance Segment	Segment	Rental	Total
Revenue, net of interest expense							
Third party	(₱864,759)		₽1,251,051	₽481,609	₽3,109	₽10,338	₽4,582,777
Intersegment	2,661,504	(1,759,023)	(522,140)	(206,669)	(4,156)	(169,516)	
	1,796,745	1,942,406	728,911	274,940	(1,047)	(159,178)	4,582,777
Other operating income	89,435	278,215	53,073	18,991	25,689	844,005	1,309,408
Total operating income	1,886,180	2,220,621	781,984	293,931	24,642	684,827	5,892,185
Compensation and fringe benefits	576,227	183,807	67,298	134,561	16,067	31,158	1,009,118
Taxes and licenses	271,732	207,399	100,398	30,220	1,973	28,338	640,060
Depreciation and amortization	220,423	41,230	15,349	25,752	3,598	74,301	380,653
Provision for (reversal of) credit	-	982,336	-	447,412	-	(11,520)	1,418,228
and impairment losses							
Occupancy and other equipment-related costs	77,858	8,549	2,771	10,827	363	966	101,334
Other operating expenses	480,610	153,410	158,856	82,455	16,333	52,359	944,023
Net operating income (loss)	259,330	643,890	437,312	(437,296)	(13,692)	509,225	1,398,769
before income tax							
Segment results							
Net interest income (loss)	₽1,796,745	₽1,942,406	₽71,628	₽274,941	(¥1,048)	(¥159,178)	₽3,925,494
Rent income	-	-	-	-	-	673,414	673,414
Trading and securities gain (loss) - net	_	_	657,283	_	_	_	657,283
Service charges, fees, and	_	_	057,203	_	_	_	057,265
commissions	78,094	247,845	_	18,991	_	44,166	389,096
Profit (loss) from assets sold	70,074	217,010	_	10,551	_	6,779	6,779
Foreign exchange gain - net	7,440	6,148	45,597		_	0,777	59,185
Income from trust operations	-		-	_	25,689	_	25,689
Loss on assets exchange - net	_	_	_			(3,157)	(3,157)
Miscellaneous	3,901	24,221	7,477	_	_	122,803	158,402
Total operating income	1,886,180	2,220,620	781,985	293,932	24,641	684,827	5,892,185
Compensation and fringe	1,000,100	2,220,020	701,500	270,702	21,011	001,027	2,002,100
benefits	576,227	183,807	67,298	134,561	16,067	31,158	1,009,118
Taxes and licenses	271,732	207,399	100,398	30,220	1,973	28,338	640,060
Depreciation and amortization	220,423	41,230	15,349	25,752	3,598	74,301	380,653
Provision for (reversal of) credit							
and impairment losses	-	982,336	-	447,412	-	(11,520)	1,418,228
Occupancy and other							
equipment-related costs	77,858	8,549	2,771	10,827	363	966	101,334
Other operating expenses	480,610	153,410	158,856	82,455	16,333	52,359	944,023
Total operating expenses	1,626,850	1,576,731	344,672	731,227	38,334	175,602	4,493,416
Segment profit (loss)	259,330	643,889	437,313	(37,295)	(13,693)	509,225	1,398,769
Provision for income tax	(47)	(8,794)	(136,821)	· · · ·	-	(84,461)	(230,123)
Share in net income of associate	` _	`	`	-	-	266	266
Net income (loss) from							
continuing operations	259,283	635,095	300,492	(437,295)	(13,693)	425,030	₽1,168,912
Net loss from discontinued	,	,	,	(,=/	(,,		,,
operations	-	-	-	-	-	-	-
	₽259,283	₽635,095	₽300,492	(P437,295)	(₱13,693)	₽425,030	1,168,912
Segment assets							
Property and equipment	₽231,265	₽-	₽-	₽_	₽-	₽663,352	₽894,617
Investment properties	-	_	-	-	-	2,401,557	2,401,557
Unallocated assets	9,456,803	51,117,485	28,471,664	5,214,873	71,977	3,601,242	97,934,044
Total segment assets	₽9,688,068	₽51,117,485	₽28,471,664	₽5,214,873	₽72,075	₽6,666,151	₽101,230,218
Total segment liabilities	₽82,186,805	₽546,583	₽4,357,647	₽37,806	₽-	₽1,571,699	P88,700,540





PHILIPPINE BANK OF COMMUNICATIONS

6795 Ayala Avenue corner V.A. Rufino Street Makati City 1226 Philippines

- www.pbcom.com.ph
- PhilippineBankofCommunications
- in Philippine Bank of Communications
- +632 8777-2266 | 1-800-10-777-2266















