

PBCOM

Delivering Results

2021 REPORT

Redefining Challenges

REDEFINING CHALLENGES. DELIVERING RESULTS

As the Philippines continues to struggle through the challenges brought by the world-wide pandemic, we at PBCOM have learned to adapt to the changing times. The Bank continues to show resilience, adopt innovations and work with PRIDE.

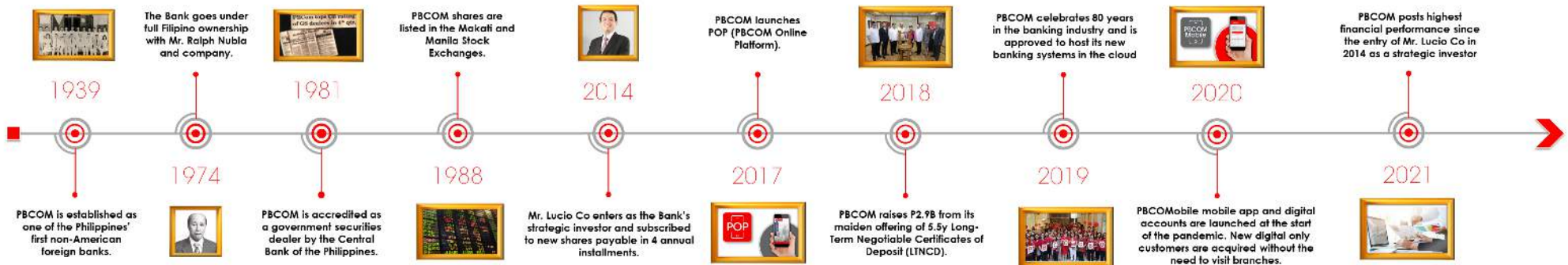
The Bank amplified its customer acquisition and in parallel, implemented sound governance, strengthened processes and controls, ensured security and safety, and reshaped the customer journey. These have proven effective in producing optimum results in 2021, not just for the Bank, but for our customers and partners as well, ensuring that TOGETHER, WE GROW.

TABLE OF CONTENTS

About the Theme	1
PBCOM Through the Years	2
Our Vision, Mission and Values	3
Chairman's Message	4
The President Speaks	6
Report on 2021 Operations	9
Our Board of Directors	10
Together We Grow	21
Our Business	31
Sustainability Report	35
Corporate Governance	48
Risk and Capital Management	67
Customer Protection and Experience	81
Our Branch and ATM Network	87
Financial Highlights	96
Notes to Financial Statement	108



PBCOM THROUGH THE YEARS



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.

CHAIRMAN'S MESSAGE

Our hard work in building the foundation for sustainable growth, and our intensified focus on our core strength as a business, has proven fruitful in delivering noteworthy financial results in 2021.



CHAIRMAN'S MESSAGE

To my fellow Shareholders,

Navigating around the COVID-19 crisis has been a difficult challenge we had to face in 2021. Many businesses had to adapt to the added challenges of a constantly changing landscape of consumer and market behavior. The need to find opportunities despite the setbacks had been the driving force for many businesses, including your Bank, PBCOM.

Our hard work in building the foundation for sustainable growth, and our intensified focus on our core strength as a business, has proven fruitful in these especially trying times. We are glad to share with you, notable financial results for the year 2021, a 34.6% increase in net income versus previous year amounting to P1.57B. This is the highest since the entry of the Lucio Co Group in 2014.

This has been made possible by the hard work of your entire PBCOM team. Together, we have implemented sound governance, strengthened processes and controls, ensured security and safety, and reshaped the customer journey.

IMPLEMENTING SOUND GOVERNANCE

Amidst an evolving business landscape, the Board and Board-mandated committees have ensured that the Bank is compliant to relevant policies, rules & regulations, and that risks remained within defined bank appetite.

STRENGTHENING PROCESSES AND CONTROLS

We have embraced alternative work arrangements for non-branch personnel without sacrificing productivity and integrity, thereby ensuring a business-as-usual stance despite the alert restrictions imposed.

ENSURING SECURITY AND SAFETY

With the prevalence of fraud and other threats whether physical or online, we have proactively addressed and reduced the possibility of dangers to our customers who have put their trust on us.

RESHAPING THE CUSTOMER JOURNEY

With PBCOM values of PRIDE guiding our organization, we have adapted a digital approach to communications to keep both our employees and our customers engaged, productive and well informed. This required innovation, creativity and continuous development of new business models.

All these would not have been possible if not for the team work and dedication of the Bank's Board, management and staff, our team members who worked efficiently and effectively the past year despite the challenges brought by the pandemic. Further, my sincere appreciation for our shareholders and customers for the continued support, trust and confidence in your Bank.

As we look ahead to the future, we are committed to continue to deliver optimum results. By the end of 2021, we were preparing to submit to BSP our request for approval to upgrade our license to a Universal Banking License. The license upgrade will allow us to pursue plans to broaden our product and service offerings.

PBCOM's steady growth the past years that began with the entry of the Lucio Co Group in 2014 has been noteworthy. We now have a solid capital base from which we can expand our banking services in order to serve the needs of our valued customers. Most definitely, we are all excited about this new chapter in our history.

Eric O. Recto
Chairman

THE PRESIDENT SPEAKS

“We redefined the challenges, pushed ourselves and delivered sterling results.”



THE PRESIDENT SPEAKS

Dear Stakeholders,



Making plans for 2021 was difficult. We were wary of the continuing effects of the pandemic and yet hopeful to see a recovery as anticipated. These uncertainties, however, cannot be an excuse not to have a working financial plan. We took control and narrowed down the variables as much as we could. The resulting goals showed growth compared to the prior year, as we focused on the opportunities the possible reopening of the economy will provide.

We redefined the challenges, pushed ourselves and delivered sterling results.

The prior year 2020 taught us many lessons and these helped redefine our responses to new challenges. First, we have seen a marked trend among financial consumers. Digital adoption has increased exponentially, but branches remain to be the primary channel of interaction for many. Trust in the brand remains an important factor in the consumer's choice of financial institution and visibility adds to the confidence. Our branch personnel followed health protocols and were ready to receive the clients and ensured that the clients would feel safe in our branch premises to conduct their transactions physically.

Our clients have rewarded us with their trust and we have seen relationships grow further. We had likewise earned the trust of new clients as we opened doors through our cash management solutions for corporates which also benefitted their employees and partners.

In the lending space, some clients in certain industries continue to require special handling as their businesses have remained affected by the slowdown. We extended as much assistance to our clients who exhibited honest efforts to keep their businesses afloat and their credit record updated. We were quick to spot opportunities for industries that remained strong and supported players in their requirements. Alongside growing the loans portfolio, there was continued conduct of regular stress testing and provisioning for credit losses as necessary.

To allow core businesses to grow without disruption, we put extra effort and increased vigilance in cyber security, transaction processing and possible fraud attempts and ensured that our monitoring tools were working effectively together with our risk, compliance and audit oversight.

It takes the whole Bank to deliver the successful results. Internally that includes your Board, Management, every PBCOM employee and our third party agency personnel. We can only be as strong as our weakest link, thus, we make sure that there is no weak link as we live and practice our values of PRIDE. Externally, we are dependent on our Customers, partners, providers, regulators and the community we serve. We are grateful for all the continued guidance, loyalty and support to enable us to live our corporate promise of TOGETHER, WE GROW.

Patricia May T. Siy
Patricia May T. Siy
President and CEO



At a time when many are struggling to adapt to the current situation brought by the COVID-19 pandemic, a lot of businesses, big and small, have found ways to pull through and find opportunities for growth despite the many challenges. With our rich history of helping enterprises grow for more than 80 years, our Bank PBCOM continued to evolve and demonstrate creativity and innovation, especially in the continuous development of new and alternative business models and approaches.

One of the key things that we at PBCOM focused on is how to proactively pivot processes, leverage new technologies, and align the right people to the right roles which gave us a sustained and improved ecosystem comprised of bank, customer, and community.

With the values of PRIDE: Passion, Responsiveness, Integrity, Dynamism and Excellence, the entire PBCOM family has worked together in implementing sound governance, strengthening processes and controls, ensuring security and safety, and reshaping the customer journey. All these have proven effective in producing optimum results in 2021, not just for the Bank, but for our customers and partners as well, ensuring that **TOGETHER, WE GROW.**

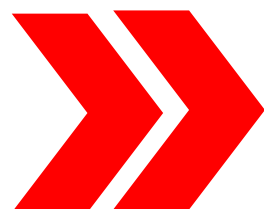
In photo: Alan E. Atienza (Treasurer and Head of Treasury Group), Patricia May T. Siy (President and Chief Executive Officer), and John Howard D. Medina (Chief Operating Officer)

REPORT ON 2021 OPERATIONS

We are proud to announce PBCOM's exceptional financial performance for year ending December 2021, with a consolidated net income of P1.57B, the highest since the entry of the Lucio Co Group in 2014.

₱**1.57** Billion

NET INCOME



↑34.6%
increase vs. previous year

The increase in net income, 34.6% higher versus comparable period in 2020, came on the back of improved performance of its core businesses and normalized provision for credit losses. This translated to a return on equity of 11.78% in 2021 from 9.79% in 2020, while return on assets was at 1.49% from 1.15%.

Net interest income increased by 8.1% to P4.24B. The Bank's loans and receivables showed healthy growth, expanding by 10.2% to P63.5B, which is higher than the industry growth of 4.9%. The Bank's deposit volume grew by 3.8% led by a 30% or P12.0B growth in low interest bearing deposit base. The increase in low cost deposits, which now represents 60.4% of the deposit mix, helped cushion the impact of a low interest rate environment with net interest margin at 4.83%, an improvement of 20 basis points from 2020. Non-interest income showed a decline largely due to trading and rental income.

The Bank's focus on core businesses, such as corporate lending and generation of low-cost deposits, has provided the Bank a steady income despite market uncertainties. We likewise believe that we have our non-performing loans under control as shown by reduced requirements for provisioning.

11.78% ROE
ROA **1.49%**

Total Assets reached P109.23B in 2021, an increase of P7.99B or 7.9% while Capital strengthened by P1.65B to P14.18B. PBCOM's Common Equity Tier 1 and Capital Adequacy Ratios were at 15.58% and 18.18%, respectively, in excess of the required regulatory ratios.



OUR
BOARD OF
DIRECTORS

OUR BOARD OF DIRECTORS



ERIC O. RECTO
Chairman of the Board
and Director



LEONARDO B. DAYAO
Vice Chairman
and Director



LUCIO L. CO
Executive Committee
Chairman and Director



OUR BOARD OF DIRECTORS



PATRICIA MAY T. SIY
President & Chief Executive
Officer and Director



JAIME J. BAUTISTA
Director



BUNSIT CARLOS G. CHUNG
Director



OUR BOARD OF DIRECTORS



SUSAN P. CO
Director



JACK EKIAN T. HUANG
Director



LEVI B. LABRA
Director



OUR BOARD OF DIRECTORS



GREGORIO T. YU
Director



ROBERT Y. COKENG
Independent Director



CONRADO A. GLORIA, JR.
Independent Director



OUR BOARD OF DIRECTORS



BIENVENIDO E. LAGUESMA
Independent Director



EMMANUEL Y. MENDOZA
Independent Director



GILDA E. PICO
Independent Director



OUR BOARD OF DIRECTORS



HENRY Y. UY
Board Adviser



MICHAEL STEPHEN H. LAO
Corporate Secretary and
Corporate Information Officer



OUR BOARD OF DIRECTORS

ERIC O. RECTO

Chairman of the Board and Director

Mr. Recto, Filipino, 58 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; Vice-Chairman of Alphaland Corporation; Vice Chairman and President of Atok-Big Wedge Co., Inc.; President and Director of Q-Tech Alliance Holdings, Inc.; Independent Director of Aboitiz Power Corporation; Independent Director of PH Resorts Group Holdings, Inc.; Independent Director of Waterfront Cebu City Casino Hotel Inc.; Independent Director of Davao Insular Hotel Company Inc.; Independent Director of Manila Water Company, Inc.; Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation); and Owner of Premium Wine Exchange Inc. 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. DAYAO

Vice Chairman and Director

Mr. Dayao, Filipino, 77 years old, was elected Director on September 29, 2014 and Co-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 and President of Fertuna Holdings Corp., Chairman of Catuiran Hydropower Corporation, Grass Gold Renewable Energy (G2REC) Corporation 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, K4 Water Resources Corporation, NE Pacific Shopping Centers Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., San Jose City I Power Corp., Southern Utility Management Services, Incorporated (SUMSI), Union Energy Corporation; Vice-President of Alerce Holdings Corp., Bellagio Holdings, Inc., KMC Realty Corporation, Puregold Properties, Inc., Union Equities, Inc.; and Director of Canaria Holdings 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 University of the Philippines-Cebu. Total No. of Direct Shares – 10,001 – 0.00%

LUCIO L. CO

Executive Committee Chairman and Director

Mr. Co, Filipino, 67 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 The Keepers Holdings, Inc. (formally 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 Grial 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%

PATRICIA MAY T. SIY

President & Chief Executive Officer and Director

Ms. Siy, Filipino, 61 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 spanned 31 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%

OUR BOARD OF DIRECTORS



JAIME J. BAUTISTA

Director

Mr. Bautista, 64 years old, was elected Director on July 14, 2020. He is currently a Director of Air Speed International Inc., Alphaland Corp., Belle Corp. Cosco Capital Inc., Gothong Southern Shipping, Inc., Nickel Asia Corp. and Premium Leisure Corp. At present, he is a 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 Philippine Airlines (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%

BUNSI CARLOS G. CHUNG

Director

Mr. Chung, Filipino, 71 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%

SUSAN P. CO

Director

Mrs. Co, Filipino, 64 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 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%

JACK EKIAN T. HUANG

Director

Mr. Huang, Filipino, 67 years old, was elected Director on June 4, 2019. He currently holds the positions of Director of Puregold Price Club Inc. and 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%

LEVI B. LABRA

Director

Mr. Labra, Filipino, 63 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%

OUR BOARD OF DIRECTORS

GREGORIO T. YU

Director

Mr. Yu, Filipino, 63 years old, was elected Director on July 26, 2011 and is presently the Chairman of Auto Nation Group, Inc., Cats Automobile Corp and Nexus Technology Inc. He is also the Vice Chairman and Director of Sterling Bank of Asia. Mr. Yu is also a director of various private institutions, among which are CATS Asian Cars, Inc and American Motorcycles, Inc. He is also a Director of Unistar Credit and Finance Corporation, Glyph Studios, Inc., Prople BPO Inc., WSI Corporation, and Jupiter Systems Corporation. Mr. Yu is also an Independent Director of Alphaland Corporation, Glacier Megafridge, EEI Corporation, DITO CME Holdings Corporation, APO Agua Infraestructura Inc., Philequity Management Inc., Vantage Financial Corporation (formerly E-business Services, Inc. and Vantage Equities Inc.. He is also a Board Member of Ballet Philippines and The Manila Symphony Orchestra since 2009. 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%

ROBERT Y. COKENG

Independent Director

Mr. Cokeng, Filipino, 70 years old, was elected Independent Director on June 15, 2021. He is currently the Chairman and President of F&J Prince Holdings Corporation (PSE-listed), Magellan Capital Holdings Corporation, Magellan Utilities Development Corporation, Consolidated Tobacco Industries of the Philippines, Center Industrial and Investment Inc., Malabrigo Corp., and Pinamucan Power Corporation. He is also the Managing Director of Essential Holdings Ltd. and Chairman of Pointwest Technologies Corporation, Pointwest Innovations Corporation and Ipads Developers Corporation. Mr. Cokeng is the Chairman of the Executive Committee of Business Process Outsourcing International and an Independent Director of Cosco Capital, Inc., a publicly listed company. Mr. Cokeng started as Senior Investment Officer and Philippine Country Officer in International Finance Corp. (World Bank Group), Washington, D.C. from 1976 to 1986 and Planning Associate in Mobil Oil Philippines from 1971 to 1972. Mr. Cokeng graduated from the Ateneo University with a degree of Bachelor of Arts in Economics Honors Program in 1971, Magna Cum Laude. He obtained his Masters in Business Administration Degree from Harvard University in 1976 and completed it with High Distinction and was designated as a Baker Scholar. Total No. of Direct Shares – 200 – 0.00%

CONRADO A. GLORIA, JR.

Independent Director

Mr. Gloria, Filipino, 62 years old, was elected Independent Director on June 4, 2019. He currently holds the positions of President & CEO of GIV Capital Holdings Corporation 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%

BIENVENIDO E. LAGUESMA

Independent Director

Atty. Laguesma, 71 years old, was elected Independent Director on October 30, 2019. He is currently a Partner at Laguesma Magsalin Fernandez & Quirolgico Law Offices and an Independent Director of Cosco Capital, Inc., The Keepers Holdings, Inc. (formerly Da Vinci Capital Holdings, Inc.) and PAL Holdings, Inc. Atty. Laguesma also sits as Member of the Board of Trustees of Maritime Academy of Asia and the Pacific and Vice Chairman of Anda Power Corporation. In the past, Atty. 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 Ng Lungsod ng Maynila (PLM). He also served the government from 1976-2001 and 2011-2016 in various capacities, notably as, among others: 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; and 6) Presidential Assistant of the Office of the President of the Republic of the Philippines. 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%

EMMANUEL Y. MENDOZA

Independent Director

Mr. Mendoza, Filipino, 57 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 is also an Independent Director of Medicard Philippines, 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%

OUR BOARD OF DIRECTORS



GILDA E. PICO

Independent Director

Ms. Pico, Filipino, 75 years old, was elected Independent Director on February 22, 2017. She is currently Chairman of the Board of Producers Savings Bank Corporation where she was formerly a Director/Consultant. Ms. Pico is also connected with Mariner 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%

HENRY Y. UY

Board Adviser

Mr. Uy, Filipino, 74 years old, was appointed Board Adviser on June 1, 2015. He 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. Uy holds a Bachelor of Science degree Major in Business Administration from De La Salle University in 1970 where he graduated Magna Cum Laude. He obtained his Masters in Business Administration from De La Salle University in 1975. Total No. of Direct Shares – 10 – 0.00%

MICHAEL STEPHEN H. LAO

Corporate Secretary and Corporate Information Officer

Atty. Lao, Filipino, 38 years old, was elected Corporate Secretary on June 4, 2019. He is concurrently the Bank's Corporate Information Officer which he has held 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. He was admitted to the Philippine Bar in 2013. Total No. of Direct Shares – 0 – 0.00%





TOGETHER WE GROW

**Empowering Local Businesses
Amidst the Pandemic**





Empowering Local Businesses Amidst the Pandemic

Keeping up and responding to the ever changing needs of our customers is a credo that we at PBCOM take very seriously. Especially at a time when a lot of businesses and individuals face many challenges, we do our best to support and empower you, our customers. We live by our brand promise "Together We Grow", a statement that encapsulates what we stand for as an organization.

In 2021, while the world continued to face one of the biggest threats to health and economy, we at PBCOM focused on providing solutions that enable businesses and individuals to thrive in the new normal.

ON SPOTLIGHT: DILIMAN DOCTORS HOSPITAL



In photo: Dra. Lani G. Ancheta (Diliman Doctors Hospital President), Victor O. Martinez (PBCOM Head of Corporate and Commercial Banking Group), and Rowena P. Lagdameo (PBCOM CCBG Large Corporate Team Head)

Conveniently located at one of the busiest districts in Quezon City, Diliman Doctors Hospital is situated along Commonwealth Avenue in Quezon City. It prides itself as a one-stop multi-disciplinary medical center equipped with modern facilities and the latest innovation in the healthcare industry. Starting operations in 2018, the hospital has become one of the most trusted names in the industry, with a trademark of providing excellent service and genuine care for its patients and clients.

Along with the rest of the world, Diliman Doctors Hospital welcomed 2020 full of hope and promise of a more progressive year. It was in this year that they were able to obtain the DOH license to increase capacity by 50 beds. However, the COVID-19 pandemic derailed these plans resulting from government mandated restrictions, which limited mobility and economic activities causing a drop in the hospital's census.

While there was a remarkable increase in in-patients brought about by the spike in COVID-19 cases, there was, however, a significant reduction in the number of out-patients, a major source of the hospital's revenue. Financial stability was threatened by reduced revenues, with liquidity further exacerbated by the mounting PhilHealth claims at that time. This, coupled with the stress on the need for the services of health care workers, has made the situation of the hospital really challenging.

However, these challenges did not stop Diliman Doctors Hospital to rise above and beyond. Dra. Lani Ancheta, the Hospital's President and CEO, shares with us: "While other institutions were forced to turn away patients, we devised ways to cater to their medical needs while waiting in queue to be admitted due to full-bed occupancy". This is one of the key factors that helped the hospital navigate the pandemic more effectively.

"Our collective effort enabled us to rise above the waves of challenges during the period of the pandemic. We are waging a war with a vicious enemy but as we gained knowledge about its transmission, we found ways to effectively function in its presence"

Lani G. Ancheta
Diliman Doctors Hospital
President and CEO



***“The financial support extended by PBCOM could not have come at the most opportune moment. It was a welcome relief that served to support our hospital operations during this crucial time.*”**

Facility modifications were made to serve patients and to strengthen the protection of employees and allied health personnel. The expansion intended for increased bed capacity was allocated for the accommodation of hospital personnel starting April 2020 to ease the burden of reporting for work during the quarantine and to protect them from acquiring community infection. This ensured uninterrupted hospital operations. Even when the pandemic cases in NCR declined, the hospital never let its guard down and instead continued to strictly implement their IPCC guidelines and modified them accordingly to ensure that Diliman Doctors Hospital remains a safe facility. While the hospital was dedicated to the fight against COVID-19, they made sure that the needs of non-COVID patients were also being addressed. The hospital provided an adequate number of rooms for confinement and re-assigned units depending on the demand to accommodate clean cases.

Along with this, Management sought the help of the entire organization. The meaning of teamwork was elevated to a new level, with every member from top to bottom having important role to play. The hospital encouraged everybody to be advocates and promoters of services offered, both surgical and non-surgical, including wellness packages. This helped generate more revenue and stimulate demand. “We have also become tolerant of other people’s weaknesses. We promoted a culture of mutual respect and recognition of individual strengths and limitations to maintain a work environment conducive for everybody to perform well and create harmony among everyone in hospital operations”, adds Dra. Ancheta.

While the pandemic had many adversities, it provided an opportunity for Diliman Doctors Hospital to be recognized as competent in providing medical care for COVID-19 patients. The hospital was included in the Solidarity Trial conducted by the World Health Organization on April 22, 2020 to determine the best treatment for COVID-19. Further, one of the highlights during their 2nd Anniversary celebration on May 21, 2020 was the re-activation of the Outpatient Department including the HMO Concierge to show their renewed effort to serve those who were deprived of needed health care due to the community quarantines. “Our collective effort enabled us to rise above the waves of challenges during the period of the pandemic. We are waging a war with a vicious enemy but as we gained knowledge about its transmission, we found ways to effectively function in its presence”, Dra. Ancheta further adds.

During this time of challenges and opportunities, Diliman Doctors Hospital has found an ally in PBCOM. PBCOM provided a Php 1-Billion-Peso credit line to the hospital. After the renovations in its 5th, 6th and 7th floors of the patient’s wing, a portion of the loan was used to purchase additional hospital equipment, appliances and furniture. The loan was also utilized to pay off existing short-term loans and settle a significant amount of the shareholder’s advances.

Diliman Doctors Hospital considers PBCOM a valuable partner. “The financial support extended by PBCOM could not have come at the most opportune moment. It was a welcome relief that served to support our hospital operations during this crucial time.”

We will always be grateful for the trust accorded to the corporation and we look forward to our continued partnership and future endeavors”

It is not very often that you see a local Filipino company thrive during times of uncertainties and great challenges. And to rise above these challenges and continue to grow despite these uncertainties is something most entrepreneurs strive to emulate if not replicate.

Kusina Filipino Food, a distributor of quality noodle products, condiments, herbs, spices, and flavoring powders, is a company of such determination and resilience. Guided by their commitment to providing quality products and meeting the demands of the public, and strengthened by their strong belief in the Almighty, they have weathered the storm that was the COVID-19 pandemic.

Mr. Zaldy Basir, President of Kusina Filipino Food shares with us: "No one was prepared when the COVID-19 pandemic ravaged. At the onset, the company was faced with shortage of raw materials and packaging supplies, restricted mobility of employees coming to work as well as deliveries to retail partners, and the severe threat to the health and safety of everyone."

Further, Mr. Basir recounts that the prolonged lockdowns later caused the exponential rise of demand for basic commodities, especially food. This, while struggling to source the raw materials of these in-demand products were one of the serious challenges they had to face. The company took upon itself, the social responsibility to address the growing demands of the consumers.

Transporting personnel to and from their place of work, providing provisions for in-house workers, and the limiting of the number of people allowed inside the factory have become a struggle. Along with these are the rising expenses due to sanitation and testing requirements needed to continue their operations and supply chain management.

But all these did not stop Kusina Filipino Food to rise above and beyond. The company saw great opportunities behind these challenges. The process of overcoming these setbacks have become both demanding and rewarding, and in the end, allowed them to reach greater heights. They have now become a major player in the consumer goods market, providing their products across the Philippines. The company has expanded their operations without disruption while adhering to state sanctioned protocols. They have expanded their pool of suppliers,

ON SPOTLIGHT: KUSINA FILIPINO FOOD



innovated their process especially in their production line, improved their logistical capabilities, all while providing a safe environment for their personnel.

"During this time, we built reliable partnerships in the supply chain, the banking sector, and our personnel. We initiated calculated business risks, made sacrifices, and effected sound operational decisions which helped us stay afloat during the crisis."

Resilience and Innovation – these are the key things that helped Kusina Filipino Food. Adapting to changes brought about by circumstances beyond their control, as well their proactive approach to view challenges as growth opportunities, helped them grow.

And in this time of challenges and opportunities, Kusina Filipino Food found a reliable partner in PBCOM. As limited mobility and no-contact policies became the new norm,

PBCOM has offered a valuable solution for the company – the Remote Check Deposit Facility. This solution is specifically designed for companies with high volume of incoming checks like Kusina Filipino Food. The Bank has deployed a Remote Check Deposit Machine at Kusina Filipino Food's office. As Mr. Basir shares, "PBCOM is a treasured financial partner we found during the pandemic. With their innovative services, specifically the Remote Check Deposit Facility, we can do our banking transaction without going to the branch. This eliminates the risk of COVID exposure and protect our staff from the highly infectious virus; moreover, it contributed to the effort of making the company COVID-free up to this date". Further, Mr. Basir shares that the installation of this facility in their office makes for a convenient and efficient banking and financial flow especially because of faster availability of funds from their collectibles.



“PBCOM is not just a bank that you can trust, it is a bank that will support your company realize its vision and reach greater heights. PBCOM is a bank that you can walk with in the path to success.”

Zaldy M. Basir
President, Kusina Filipino Food

Further, PBCOM has also extended a loan facility to Kusina Filipino Food which largely helped keep the company's operations uninterrupted. The loan facility helped bridge the gap between the advance payment required by Kusina Filipino Food's raw material suppliers, and the inability of some of its retail customers to pay on time. "The flexibility of their loan facility made us financially fluid and operate as usual. While other banks are cautious during this bleak period, PBCOM remains prudent and bullish on our capability to grow as a company," Mr. Basir adds. It was this loan facility that contributed to fulfilling Kusina Filipino Food's plan of building a bigger, better, and GMP-compliant warehouse.

Kusina Filipino Food is very happy with its partnership with PBCOM. The company recognizes the Bank and its personnel as true partners for growth. They truly appreciate the warm and efficient service extended to them specifically by PBCOM S&R Commonwealth Branch team and the Corporate and Commercial Banking Group's North Metro and Luzon 2 team.

"PBCOM is not just a bank that you can trust, it is a bank that will support your company realize its vision and reach greater heights. PBCOM is a bank that you can walk with in the path to success."



In photo: Junell V. Mano (PBCOM Business Manager – S&R Commonwealth Branch), Zaldy M. Basir (Kusina Filipino Food President) and Erico C. Indita (PBCOM Branch Banking Group Head)

ON SPOTLIGHT: EVER BILENA COSMETICS INC.



Ever Bilena Cosmetics, Inc. has made a mark in the beauty industry in its last almost 40 years in business. It is the local company behind Ever Bilena, a color cosmetics brand loved by all Filipinas here and abroad. The company started out as a local wholesaler of Taiwan-made nail polish in small retail shops. Years of hard work, dedication and passion allowed for the exponential increase in the company's business. Continuous improvements and development of alternative models and distribution channels have been Ever Bilena Cosmetic's key to success. Today, it has grown to become a huge distributor of successful makeup, skincare and fragrance brands.

However, in recent years, as the Philippines and the world was hit by COVID-19, numerous challenges have begun to surface. Following a low margin, volume driven business model for its beauty products, the significant decrease in demand has been a big blow for the company. CEO and

Founder, Mr. Dioceldo Sy recounts, "Challenges were significant as mask mandates due to COVID severely affected demand for makeup, while increasing unemployment and underemployment concerns simultaneously reduced the Filipinos' disposable income, putting beauty consumption to the bottom of their priorities list". Slow moving inventory, manpower concerns, and the closure of a lot of retail establishments were only some of the setbacks the company had to face during these difficult times.

But all these challenges did not stop Ever Bilena Cosmetics from finding opportunities to push forward. Continuous innovation and adaptability to the current and shifting needs of the consumers have been the driving force behind their resilience. Changes in the company's operations, plans, and programs were implemented, which proved effective in facing these challenges.

"Challenges were significant as mask mandates due to COVID severely affected demand for makeup, while increasing unemployment and underemployment concerns simultaneously reduced the Filipinos' disposable income, putting beauty consumption to the bottom of their priorities list"

Dioceldo S. Sy
Ever Bilena Cosmetics Inc.
Founder and CEO



“PBCOM has always been there for us, they were there for us even during the 1997 Asian Crisis and was the only bank who helped us during that time. They were a critical instrument for our recovery, and that is why I am forever grateful to them.”

With all these changes taking effect, opportunities have opened for them. Expansion plans have begun to materialize in both their product portfolios and physical store distributions. They are now in 1,200+ Alfamart stores for example, from less than a hundred pre-pandemic. The company also launched four new brands during the pandemic, namely, Hello Glow (HG), Ever Organics (EO), Spotlight Cosmetics, and Hyaloo. The shift in customer behavior to products that they can use despite mask mandates pushed Ever Bilena to further build on their skincare brands: HG, EO and Hyaloo. On the other hand, the opportunity to market to customers from the broad class C segment and up inspired the company to expand Spotlight Cosmetics further, which is already a top 10 brand in Watsons despite being only 2 years old.

PBCOM has been a partner of Ever Bilena Cosmetics during this time of growth. While cash flow was difficult to predict, PBCOM has supported Ever Bilena Cosmetics with the additional capital necessary for their continuous expansion efforts throughout the pandemic. “PBCOM has always been there for us, they were there for us even during the

1997 Asian Crisis and was the only bank who helped us during that time. They were a critical instrument for our recovery, and that is why I am forever grateful to them.” Mr. Sy adds.

Further, PBCOM has partnered with Ever Bilena Cosmetics in creating the Ever Bilena Multi-Employer Retirement Plan for the company’s employees. Ever Bilena appointed PBCOM’s Trust and Wealth Management Group to administer and manage the funds of the retirement plans of Ever Bilena Cosmetics, Inc. and DSS Productmakers, Inc. This win-win proposition enabled the company to comply with government mandated employee retirement benefits and ensured tax savings. Moreover, with the stable inflow of the retirement contributions supported with competitive returns provided by PBCOM Trust and Wealth Management Group as the Fund Manager, this retirement fund secures the loyalty and future of Ever Bilena Cosmetic’s employees while promoting their financial wellness at the same time. Started in 2007, the fund has grown exponentially over the years despite challenging market conditions during the pandemic.



In photo: Dioceldo S. Sy (Ever Bilena Cosmetics, Inc., Founder and Chairman) and Dreda Teresa D. Mendoza (PBCOM Trust and Wealth Management Group Head)



ON SPOTLIGHT: JAS MANPOWER & HUMAN RESOURCES SERVICES CORP. AND SJ GOODMEN SERVICES INC.

In photo: Expedito G. Garcia Jr. (Head of Transaction Banking Group, PBCOM), Mark Andre Cotoco (Corporate secretary, SJ Manpower), Easter Angela S. Chiong (North Metro Region Head, PBCOM), Veronica V. Cotoco (Owner and President, SJ Goodmen & JAS Manpower), Rommel S. Eleria (Business Manager for Congressional Branch, PBCOM)

JAS Manpower and Human Resources Services Corp. and SJ Goodmen Services Inc. has been in the service of providing quality manpower for more than ten years. Founded in 2011, the companies owned and operated by Sandy and Veronica Cotoco has grown to be a major provider of human resources for huge retail establishments, hotels and shipping companies.

As experienced by many businesses around the world, JAS Manpower and SJ Goodmen have been shaken by the COVID-19 pandemic. The halting of operations of many retail establishments, the quarantines and lockdowns imposed by the authorities, as well as the considerable health threat to many, have been some of the major challenges that they have had to overcome.

Especially for businesses that relied heavily on physical interaction, they have had to experience struggles along the way. "Our company is revolving mainly around human resources which need human connection and site visits to ensure the quality of our service, and with all the restrictions

about going out and doing face-to-face work, we really had to think of a creative and sustainable way to monitor our staff deployed in different areas", says Ms. Veronica V. Cotoco, President of SJ Goodmen and Operations Manager of JAS Manpower.

However, they did not allow these challenges to restrict the way they operate. A lot of changes had been effected in the way they ran their business, which proved to be effective in striking a balance between keeping their employees safe, and providing quality services for their clients. The key to their success amidst this challenging time is their ability to collaborate across their entire organization. Ms. Cotoco further emphasizes, "We, at the upper management are not just bosses, but co-collaborators. In as much as we could, we imbibed team work and collaboration in the way we deal with everyone. In the face of uncertainties, we communicated clearly, boosted morale and compensated as much as we could. This is the main reason of our success during the most critical of times".

"Our company is revolving mainly around human resources which need human connection and site visits to ensure the quality of our service, and with all the restrictions about going out and doing face-to-face work, we really had to think of a creative and sustainable way to monitor our staff deployed in different areas"

Veronica V. Cotoco
President of SJ Goodmen and Operations
Manager of JAS Manpower



“The system with PBCOM that was available to us during the pandemic really benefited and took a lot of problems off our backs. We are grateful to have PBCOM by our side as our partner through this once in a lifetime debacle”

This magic formula has worked not just internally, but externally as well. With a proven track record of quality service, coupled with a culture of collaboration and open communication, JAS Manpower and SJ Goodmen fostered an even better relationship with their clients during the pandemic. These relationships, built on trust, are a testament to their success. They have now become a trusted manpower provider for big names in the retail and hospitality industries including S&R, Puregold, Acacia Hotel, Manila Hotel, and many more.

During this time of challenges and growth, PBCOM has been a valued partner of JAS Manpower and SJ Goodmen. Especially during the time of pandemic when mobility and physical interactions were kept to a minimum, the Bank offered various solutions to the company to ease some struggles off their backs. They availed of POP Business Payroll Facility and CASA Manager. These products are a part of PBCOM's suite of Cash Management Solutions that allows clients to access and manage their business accounts remotely. With the CASA Manager, companies like JAS Manpower and SJ Goodmen are able to check the balances of their accounts online 24 hours a day, 7 days a week; revisit the history of the transactions they have made, and, transfer funds to PBCOM and to other banks.

Additionally, with POP Business Payroll, they can manage their employees' payroll disbursement through PBCOM's web-based portal. No need to worry about submission of forms and other documents because on-boarding and account opening of employees are done through their individual mobile phones. With just an app on their own mobile phones, they can open an account and link the ATM cards that they have received from their employer, anytime of the day, anywhere they are.

Especially for a company whose operations stretch nationwide and whose employees are deployed at various locations, these services are highly beneficial because they are given access to their accounts online and in real-time. The ease and convenience of managing their accounts remotely was one of the things the company loves most about this service. “The system with PBCOM that was available to us during the pandemic really benefited and took a lot of problems off our backs. We are grateful to have PBCOM by our side as our partner through this once in a lifetime debacle”, adds Ms. Cotoco.



OUR BUSINESS



OUR BUSINESS

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 our stakeholders and their 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
 - 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 ensuring 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
 - Sovereign Bonds
 - USD ROP
 - PHP (Treasury Bills, Retail Treasury Bonds, Fixed Rate Treasury Notes)
 - Commercial Papers
 - Corporate Bonds
 - US Treasuries
- Foreign Exchange
 - FX Spot
 - FX Forward Contracts

TRUST & WEALTH MANAGEMENT

Trust and Wealth Management Group offers a range of trust and investment services suitable for retail and

corporate customers depending on their investment needs. Individual clients may enjoy the benefits of investing in a wide range of investment solutions like: Unit Investment Trust Funds (UITFs) for the retail investors who are looking at maximizing their earning potential according to their risk appetite; 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 accumulate their portfolio and maximize returns.

While institutional customers may take advantage of PBCOM's portfolio management services for Retirement Funds and Institutional IMAs. Escrow Arrangements and other fiduciary services are also 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 Agency Arrangements
- 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

- 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 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)
 - Choice Saver Savings Account
 - Choice Saver Checking Account
 - Pensionado (SSS Pensioner)
 - Regular Savings Payroll
 - Regular Checking Payroll
 - Dollar Savings Account
 - Euro Savings Account
 - Regular Time Deposit
 - Premium Time Deposit (2 & 3 Years)

- Sure Earner 5-Year Time Deposit
- Dollar Time Deposit
- Maxi Dollar Time Deposit
- Dollar Plus (2 Years & 3 Years)
- 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



Together We Grow

STRENGTHENING PROCESSES AND CONTROLS

With alternative work arrangements and work-from-home schedules being implemented, the team has embraced effective online tools. This ensured the strengthening of the “checker” function and the project management process.

Our Finance, General Services and Performance & Project Management Teams allowed for real-time collaboration, whether remotely or in the office, thereby maintaining a business-as-usual stance in supporting bank processes amidst the imposition of restrictions by the authorities.

In photo: Joan Iris T. Leon (Head of Performance and Project Management), Arlene M. Datu (Comptroller and Head of Finance Group), and Atty. Jane L. Laragan (Head of General Services Group)





SUSTAINABILITY REPORT

SUSTAINABLE BUSINESS

As the country and the world continue to face the COVID-19 pandemic, the strength and resiliency of various business operations were put to test. At Philippine Bank of Communications (PBCOM), the situation has given the Bank a chance to re-think its efforts towards building a sustainable business. It became 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.



ECONOMIC

This relates to 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.



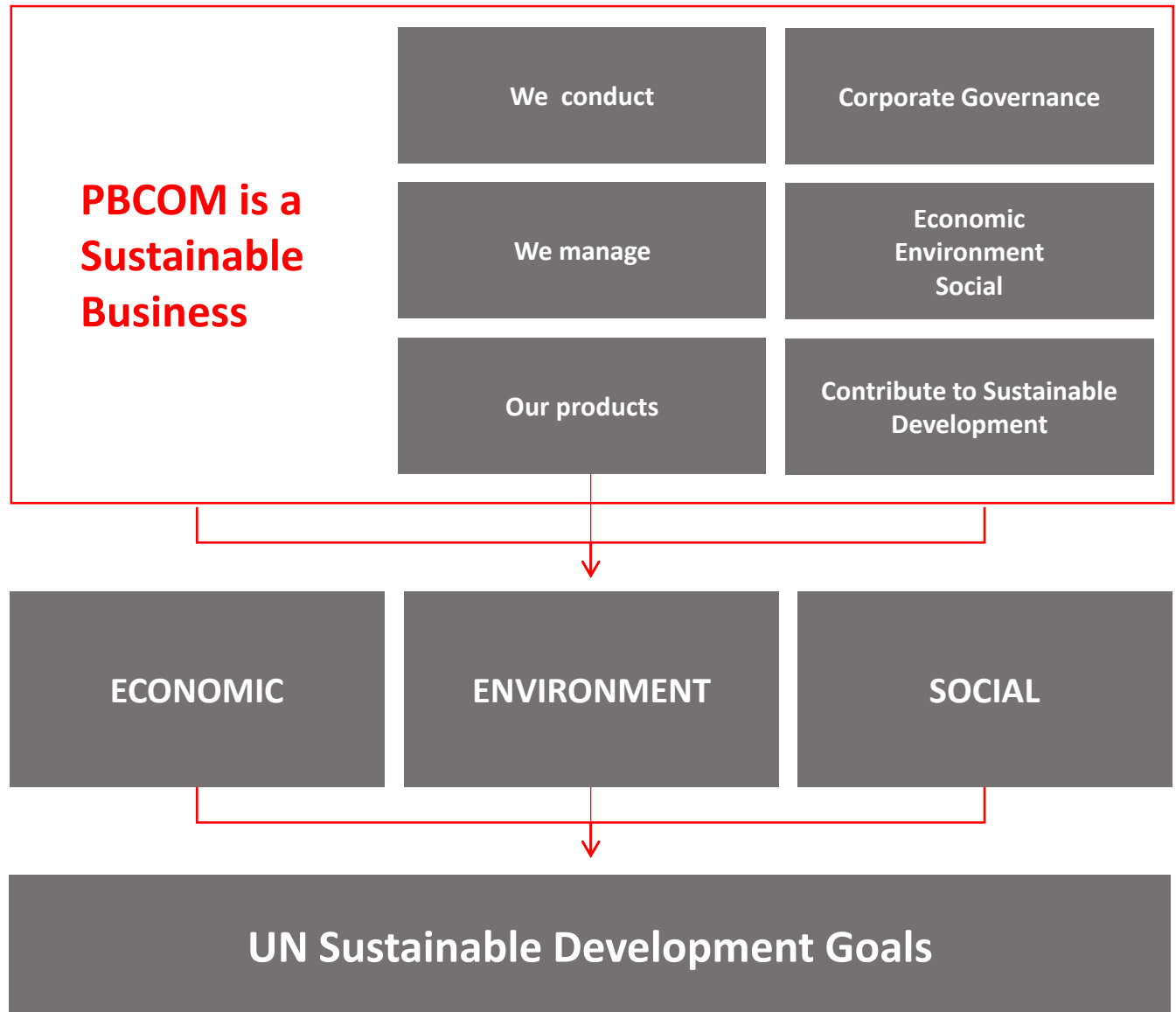
SOCIAL

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.

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

OUR FRAMEWORK

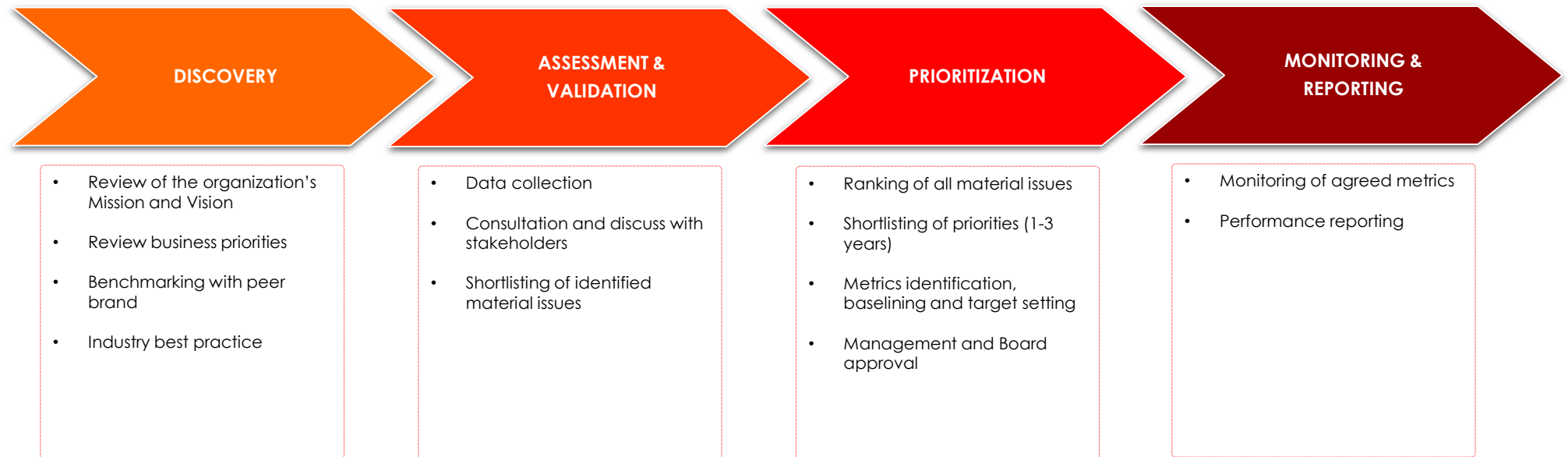
The over-all sustainability reporting framework of the Bank as a Publicly-Listed Company follows below structure:



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

MATERIALITY PROCESS

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



PBCOM is a sustainable business.

ECONOMIC



ECONOMIC PERFORMANCE

Disclosure (in Php '000)	Amount (Parent)
Direct economic value generated (revenue)	5,084,586
Direct economic value distributed:	
a) Operating costs	709,920
b) Employee wages and benefits	1,016,559
c) Payments to suppliers, other operating costs	1,011,573
d) Dividends given to stockholders and interest payments to loan providers	-
e) Taxes given to government	517,067
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
<p>Improved Return on Capital means increased lending opportunity</p> <ul style="list-style-type: none"> Higher investment in Human Capital (learning and development) More local community involvement PBCOM as an engine of growth in nation building 	<p>Board of Directors and officers, employees, customers, suppliers and community</p> <ul style="list-style-type: none"> Employees Employees and community Board of Directors and officers, employees, customers, suppliers and community 	<p>Value focus in terms of the Bank's financial standing</p> <ul style="list-style-type: none"> 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.
<p>A. The risk of non-compliance to regulators' requirement</p> <ul style="list-style-type: none"> The risk of not being able to protect customer's deposit and investments The risk of negative return to shareholders. 	<p>Board of Directors, officers and employees</p> <p>Board of Directors and officers, employees, customers, suppliers and community</p>	<ul style="list-style-type: none"> Proactive role of the Board of Directors and officers in corporate governance Adherence to AMLA and KYC regulations Prudent assessment of borrowers' credit worthiness
<p>B. Cyber security</p>	<p>Board of Directors and officers, employees, customers, suppliers and community</p>	<ul style="list-style-type: none"> Cyber customer security awareness via the Bank's social media platform and website
<p>C. The risk of long-term talent shortage</p>	<p>Board of Directors and officers, employees, customers, suppliers and community</p>	<ul style="list-style-type: none"> Leadership development program Succession planning and readiness assessment
<ul style="list-style-type: none"> Financial inclusion Digitalization Innovation Partnership with foundations or charitable institutions 	<ul style="list-style-type: none"> Bank Community Customers Small business owners 	<ul style="list-style-type: none"> 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. Incorporating innovation in providing services to our customers Identifying livelihood programs that can be supported by the Corporate Social Responsibility initiatives of the Bank (La Liga Mariquina and Green Antz)

ENVIRONMENT

PBCOM GOES GREEN

In April of 2021, PBCOM formally launched the "PBCOM goes GREEN campaign". This is a long-term initiative of the Bank to be more environmentally conscious in its operations. Led by President and CEO, Ms. Patricia May Siy, along with the members of the Bank's Senior Management Team, Leaders of the organization have planned year-long activities and programs in relation to the green campaign.

PBCOM's Senior Management Team encourages every member of the organization to avoid plastics, especially disposable ones, and use reusable utensils . Plates and water bottles



The main objective of this initiative is to educate employees on the environmental impact of their day-to-day activities, and in the end, reduce the amount of plastic garbage produced by PBCOM employees, reduce the amount of paper being consumed by the organization, and, actively advocate initiatives and projects to go green and cost-save.

First in the list of our programs is the "AYOKO NG PLASTIC" campaign, an initiative to control the volume of single-use plastic within bank premises. As a clear guideline, the Bank discourages the use of plastic spoons and forks, disposable cups, single-use plastic bags and plastic straw.

For unavoidable plastics, there is the "DONATE YOUR PLASTIC" drive where PBCOM encourages its employees to recycle. Recycling drop boxes were placed in several

head office locations where the Bank collects dry and clean plastics. The collected plastics are then transported to the ecohub of Green Antz builders, an organization that turns plastic wastes into eco bricks. From August up to November 2021, the Bank was able to collect 80+ kilos of plastic which were turned into eco bricks.

Further, PBCOM also launched the "WAG KANG MA-PAPEL" initiative. This is an inter-department competition on who can reduce their paper consumption the most.

July 2021 marked a milestone for PBCOM office support teams with the launch of the Procure-to-Pay (P2P) System, the first of its kind for the Bank. Purchase requests, orders, payments, including transfers of fixed Assets & inventories have all been digitized and turned paperless wherein approvals and status updates are now all made via the platform. This web-based system has been successfully rolled out nationwide and is accessed by all of the Bank's employees further contributing to the Bank's corporate environmental goals.

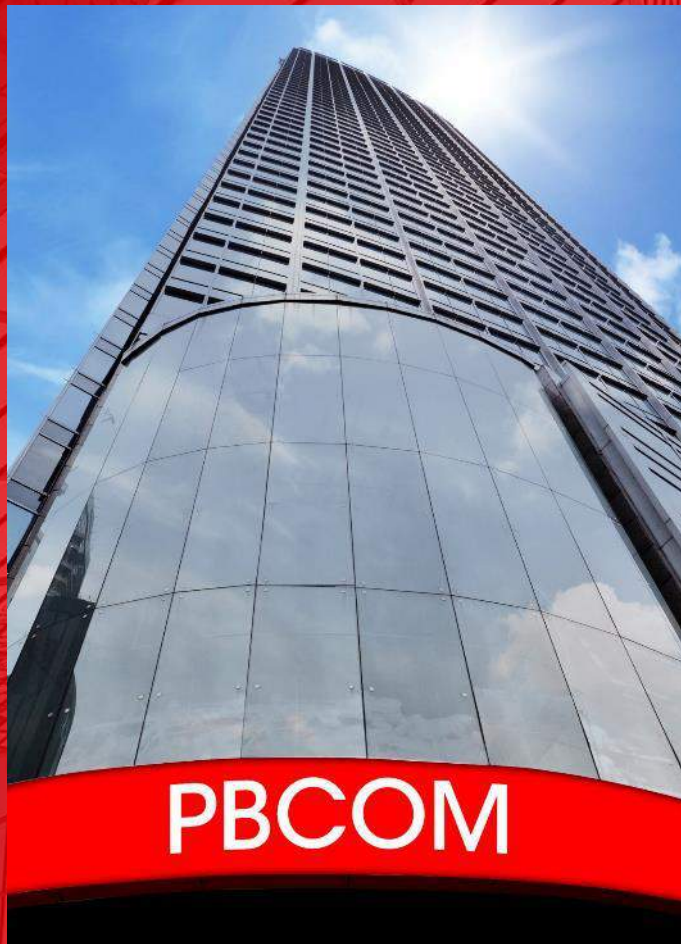
Through all the combined efforts, overall savings in 2021 vs. 2020 supplies went down 28% for paper while toners were down 20%. This is a result of the Bank's overall conscious work toward inclusive sustainability.

Along with these new projects are the ongoing initiatives of the Bank on going paperless. PBCOM Human Resources group continues to reduce paper consumption by turning employees' pay slips, employee handbooks, performance appraisal forms and other HR internal forms into digital copies.



"With these newly launched initiatives to GO GREEN, we, as an institution, hope to help lessen the worldwide problem on waste management, and in our little way contribute in making this world a better place to live in"

Patricia May T. Siy
PBCOM President & CEO



PBCOM TOWER CONTINUES TO ADVANCE

PBCOM Tower's overall commitment to constantly improve its facilities is still continuing with the year's major objectives: to reduce electricity costs while improving efficiency and still ensuring the reliability of each equipment and the entire operability of the Tower.

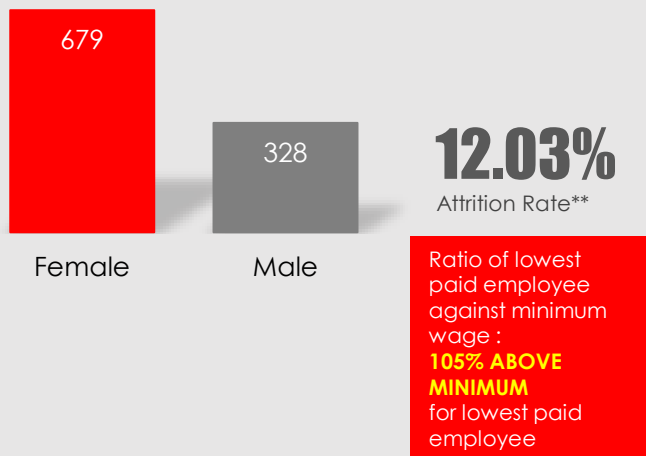
With the partnership between with Philippine DCS Development Corporation (PDDC) – an Engie Philippines & Filinvest Land Inc. joint venture – coming into fruition, identified major equipment have been replaced with more advanced and efficient primary pumps, secondary pumps, chillers, cooling towers and condenser water pumps. These greatly contributed to an average of Php 1,400,000.00 per month of savings in electricity while maintaining a minimum efficiency of 0.782 kW/RT. With the new chillers now using ozone-friendly R-514A EcoWise refrigerants in compliance with the Department of Energy's guidelines and requirements, results have been high efficiency operation but low negative environmental impact and global warming potential.

Six (6) High-rise elevators servicing PBCOM Tower's 53 floors have completed their long-awaited modernization in October 2021 under KONE Philippines. Not only was the overall look and ride of the elevators upgraded but all major parts and equipment were replaced and rigorously tested for safety and durability. Average waiting time has been significantly improved due to faster door operation and mechanism. Electricity consumption was also reduced by a significant 30% due to the new high efficiency hoisting motors, among others.

SOCIAL

EMPLOYEE MANAGEMENT

No. of employees
according to gender*

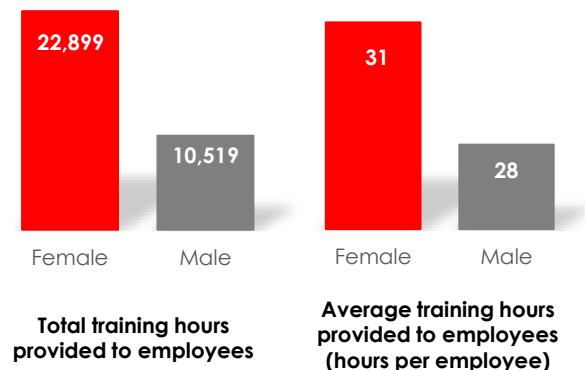


* Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

** Attrition rate = no. of turnover/average total manpower x 100

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS			
• SSS	Y	3.53%	0.00%
• Sickness	Y	3.36%	2.76%
• Loan	Y	12.37%	9.20%
PhilHealth	Y	Data not available	Data not available
Pag-IBIG	Y	9.28%	3.68%
Parental leaves	Y	3.53%	0.92%
Vacation leaves	Y	100%	100%
Sick leaves	Y	75.85%	71.47%
Medical benefits (aside from PhilHealth))	Y	100%	100%
Housing assistance (aside from Pag-ibig)	Y	0.00%	0.00%
Retirement fund (aside from SSS)	Y	6.00%	7.00%
Further education support	Y	0.88%	0.00%
Telecommuting	Y	100%	100%
Flexible-working Hours	Y	100%	100%
(Others)			
• Car loan	Y	0.74%	0.44%
• Emergency loan	Y	0.74%	0.15%
• Salary loan	Y	13.70%	3.98%
• Bereavement	Y	1.77%	1.23%

All employee benefits follow the labor standards if not exceeding them, particularly in the compensation area. Hence, there is no employee of the Bank who 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 Group Heads during the Training Needs Analysis 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, Culture. Several programs like Health and Fertility webinar and Yoga, the Power of Workplace wellness were introduced for female employees for their well-being.

In 2021, we continuously widened the scope of the trainings using technology for the employees based outside of Metro Manila to join the sessions.

LABOR-MANAGEMENT RELATIONS

DISCLOSURE	QUANTITY
% of employees covered with Collective Bargaining Agreements	22%
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. Aside from the CBA negotiations, it also conducts grievance meetings with the union officers to discuss issues relating to policies which affect the working conditions of rank and file employees as needed.

DIVERSITY AND EQUAL OPPORTUNITY

DISCLOSURE	QUANTITY
% of female workers in the workforce	67%
% of male workers in the workforce	33%
Number of employees from indigenous communities and/or vulnerable sector*	30

**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
Safe Man-Hours	
No. of work-related injuries	0
No. of work-related fatalities	0
No. of work related ill-health	191 COVID-19 positive
No. of safety drills	2 earthquake drills

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 offices and branches are located.

LABOR LAWS AND HUMAN RIGHTS

DISCLOSURE	QUANTITY
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, 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 Anti Sexual 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.

SCENT OF JOY

As we continue to face the uncertainties of the Global Pandemic, PBCOM and its employees also continue to help in little ways that they can. In December of 2021,

PBCOM initiated an employee fundraising project called "Scent of Joy" where the bank sold hanging car diffuser scents to its employees. These diffuser scents are a product of La Liga Mariquina's livelihood program made by the less privileged residents of the community.

LA LIGA MARIQUINA INC. (LM) is a Non-Stock, Non-Profit Civic Organization based in Marikina City, that advocates people empowerment. One of the primary programs of LM is their Livelihood Program where they conduct trainings and workshops for the less privileged members of the community, including those most affected by the Covid-19 Pandemic.

Proceeds of the fundraising project, amounting to Php 50,000 was turned over to La Liga Mariquina last December 28, 2021. Said donation will be used to fund the livelihood workshops to be implemented in 2022 by LM's "Centro Ni Maria Quina" Program.

May Siy, PBCOM President and CEO shares: "PBCOM continues to support La Liga Mariquina's vision in building a sustainable and holistic approach to alleviating the plight of our less privileged brothers and sisters. As La Liga Mariquina extends their livelihood program to more than just local Marikina barangays and communities, PBCOM and its employees are able to empower and help more and more members of the communities that we serve".



CUSTOMER MANAGEMENT

87%

**Customer Satisfaction
for Digital Platforms**

CSAT conducted internally
by PBCOM Customer Care

Customer Complaints:

No substantiated complaints reported
on Customer Privacy

No substantiated complaints reported
on Marketing and Labeling

No substantiated complaints reported
on Products & Services, Health and Safety

CLIENT INFORMATION USED FOR SECONDARY PURPOSES

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

DISCLOSURE	QUANTITY
Voice of Customer campaign recipients of Customer Experience Division to measure the satisfaction of New to Bank clients onboarded via our digital platforms and Transactions for POP and PBCOMOBILE	28,052
Accounts endorsed to authorized 3rd party collection agency of Consumer Finance Group	6,147
Clients offered with Bale product by Transaction Banking Group	48

SUSTAINABILITY IN CUSTOMER SERVICE

As we enter an era of instant communication and
feedback, many of today's customers have become
extremely demanding, if not just more aware of how they
should receive service from businesses. Along with this fast
pace of information circulation is the availability of various
channels to make the voice of each customer heard.

While many businesses struggle to keep up, we at PBCOM,
whose foundation on customer service standards have
been laid out, have learned to adapt. Our desire to
provide excellent customer experience, long term, has
been evident on the various programs and initiatives that
we implement.

The COVID-19 pandemic has further spurred us on towards
this objective. Re-thinking the ways with which we deliver
our service, PBCOM has been able to adjust well to the
needs of the times, aiming to create a sustainable
customer service performance post COVID-19.

Overall, the approach of the Bank is to create meaningful
relationships with our internal and external stakeholders
through communication. We encourage our employees to
solicit feedback, complaints and commendations, as often
as possible, and in all available channels. These shall serve
as basis for policy and product innovation with the ultimate
aim of improving service delivery. We want our customers
happy, and the best way to do this is by soliciting actual
feedbacks from them.

The channels that the Bank uses have all shifted to digital.
With "being paperless" as one of the main advocacies of
the Bank, Interactions via digital platforms are now the new
norm.

CUSTOMER SERVICE IMPROVEMENT PROGRAM

We at PBCOM believe that customer service is not just for
frontliners. We believe that every single member of the
organization must be accountable and therefore,
responsible for the way they deliver service to their
customer, whether internal or external. This is the primary
reason why service delivery is constantly being measured in
each employee's performance appraisal.

The Bank equips the team with regular trainings on
customer service. This also include trainings on soft skills like
empathy and concern.

Standards for grooming, service delivery and inner spaces
are also a part of the monitoring program. For our frontline
associates, Service Level Agreement for complaints
resolution and feedback is also being monitored to ensure
compliance.

EMPLOYEE BUY-IN

In PBCOM, we believe that our frontliners play a very
important role in making or breaking a business. Since they
are the face of the company, it is imperative that they act
and breathe "customer service". Our mentoring culture
plays a big part in honing our employees' service delivery
skills. Service delivery directives are rolled out not just for

employees to comply, rather, the Bank ensures that our
employees understand why they need to follow such
directives. This way, meeting the new standards that we
installed are less likely to fail because they are not being
forced to follow, they are involved in the process of service
improvement.

Employees' involvement on the achievement of excellent
service delivery are also recognized and rewarded. We
recognize employees who demonstrate exceptional
service evidenced by being service champions in their
respective groups, receiving commendations, and
excelling in customer service programs.

VOICE OF CUSTOMER (VOC)

We deploy several customer feedback platforms to know if
changes are needed, and which service or products need
improvements. This includes several survey methods like
website forms, SMS, email, call-outs and branch feedback
mechanisms. 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.

We also monitor and measure customer effort. This is
important for the Bank to know what processes need
improvement to make our customers' banking transactions
easier and more convenient.

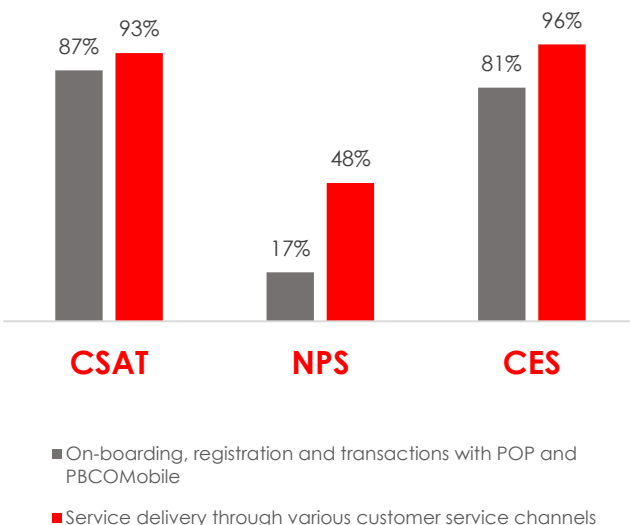
In 2021, the VOC focus were on our digital platforms as we
continuously increase our presence in this space. We had
to listen carefully not only to our external customers but to
our internal customers as well, so that we can stay abreast
of the changing behavior in the digital norm.
The primary metrics we use to measure effectivity and
performance are:

- Customer Satisfaction (CSAT) – measures how satisfied
our clients are with the product and/or service that they
received. This is used by the various units of the bank to
determine which processes and service standard need
improvement.
- Net Promoter Score (NPS) – measures how likely our
customers will recommend PBCOM to their peers. The
Net Promoter Score (NPS) results are used as reference
for our loyalty and referral programs. This aids our retail
business groups in customer retention & promoting
usage. These also serve as basis for the improvement of
product features for our digital platforms.

- Customer Effort Survey (CES) – measures how easy and how fast our customers are able to get the assistance that they need from the bank. This serves as the basis for our customer care's service delivery standards.

VOICE OF CUSTOMER METRICS

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



Complaints received are also considered as feedback and basis for improvement. The Bank sets a Service Level of Agreement (SLA) in complaint resolutions. Year on year, we monitor improvement on complaints resolution. Complaints received are categorized according to nature, and whether or not they are controllable. This gives our operations and products team tangible and actionable items that ensures improvement on processes and service delivery.

COMPLAINTS HANDLING METRICS	2021	2020	2019
SLA Achievement – complaints addressed within SLA	96.00%	99.04%	99.76%

CUSTOMER PRIVACY

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

Constant collaboration among the different units of 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. We always put our customers at the center of all banking relationships and business decisions; this is to ensure that in PBCOM, we protect any personal information that we collect, process and store.

DATA SECURITY

Looking back at the plentiful year of 2021, with regard to information and cybersecurity, PBCOM continues to face significant amount of security challenges but it does not stop them from being dedicated to proactively protect its information, networks, and IT systems from risks, like fraud, unauthorized access, and cyber threats. Having a proactive, defense-in-depth approach to cybersecurity allows PBCOM to be more vigilant and adaptive to the new, emerging and evolving threat landscape. In valuing customers' trust and maintaining a resilient business, the Bank invested heavily on its people, processes and technology to prevent, deter, detect and timely mitigate risks of security threats to the Bank's information and information systems/resources.



*Sa
PBCOM,
data mo
protektado*

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)	<u>UN SDG (1) : NO POVERTY</u> 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	<u>UN SDG (9) : INDUSTRIES, INNOVATION & INFRASTRUCTURE</u> 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	<u>UN SDG (9) : INDUSTRIES, INNOVATION & INFRASTRUCTURE</u> 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.	1. Lack of personal relationships; and 2. Increase fraud.	1. Digital banking to be complemented by the Bank's brick and mortar channel; 2. Strengthen vigilance and frequent review of the effectivity of existing controls.
Puhunan Plus (Microfinance Loan)	<u>UN SDG (10) : REDUCED INEQUALITIES</u> Credit extension to micro-business owners of up to P150.0k in loans which aids in business expansion, generate employment opportunities and help local economic growth.	1. Could potentially lead to borrower being over-leveraged; 2. Loan proceeds may potentially be used to fund personal consumption thus limiting long-term economic growth.	Lending will focus on micro-business owners with historical purchases in the retail institution partners of the Bank. Purchases will be used in establishing credit limit of the borrower.
Basic Deposit Account	<u>UN SDG (10) : REDUCED INEQUALITIES</u> <ul style="list-style-type: none"> A savings account that requires no more than P100.0 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 (KYC) 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	<u>UN SDG (11) : SUSTAINABLE CITIES AND COMMUNITIES</u> 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)	<u>UN SDG (12): RESPONSIBLE CONSUMPTION & PRODUCTION</u> Provides an alternative means of depositing cash & checks 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 brick and mortar channel.
Lending for Capacity Development	<u>UN SDG (17) : PARTNERSHIP FOR THE GOALS</u> 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.

With the many changes on the Philippine economic landscape, the Bank needed to make sure that we remain compliant to relevant policies, rules & regulations. Our compliance management, internal audit and enterprise risk management teams have adopted effective measures of monitoring and validation, both off-site and on-site, to maintain visibility and oversight. Our oversight teams implemented varying strategies to ensure efficacy and efficiency while keeping in mind possible risk of exposure to the virus.

Further, PBCOM ensured that amidst an evolving business landscape, risks remained within the defined bank appetite where uninterrupted information flow allowed round-the-clock risk assessment and control.

In photo: Lorelei Paula B. Arjonillo (Chief Risk Officer and Head of Enterprise Risk Management Group), Angelita U. Egalin (Chief Compliance Officer and Head of Compliance Management Group), and Jeruel N. Lobien (Chief Audit Executive and Head of Internal Audit Group)

IMPLEMENTING SOUND GOVERNANCE





CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

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:

1. 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.
2. 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.
3. 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 agreed 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 qualifications, 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.
5. 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.
6. The Bank's Code of Ethics and Code of Conduct clearly state 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 & 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 pre-screen 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 qualifications:

- 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 three (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 three (3) years counted from the date of his election/appointment;
- Is not an owner of more than two percent (2%) of the outstanding shares or a shareholder with shares of stock sufficient to elect one (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 one (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 three (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 recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

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

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 sets 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 decision-making 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

There shall be an Executive Committee composed of at least five (5) members of the Board of Directors as may be elected by the Board. In case of lack of quorum, the Chairman may designate any officer or member of the Board to fill the vacancy temporarily. The Secretary of the Board of Directors shall act as Secretary of the Executive Committee. Said Committee shall have the power to exercise functions and prerogatives of the Board of Directors during intervals between meetings of said Board except as to such matters as the Board may have specifically reserved for itself by appropriate resolution. The Committee shall adopt its own rules and procedures. Minutes of all meetings of the Executive Committee shall be kept and carefully preserved as a record of the business transacted at such meeting and shall be submitted, together with a report of all matters acted upon by this Committee, at the regular meetings of the Board of Directors. (As amended on June 15, 2021)

A quorum at any meeting of the Executive Committee shall consist of a majority of all members thereof, and a majority of such quorum shall 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.

Governance Committee

There shall be a Corporate Governance Committee composed of at least three (3) members of the Board of Directors as may be elected by the Board, who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson.

The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. The Corporate Governance Committee shall oversee (a) the nomination process for members of the Board of Directors and for positions appointed by the Board of Directors; (b) the continuing education program for the Board of Directors; (c) the performance evaluation process; (d) the design and operation of the remuneration and other incentives policy; and (e) the Bank's compliance function and the performance of the Chief Compliance Officer including the Compliance Management Group.

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 oversees 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

There shall be an Audit Committee composed of at least three (3) members of the Board of Directors, as may be elected by the Board, who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson. The chairperson of the Audit Committee shall not be the chairperson of the Board of Directors or any of the board-level-committees.

The Audit Committee shall (a) oversee the financial reporting framework; (b) monitor & evaluate the adequacy and effectiveness of the internal control system; (c) oversee the internal audit function; (d) oversee the external audit function; (e) oversee the implementation of corrective actions; (f) investigate significant issues/concerns raised; & (g) establish whistleblowing mechanism.

Risk Oversight Committee

There shall be a Risk Oversight Committee composed of at least three (3) members of the Board of Directors as may be elected by the Board, majority of whom shall be independent directors, including the chairperson. The chairperson of the Risk Oversight Committee shall not be the chairperson of the Board of Directors or any of the board-level-committees.

The Risk Oversight Committee shall advise the Board of Directors on the Bank's overall current and future risk appetite, oversee senior management's adherence to the risk appetite statement, and report on the state of the risk culture of the Bank. The Risk Oversight Committee shall (a) oversee the risk management framework; (b) oversee adherence to risk appetite; and (c) oversee the risk management function.

Trust Committee

The Trust Committee shall be composed of five (5) members; three (3) Directors who are appointed by the Board of Directors on a regular rotation basis and who are not Operating Officers of the Bank; the President; and the Trust Officer. Three of its members shall constitute a quorum for the transaction of business. The Chairman of the Trust

Committee shall be one of the three directors. No member of the Trust Committee shall also sit as member of the Audit Committee.

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

There shall be a Related Party Transactions Committee composed of at least three (3) members of the Board of Directors and two (2) of whom shall be Independent Directors, including the chairperson, as may be elected by the Board. The committee shall at all times be entirely composed of Independent Directors and Non-Executive

Directors, with Independent Directors comprising of majority of the members. The Compliance Officer is the committee secretariat.

The Related Party Transactions Committee shall (a) evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, monitored, and subsequent changes are captured; (b) evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances, that no corporate or business resources of the Bank are misappropriated or misapplied, and continuous determination on the relevant potential reputational risk; (c) ensure that appropriate disclosure is made and/or information is provided to regulating and supervising authorities relating to the Bank's RPT exposures and policies on conflict of interest; (d) report to the Board of Directors on a regular basis the status of exposures to each related party; (e) ensure transactions with related party are subject to periodic review; and (f) oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including periodic review of RPT policies and procedures.



COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE



BOARD OF DIRECTORS	ATTENDANCE
Eric O. Recto, Chairman	14/14
Leonardo B. Dayao, Vice Chairman	14/14
Lucio L. Co, Director & Executive Committee Chairman	14/14
Patricia May T. Siy, President & CEO	14/14
Jaime J. Bautista, Director	14/14
Bunsit Carlos G. Chung, Director	14/14
Susan P. Co, Director	14/14
Jack Ekian T. Huang, Director	14/14
Levi B. Labra, Director	12/14
Gregorio T. Yu, Director	14/14
Robert Y. Cokeng, Independent Director *	8/8
Conrado A. Gloria, Jr., Independent Director	14/14
Jesus S. Jalandoni, Jr., Independent Director †	3/5
Bienvenido E. Laguesma, Independent Director	14/14
Emmanuel Y. Mendoza, Independent Director	14/14
Gilda E. Pico, Independent Director	14/14
* Member effective June 15, 2021	
† May 4, 2021	

EXECUTIVE COMMITTEE	ATTENDANCE
Lucio L. Co, Chairman	49/49
Eric O. Recto	42/49
Leonardo B. Dayao	49/49
Patricia May T. Siy	49/49
Jaime J. Bautista	49/49
Bunsit Carlos G. Chung	49/49

AUDIT COMMITTEE	ATTENDANCE
Emmanuel Y. Mendoza, Chairman	12/12
Gilda E. Pico	12/12
Jaime J. Bautista	12/12
Levi B. Labra*	6/7
*Member up to July 28, 2021	

GOVERNANCE COMMITTEE	ATTENDANCE
Gilda E. Pico, Chairman	12/12
Leonardo B. Dayao	11/12
Conrado A. Gloria, Jr.	12/12
Bienvenido E. Laguesma	12/12
Eric O. Recto	8/12

RISK OVERSIGHT COMMITTEE	ATTENDANCE
Conrado A. Gloria, Jr. Chairman	12/12
Bienvenido E. Laguesma	12/12
Patricia May T. Siy	12/12
Levi B. Labra	9/12
Jesus S. Jalandoni †	2/2
Robert Y. Cokeng *	7/7
† May 4, 2021	
* Member effective June 15, 2021	

TRUST COMMITTEE	ATTENDANCE
Eric O. Recto, Chairman	4/4
Patricia May T. Siy	4/4
Jack Ekian T. Huang	4/4
Robert Y. Cokeng *	2/2
Jesus S. Jalandoni †	1/2
Josephine G. Cervero ***	1/1
Dreda Teresa D. Mendoza ****	3/3
* Member effective June 15, 2021	
† May 4, 2021	
*** Member up to February 28, 2021	
**** Member effective March 1, 2021	

RELATED PARTY TRANSACTIONS COMMITTEE	ATTENDANCE
Robert Y. Cokeng, Chairman *	3/3
Conrado A. Gloria, Jr.	4/4
Levi B. Labra	4/4
Gilda E. Pico	4/4
* Member effective June 15, 2021	

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 two-thirds (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 2019 to 2021 of the Bank's Chief Executive Officer and four other most highly compensated executive officers are as follows:

	2021	2020	2019	
CEO and four most highly compensated Executive officers	Patricia May T. Siy President & CEO	Patricia May T. Siy President & CEO	Patricia May T. Siy President & CEO	
	John Howard D. Medina Executive Vice President	John Howard D. Medina Executive Vice President	John Howard D. Medina Executive Vice President	
	Alan E. Atienza Executive Vice President	Alan E. Atienza Executive Vice President	Alan E. Atienza Senior Vice President	
	Victor O. Martinez Executive Vice President	Victor O. Martinez Executive Vice President	Arlene M. Datu Senior Vice President	
	Arlene M. Datu Senior Vice President	Arlene M. Datu Senior Vice President	Expedito G. Garcia, Jr. Senior Vice President	
Salary	₱60,175	₱50,719	₱48,960	
Bonus	20,258	18,685	16,320	
Other Annual Compensation				
TOTAL	₱80,433	₱69,404	₱65,280	
All officers and directors as Group Unnamed				
Salary	₱624,600	₱621,114	₱620,420	
Bonus	193,915	192,947	188,364	
Other Annual Compensation	-	-	-	
TOTAL	₱818,515	₱814,061	₱808,784	
ESTIMATED ANNUAL COMPENSATION FOR YEAR 2022				
	Salary	Bonus	Other Annual Compensation	Total
Total of CEO and Four most highly compensated Executive Officers	₱60,775	₱20,258	none	₱81,033
All officers as a group unnamed	626,772	196,542	none	823,314

The Director's per diem and other fees amounted to P13.36 Million, P12.43 Million and P9.75 Million, as of December 31, 2021, 2020 and 2019, respectively.

The five (5) Independent and four (4) other regular Directors are entitled to a Director's fee for attending Board meetings. The remaining six (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 four (4) percent.

There are no other terms and conditions with regard to the 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, Officers as of December 31, 2021.

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 the 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 for different branch personnel nationwide and selected Head Office units. In 2021, nine (9) batches of AML updates: Money Laundering and Terrorist Financing Prevention Program (MTPP) via

Zoom were attended by 736 attendees between the period of November 16 to December 11.

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. Their wisdom, experience, expertise and 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, 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 nine (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.

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. Heads are required to identify at least one (1) successor to key management positions in the units under their supervision.

2021 Succession Plan was approved by the Board on July 28, 2022.

Source: Bank's Policy on Succession Planning

Retirement Policy - Officers

The Bank has two (2) categories of retirement, namely: voluntary and compulsory. Voluntary retirement is applied to any regular employee hired before February 1, 2016 who has rendered at least five (5) years of continuous service, and ten (10) years for officers hired on February 1, 2016 onwards. Compulsory retirement, on the other hand, is applicable to employees who reach the age of sixty (60) years, irrespective of their length of service.

The Bank has a retirement policy in place for its officers, managers and rank and file employees. The Bank does not have a prescribed retirement age for its board members. Retirement pay is computed based on the applicable percentage of employee's monthly salary, as shown below multiplied by the number of years in service.

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. In the succession policy, heads are required to identify at least one (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 cascade deliverables, quantify output and address performance gaps.

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.

Results of the 2021 performance evaluation of the board and board level committees

SCORE	BOARD EN BANC	DIRECTOR'S SELF EVALUATION	EXECUTIVE COMMITTEE	GOVERNANCE COMMITTEE	AUDIT COMMITTEE	RISK OVERSIGHT COMMITTEE	RPT COMMITTEE	TRUST COMMITTEE
Director's points on Qualitative Performance	334.60	78.87	185.17	188.60	231.67	194.00	190.50	187.60
Attendance (perfect score 40)	39.62	39.62	39.05	36.67	40.00	38.00	40.00	40.00
Total Director's Score	374.22	118.49	224.22	225.27	271.67	232.00	230.50	227.60
Total Perfect Score	390	120	230	230	280	240	240	240
Total Score (%)	95.95%	98.74%	97.48%	97.94%	97.02%	96.67%	96.04%	94.83%

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 2021 Performance Evaluation of the Board and Board-level committees are shown above.

For the Senior Management Team

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 self-rating 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.

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 that 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 to 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: Ten percent (10%) of the Bank's total assets based on latest audited financial statement. Total asset pertains to total consolidated assets.

Adjusted Materiality Threshold

TRANSACTIONS		THRESHOLD
Credit Exposures / Accommodations / Borrowings	Corporate Loan – Secured	P120M
	Corporate Loan – Clean	P60M
	Consumer : Home Loan Auto/Personal Loan	P15M P2.5M
Investments		P240M
Others / Non-Credit Exposures		P30M
Trust	Follow the same materiality threshold as with the Bank Proper	

In 2021, 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	OS Balance as of December 31, 2021
Q.C. Styropackaging Corp. Group: • Q.C. Styropackaging Corp. • Multiplast Corp.	Credit Facility: Omnibus Line = P50M Omnibus Line = P100M Total of P150M	Clean Loan Line: Available via short-term PN up to 180 days; extendable for another 180 days. Full payment upon maturity. Foreign/Domestic o Letter of Credit/TR Line: Available via sight or usance Letters of Credit including DA/DP/OA with drafts not to exceed 360 days. o TR period of 180 days, inclusive of IB and Usance days. Full payment on the 180th day.	<ul style="list-style-type: none"> Interest based on prevailing market rate, collectible monthly in advance or in arrears, repriced monthly. Letter of Credit opening charges/bank commission at 1/32 of 1% for two (2) months. No marginal deposit required. SSB allowed. For BP Line: Acceptance of client's own checks and personal checks of principals representing fund transfer and facilitation of payment 	<ul style="list-style-type: none"> Q.C. Styropackaging Corp. = P26.8M Multiplast Corp. = P56.8M Total of P83.6M 	<ul style="list-style-type: none"> Q. C. Styropackaging Corp. = P16.4M Multiplast Corp. = P53.1M Total of P69.5M
State Properties Corp	Credit Facility: • Secured Loan Line – P100M • Clean Loan Line- P1.2B • Domestic Bills Purchase Line • Total of P1.210B	<ul style="list-style-type: none"> Secured Loan Line – PN up to 180 days; extendable for another 180 days provided 20% pay down of original amount. Full payment upon maturity Clean Loan Line – PN up to 180 days; extendable for another 180 days provided 20% pay down of original amount. Full payment upon maturity 	<ul style="list-style-type: none"> Interest based on prevailing lending rate subject to monthly repricing and payable monthly in arrears Interest based on prevailing lending rate subject to monthly repricing and payable monthly in arrears For BP Line – Acceptance of client's own checks provided it is for fund transfer to PBCOM account from other banks or for settlement of obligation with PBCOM 	P0.00	P0.00
Roberto V. Ongpin	Case to Case Loan P500M	<ul style="list-style-type: none"> Available in Peso/US\$ May be drawn in tranches Up to 360-day PN 	<ul style="list-style-type: none"> Monthly/quarterly interest resetting Interest payable in advance 100% holdout on deposits on per availment basis 	P0.00	P0.00
Udenna Tower Corporation	a. Term Loan P2.2B b. Term Loan P971.181M c. Deferred Interest under BAH0 P30.4M d. Deferred Interest under BARO P29.7M	<ul style="list-style-type: none"> 10 yrs. Term Loan 98 months 	a. Interest rate at 8.5% plus GRT for the account of the borrower. Reviewable and payable monthly in arrears. b. Interest rate at 8.5% plus GRT for the account of the Borrower. Reviewable and payable monthly in arrears. c. Non-interest bearing d. Non-interest bearing	P2.2B Loan Line P800M Trust Loan P500M	P1.92B P920.2M P24.3M P25.5M Total of P2.89B

*Acronyms used: Letter of Credit (LC), Trust Receipt (TR), Documents Against Acceptance (DA), Documents Against Payment (DP), Open Account (OA), Bills Purchase (BP), Shipside Bond Guaranty Issuance (SSB), Promissory Note (PN), Gross Receipts Tax (GRT), Bayanihan to Heal Act As One/Ra 11469 (BAHO), Bayanihan to Recover Act As One/Ra 11494 (BARO)

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:

- a. Advising the Board of Directors and Senior Management on relevant laws, rules and standards, including keeping them informed on developments in the area;
- b. 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;
- f. Monitoring and testing compliance by performing sufficient and representative compliance testing;
- g. Maintaining a constructive working relationship with the BSP and other regulators.

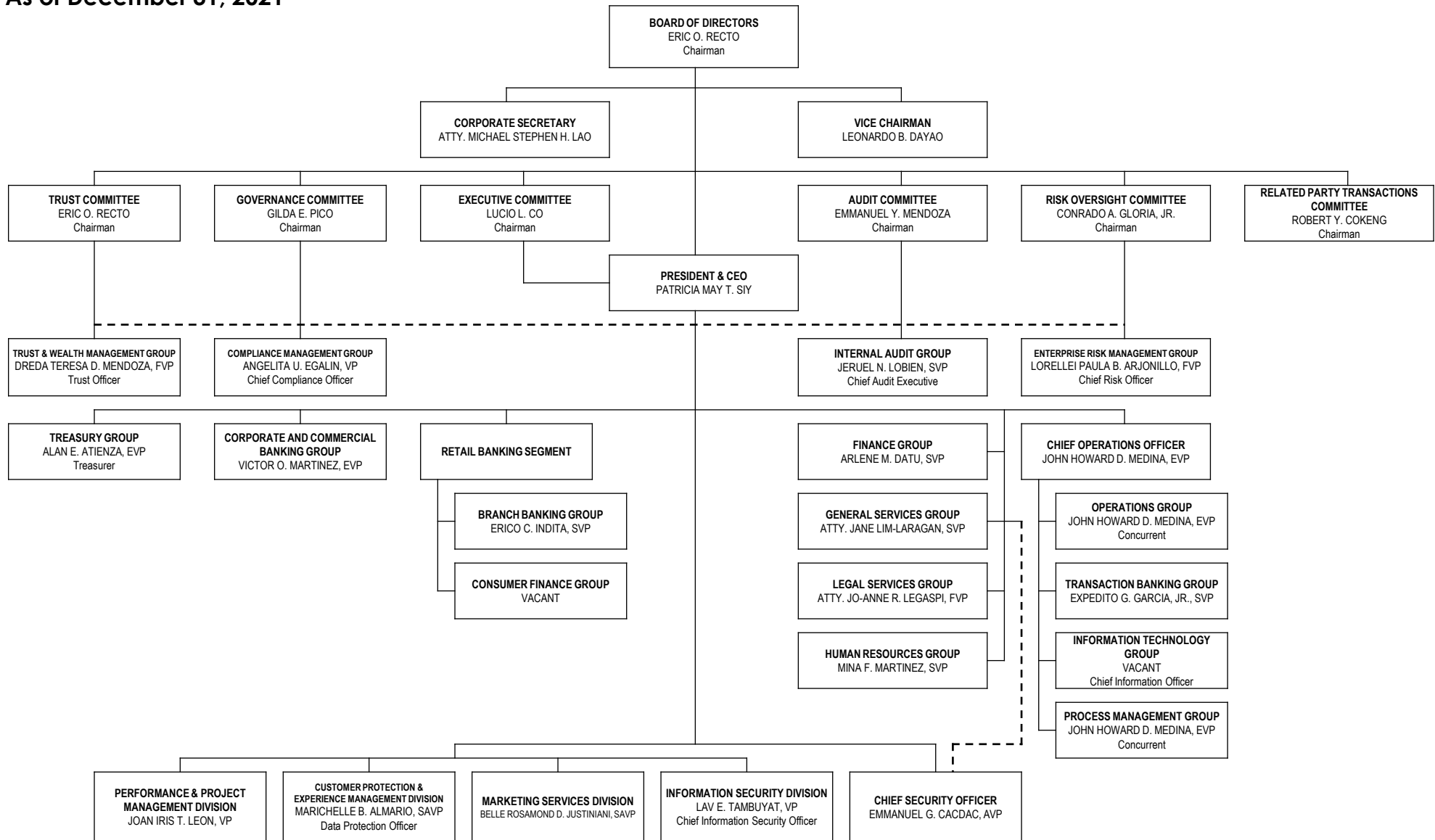


*Corporate
Governance is
everyone's
responsibility*



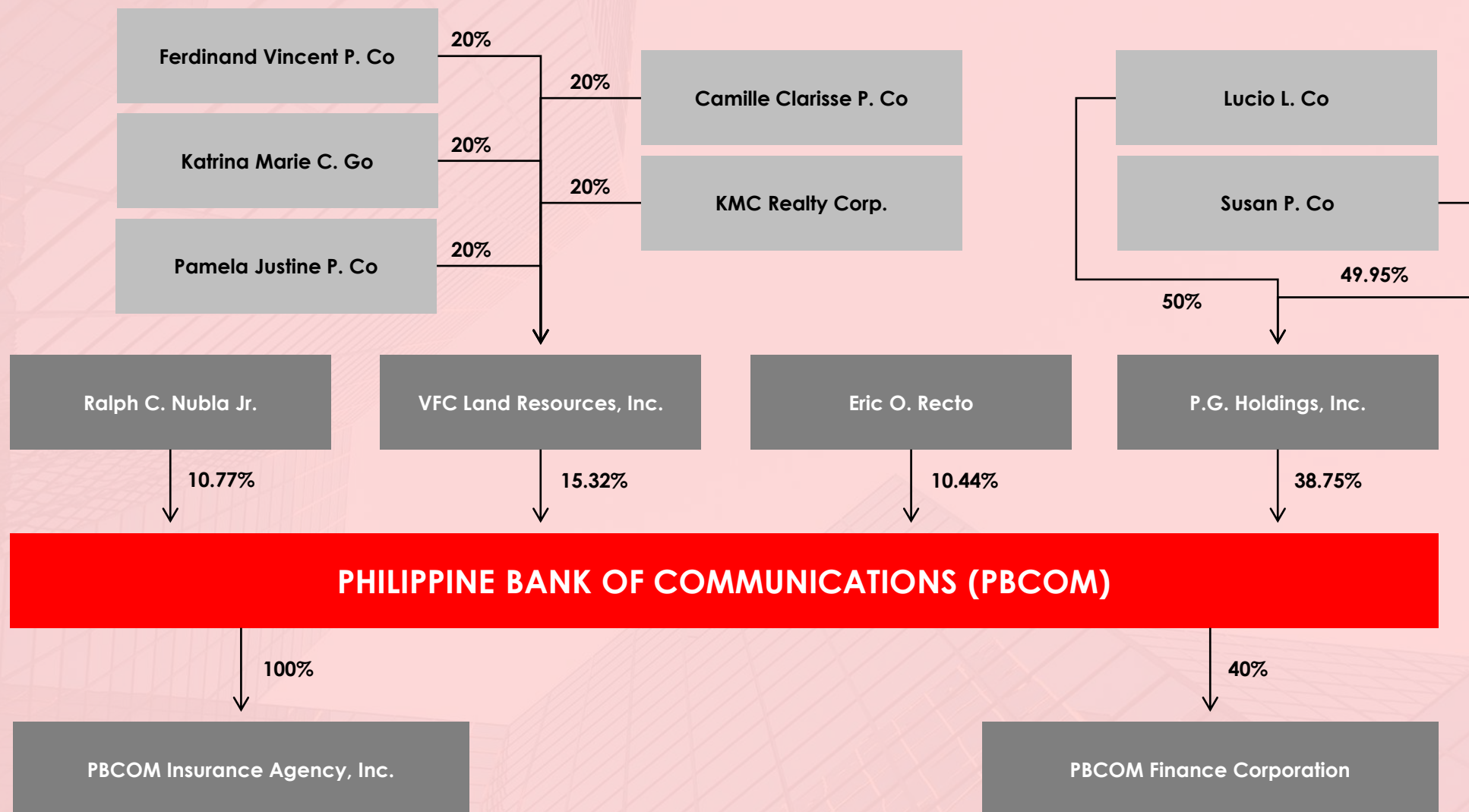
ORGANIZATIONAL STRUCTURE

As of December 31, 2021



CONGLOMERATE MAP

As of December 31, 2021



TOP TWENTY (20) SHAREHOLDERS



As of December 31, 2021

	NAME OF SHAREHOLDER	CITIZENSHIP	NO. OF SHARES	%
1	P.G. Holdings, Inc.	Filipino	186,241,408	38.75%
2	VFC Land Resources, Inc.	Filipino	73,619,038	15.32%
3	PCD Nominee Corporation:	Filipino	49,157,327	10.22%
		Non-Filipino	1,994,361	0.42%
4	Eric O. Recto	Filipino	49,835,776	10.37%
5	Ralph C. Nubla, Jr.	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	TTC Development Corporation	Filipino	4,181,665	0.87%
10	Roxas-Chua, Ray Anthony Go	Filipino	3,070,724	0.64%
11	Cham, Edison Siy	Filipino	1,790,853	0.37%
12	KLG International, Inc.	Filipino	1,790,853	0.37%
13	Yu, Gregorio T.	Filipino	1,432,692	0.30%
14	Chungunco, Raymond N.	Filipino	604,011	0.13%
15	TFC Holdings, Inc.	Filipino	562,588	0.12%
16	Chung, Bunsit G. (a.k.a. Carlos G. Chung)	Filipino	550,716	0.11%
17	Chung, Patricia Regine K.	Filipino	261,294	0.05%
18	Chung, Philippe Ryan K.	Filipino	261,294	0.05%
19	Ching, Winnifred	Filipino	187,798	0.04%
20	Ching, Jeffrey	Filipino	175,505	0.04%

OUR SENIOR MANAGEMENT TEAM

PATRICIA MAY T. SIY

President and Chief Executive Officer

Ms. Siy, Filipino, 61 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, 52 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, 51 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.

VICTOR O. MARTINEZ

Head of Corporate and Commercial Banking Group, EVP

Mr. Martinez, Filipino, 56 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.

ARLENE M. DATU

Comptroller and Head of Finance Group, SVP

Ms. Datu, Filipino, 63 years old, joined PBCOM in 2013 and has 42 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.

ERICO C. INDITA

Head of Branch Banking Group, SVP

Mr. Indita, Filipino, 53 years old, joined PBCOM in 2020 and has over 28 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.

EXPEDITO G. GARCIA, JR.

Head of Transaction Banking Group, SVP

Mr. Garcia, Filipino, 54 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.

OUR SENIOR MANAGEMENT TEAM

JANE L. LARAGAN

Head of General Services, SVP

Atty. Laragan, Filipino, 54 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.

JERUEL N. LOBIEN

Chief Audit Executive and Head of Internal Audit Group, SVP

Mr. Lobien, Filipino, 44 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, SVP

Ms. Martinez, Filipino, 59 years old, joined PBCOM in 2015 with 39 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.

LORELLEI PAULA B. ARJONILLO

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

Ms. Arjonillo, Filipino, 58 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, 42 years old, joined PBCOM in 2020 and has over 17 years of Legal experience in Banking, 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.

DREDA TERESA D. MENDOZA

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

Ms. Mendoza, Filipino, 50 years old, joined PBCOM in February, 2021. She brings with her 27 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, 43 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.

OUR SENIOR MANAGEMENT TEAM



ANGELITA U. EGALIN

Chief Compliance Officer and Head of Compliance Management Group, SAVP

Ms. Egalin, Filipino, 56 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).

BELLE ROSAMOND D. JUSTINIANI

Head of Marketing, SAVP

Ms. Justiniani, Filipino, 47 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.

MARICHELE B. ALMARIO

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

Ms. Almario, Filipino, 47 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. Almario 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.



OUR SENIOR OFFICERS

PRESIDENT

Siy, Patricia May Tan

EXECUTIVE VICE PRESIDENTS

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

SENIOR VICE PRESIDENTS

Datu, Arlene Macarandan
Garcia, Expedito Jr. Garcia
Indita, Erico Castro
Laragan, Jane Lim
Lobien, Jeruel Nazareno
Martinez, Mina Francisco

FIRST VICE PRESIDENTS

Alday, Dennis Bautista
Arjonillo, Lorelle Paula Boquiren
Cruz, Teresita Santos
Hernando, Margaret Yu
Kimpoo, Cherry Ann Vanessa Barasi ¹¹
Ladaban, Justin Robert Gabriel
Lagdameo, Rowena Pinlac
Legaspi, Jo-Anne Rodil
Luy, Aaron Jay Tiu
Medina, Guia De la Rosa
Mendoza, Dreda Teresa Dasmariñas
Ng, Sherwin Juan ¹²
Roda, Ariel Alvarez ¹⁴

VICE PRESIDENTS

Ambrocio, Hermelita Hernandez
Ang, Marigrace Cincochan
Chan, Irwyn Deopita ¹²
Chiong, Easter Angela Sy
Dayan, Dennis Retubis ¹²
De Guzman, Ma. Sonia Robles
Egalin, Angelita Uy ¹³
Fredeluces, Rizalina Lorenzo ¹²
Galvez, Sandra Michelle Berrei
Hao, Rose Mary Co
Jayme, Sigfredo Nacion ⁵
Joaquin Jr, Rodrigo Duque
Lachica, Cherry Cudal
Lagunzad, Consorcia Luz Gagni
Leon, Joan Iris Torio

Lichauco, Christopher Cainto ¹⁹
Lim, Lillian Lucente
Macaalay, Dinah Estanislao
Maliglig, Richie Evangelista
Marcelino, Katherine Santos
Medrero, Michael Tenebro
Musico, Jerome Colozo ⁹
Nieto, Maria Minerva Alameda
Pua, Michael Zee
Ricafort, Allan Cris Demetillo ⁶
Romero, Mary Ann Cardenas ¹⁰
Sahagun, Frederick Sison
Tambuyat, Lav Esteban
Tonio, Ma. Monette Cabetingan
Wong, Kristine Lotilla
Wong, Nelson Ligutom
Yu, Alice Choa

SENIOR ASSISTANT VICE PRESIDENTS

Abendan, Ma. Enrica Roceles ⁴
Almario Marichelle Borja
Arboleda, Gretchen Marie Villarica
Ariola, Alexie Hernandez
Bautista, Maria Theresa Salvador ¹¹
Cheng, Vanessa Sy ¹²
Dimaculangan, Myra Geronimo ¹³
Eleria, Rommel Sipin
Go, Chester Benedict Uy
Justiniani, Belle Rosamond Dylco
Lee, Gerard Gaspar
Lopez, Jose Javier Diokno
Muniz, Joel Castillo
Pineda, Napoleon Jr Navarro
Posadas, Michael Lawrence San Buenaventura
Quitoriano, Donabel Encabo
Tychuaco, Irwin Joseph Tan
Young, Christian Irving Buenagua ¹⁶
Zialcita, Benigno IV Busuego ⁶

ASSISTANT VICE PRESIDENTS

Bolanos, Ma. Cristina Maranan ¹⁷
Botor-Jaranilla, Maria Judessa Llorin
Cacdac, Emmanuel Geminiano
Cadiz, Raymund Cariasio
Cajucom, Amor Francisco
Cansino, Grace Francisco
Castillo, Rolando Enriquez

Catipon, Christopher John Constantino
Cerdeza, Maria Theresa Jonas
Cheng, Alice Ang
Cheng, Imelda Dy
Chu, Liza Manzano
Chu, Shan Shan Ng
Chua, Kristine Nicole Co
Chua, Yolanda Yee ²⁰
Co, Grace Ong
Co, Jane Yu
Co, Charlotte Andrea Lao
Culaba, Nilo Lu-Ang
Del Rosario, Renato Jr. Bonifacio
Domingo, Melany Magpayo ⁸
Escalante, Melissa Arellano
Fajardo, Anthony Flores
Galvez, Ana Belinda Francisco
Geralddez, Lhynnette Ortiz ³
Geronimo, Maria Rosario Cruz
Gochangco, Rene Halili
Guzman, Josephine Ting
Japay, Sheila Kathleen Perpose
Lamberte, Benito Manalo
Lao, Michael Stephen Hui
Lee, Jennielyn Co
Magpantay, Abel Benjie Mallari
Martija, Ana Liza Maralit
Martinez, Antonio Niccolo Layo ¹³
Maximo, Lizette Anne Sevilla ¹⁸
Nasol, Severino Dumandal
Neria, Alexis Gabriel Sanchez ⁷
Ong, Russell Lee ¹⁵
Perez, Ana Marie Ocampo ¹⁴
Ras, Mary Joy Vicenta Santillan
Refuerzo, John Paul Merida
Serrano, Marie Clare Rodriguez ¹³
Soriano, Victoria Vega
Taguiba, Alfonso Telan
Tan, Charles Christian Rivera ²
Tan, Melly Chua
Tolentino, Amelia Estrella
Urriquia, Maria Joyce Funtanilla ¹³
Varona, Jose Jr. Heredia
Velasquez Jr., Gerundio Garcia
Velasquez, Misael Dela Merced
Villamora, Mark Jan Preston

¹ Hired January 3, 2022

² Hired January 17, 2022

³ Hired Feb 7, 2022

⁴ Hired February 15, 2022

⁵ Hired March 21, 2022

⁶ Hired March 28, 2022

⁷ Hired April 1, 2022

⁸ Hired May 2, 2022

⁹ Hired May 23, 2022

¹⁰ Promoted January 1, 2022

¹¹ Promoted March 1, 2022

¹² Promoted April 1, 2022

¹³ Promoted May 1, 2022

¹⁴ Resigned January 1, 2022

¹⁵ Resigned February 15, 2022

¹⁶ Resigned April 1, 2022

¹⁷ Resigned April 9, 2022

¹⁸ Resigned May 16, 2022

¹⁹ Resigned June 1, 2022

²⁰ Resigned June 12, 2022



ENSURING SECURITY AND SAFETY

Threats, both physical and online, have been prevalent in 2021. The Bank needed to deliver an expanded, round-the-clock security operations and monitoring. We also strengthened the legal risk management process in order to identify and mitigate legal risks in the face of changing circumstances.

Our Information Security, Legal and Security Administration teams have proactively addressed and effectively reduced the impact of possible threats to the Bank while allowing the Bank to operate continuously.

In photo: Lav E. Tambuyat (Chief Information Security Officer), Atty. Jo-anne R. Legaspi (Head of Legal Services Group), and Emmanuel G. Cacdac (Chief Security Officer)



RISK & CAPITAL MANAGEMENT



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. It is designed to identify potential events that may affect the entity, to manage risk to be within its risk appetite and 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 MANAGEMENT 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 Bank maintains an Internal 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 a trigger for management and the Board to commence the

capital planning process. In the event that the Bank's RBCAR and/or CET1 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 maintains the following alert system:

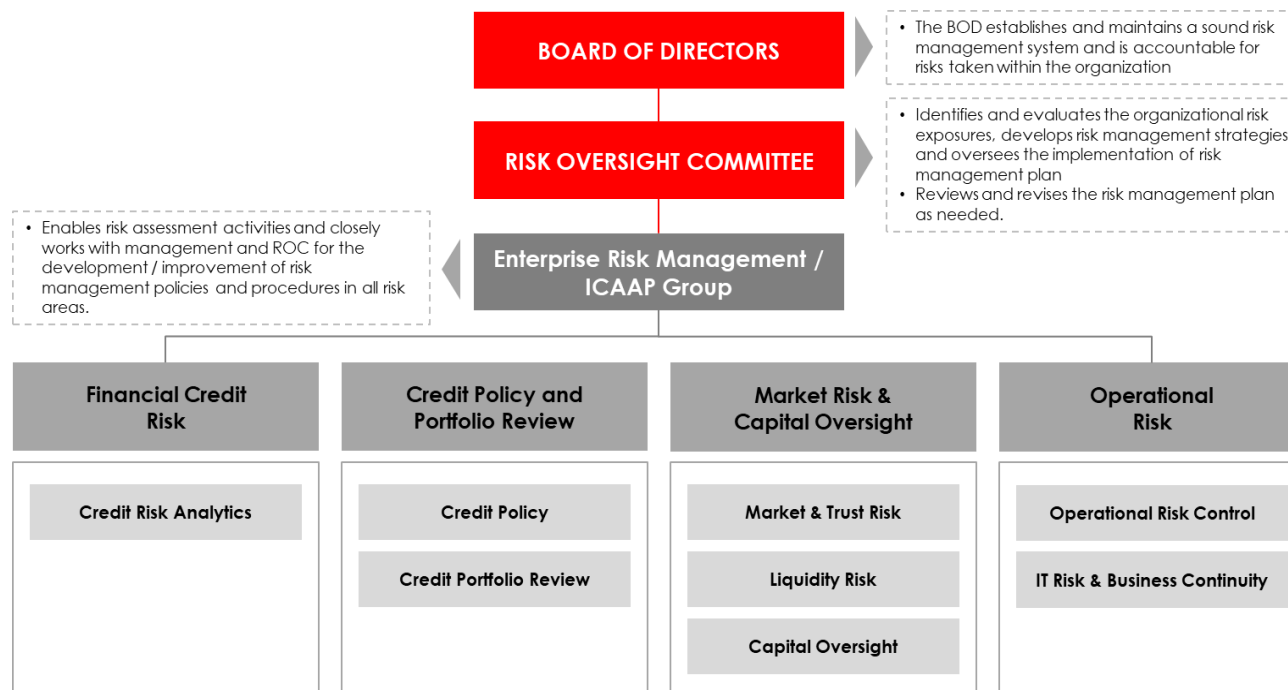
Status	RBCAR	CET 1
RED	<12%	<9%
ORANGE	>12% up to 13.5%	>9% up to 10.5%
GREEN	Above 13.5%	Above 10.5%

Monitoring of the RBCAR levels against regulatory requirements and the Bank's targets is performed by ERMG based on RBCAR and CET1 reports provided by Finance Group. Monitoring results are provided to the Asset and Liability Committee (ALCO) weekly, the Risk Oversight Committee (ROC), and the Board on a monthly basis. For 2021, 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 & 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 Internal Capital Adequacy Assessment Process (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 2021 Audited Financial Statements provides more detail about the BSP Circular that defines the quality capital a bank must maintain to cover its risks and how the regulatory ratios are calculated.

The Group's and the Parent Company's RBCAR as reported to BSP as of December 31, 2021 and 2020 are shown in the table below (amounts in millions)

	Consolidated and Parent Company	
	2021	2020
CAPITAL RESOURCES		
CORE EQUITY - TIER ONE	13,376	12,445
Paid-in Common Shares	14,278	14,278
Retained Surplus (Deficit)	(284)	(1,217)
Accumulated Other Comprehensive Income	(75)	7
Minority interest	-	-
Less: Regulatory Adjustments to CET-1		
Unsecured loans, other credit accommodations granted to subsidiaries and affiliates	-	-
Investments in Subsidiaries	(6)	(6)
Investments in Affiliates	(14)	(14)
Intangible Assets	(523)	(603)
Goodwill	-	-
Defined benefit pension fund assets (liabilities)	-	-
ALTERNATIVE TIER ONE CAPITAL		
TIER TWO CAPITAL	2,227	2,226
Valuation Increment Reserves on PBCOM Tower	1,737	1,640
General Loan Loss Provision	490	586
QUALIFIED CAPITAL	15,603	14,671
Tier One	13,376	12,445
Core Equity	13,376	12,445
Alternative Tier One	-	-
Tier Two	2,227	2,226
Risk Weighted Assets	85,846	77,754
Credit Risk-Weighted Assets	76,572	69,987
Market Risk-Weighted Assets	500	182
Operational Risk-Weighted Assets	8,774	7,585
Core-Equity, Tier One Ratio (Adjusted CET-1 Capital/Total Risk Weighted Assets)	15.58%	16.01%
Tier One Ratio (Adjusted Tier One Capital/Total Risk Weighted Assets)	15.58%	16.01%
Capital Adequacy Ratio (Total Capital/Total Risk Weighted Assets)	18.18%	18.87%
Capital Conservation Buffer (Excess Adjusted CET-1/Total Risk Weighted Assets)	9.58%	10.01%

The table below shows reconciliation between Philippine Financial Reporting Standards (PFRS) capital, capital under Philippine Regulatory Accounting Principles and Qualifying Capital under Basel III.

RECONCILIATION OF REPORTED CAPITAL RESOURCES	Consolidated and Parent Company	
	2021	2020
PFRS Capital	14,176	12,530
Differences in Accounting Principles Recycled to P&L & Retained as Earnings	(327)	316
Differences in Comprehensive Income (Loss) on Equity Securities	(17)	(4)
Differences in Appraisal Increment Reserves	1,737	1,640
Differences in Cumulative Translation Adjustment	240	121
Actuarial loss on Post-Retirement Benefits (PAS 19R)	(153)	105
RAP Capital	15,656	14,708
General Loan Loss Provision	490	586
Investment in Subsidiaries and Affiliate	(20)	(20)
Intangible Assets and Goodwill	(523)	(603)
Qualified Capital for Minimum Adequacy Compliance under Basel III	15,603	14,671

Details of risk-weighted assets and capital requirements:

December 31, 2021	Consolidated and Parent Company		
	Credit Risk	Market Risk	Operational Risk
On-Balance Sheet	75,462		
Off-Balance Sheet Commitments to Lend	1,110		
Counterparty Risk-Weighted assets in the banking book	-		
Counterparty Risk-Weighted assets in the Trading book			
Interest Rate Risk on the Trading Books		443	
Foreign Exchange Risk		57	
Basic Indicator Approach			8,774
Total	76,572	500	8,774
Capital Requirements	7,657	50	877

December 31, 2020	Consolidated and Parent Company		
	Credit Risk	Market Risk	Operational Risk
On-Balance Sheet	68,605		
Off-Balance Sheet Commitments to Lend	1,368		
Counterparty Risk-Weighted assets in the banking book	14		
Counterparty Risk-Weighted assets in the Trading book			
Interest Rate Risk on the Trading Books		108	
Foreign Exchange Risk		74	
Basic Indicator Approach			7,585
Total	69,987	182	7,585
Capital Requirements	6,999	18	759

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, Market, & Operational Risk.

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 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.

The Bank, in recognition of the importance of identifying and rating credit risk as the initial step towards 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 diligence 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 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 the corporate loan portfolio, the Group has an internal credit risk rating system (ICRRS) for the purpose of measuring credit risk for every exposure in a consistent manner that is as accurate as possible and uses the risk information for business and financial decision making. The ICRRS shall cover all credit exposures to companies regardless of asset size, except those whose facilities are purely 1:1 which will be given a default Borrower Risk Rating of 1. The system has two components, namely: (a) Borrower Risk Rating (BRR), which provides an assessment of the creditworthiness of a borrower without considering the type of facility or its security arrangements, and (b) Composite Risk Rating (CRR), an assessment considering two (2) risk factors, the Facility Risk Factor (FRF) taking into account the inherent risks tied up to a specific credit facility; and the Collateral Risk Factor (CRF) which measures the collateral value risk securing the transaction. The Borrower Risk Rating consists of 14 grades, ten of which fall under unclassified accounts and the remaining four under classified accounts according to regulatory provisioning guidelines. The Group uses a set of Minimum Risk Acceptance Criteria for its consumer loan portfolio as part of its credit undertaking. Risks are mitigated by focusing on the accounts with a low PD while exercising prudent judgement on accounts whose risks are higher than normal but remain within the Group's risk appetite.

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.

The capital requirement under the RBCAR framework at 10% of the amount of Credit Risk Weighted Assets as of December 2021 is more than sufficient to cover the amount of internal capital requirement as assessed by the Parent Bank to cover Credit Risk.



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

Credit risk exposures on balance sheet requiring capital coverage are the product of the carrying value appearing on the balance sheet and the risk weight applicable to the exposure

	Consolidated and Parent Company						
	Risk weight						
	0%	20%	50%	75%	100%	150%	Total
On-Balance Sheet							
Cash and Other Clearing Items	2,802	-					2,802
Due from Bangko Sentral ng Pilipinas	13,743						13,743
Due from Banks		0	1,038		346		1,384
Securities Portfolio (Excluding Trading Books Positions)	10,871	-	11,238		1,034		23,144
Loan Portfolio (Net of Specific Provisions for Loss)	1,167.62	-	1,880	-	58,581	1,404	63,034
Sales Contracts Receivable					35	-	35
Real & Other Properties Acquired						782	782
Other Assets					5,107		5,107
Off-Balance Sheet Commitments to Lend	9,392	1,424			825		11,641
Counterparty Risk-Weighted assets in the Banking book					-		-
Counterparty Risk-Weighted assets in the Trading book							-
Total Credit exposure	37,976	1,424	14,156	-	65,929	2,187	121,671
Total Risk-Weighted On-Balance Sheet assets	-	0	7,078	-	65,103	3,280	75,462
Total Risk-Weighted Off-Balance Sheet assets	-	285	-	-	825	-	1,110
Total Counterparty Risk-Weighted assets in the Banking book	-	-	-	-	-	-	-
Total Counterparty Risk-Weighted assets in the Trading book	-	-	-	-	-	-	-
Total Credit Risk-Weighted Assets	-	285	7,078	-	65,929	3,280	76,572

	Risk weight						
	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						24,502
Due from Banks		81	3,258		307		3,647
Securities Portfolio (Excluding Trading Books Positions)	2,329	-	5,126		1,228		8,683
Loan Portfolio (Net of Specific Provisions for Loss)	932.25	-	1,830	-	53,671	1,163	57,596
Sales Contracts Receivable					22	33	56
Real & Other Properties Acquired						569	569
Other Assets					5,605		5,605
Off-Balance Sheet Commitments to Lend	11,134	1,280			1,112		13,526
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	116,154
Total Risk-Weighted On-Balance Sheet assets	-	16	5,107	-	60,834	2,648	68,605
Total Risk-Weighted Off-Balance Sheet assets	-	256	-	-	1,112	-	1,368
Total Counterparty Risk-Weighted assets in the Banking book	-	-	-	-	14	-	14
Total Counterparty Risk-Weighted assets in the Trading book	-	-	-	-	-	-	-
Total Credit Risk-Weighted Assets	-	272	5,107	-	61,960	2,648	69,987

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 2021 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.

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

2021 Audited Financial Statement that describes 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 long-term 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 for RBU and one for FCDU, 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, 2021	< 1 month	1 - 3 months	3 - 12 months	1 - 3 years	3 - 5 years	5 - 15 years	> 15 years	Total
Total Assets	7,905	24,185	12,083	15,396	4,744	20,435	6,376	91,124
Total Liabilities	17,144	13,708	3,662	5,014	887	17	-	40,432
Re-pricing Gap	(9,239)	10,477	8,421	10,382	3,857	20,418	6,376	50,692

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	9,351	25,195	6,312	2,995	11,246	16,149	1,948	73,196
Total Liabilities	22,882	13,351	3,971	1,441	3,757	32	-	45,434
Re-pricing Gap	(13,531)	11,844	2,341	1,554	7,489	16,117	1,948	27,762

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 amount in millions and in PHP for RBU and in US\$ for FCDU	2021		2020	
	RBU	FCDU	RBU	FCDU
Earnings at Risk				
at +200 bps	709.14	(0.61)	600.16	0.64
at +300 bps	1,063.71	(0.91)	900.24	0.96
at +400 bps	1,418.28	(1.22)	1,200.32	1.28
at +500 bps	1,772.85	(1.52)	1,500.40	1.60
at +600 bps	2,127.42	(1.83)	1,800.48	1.92
Economic Value of Equity				
at +200 bps	(1,351.42)	(21.12)	(802.04)	(4.47)
at +300 bps	(2,027.14)	(31.68)	(1,203.06)	(6.71)
at +400 bps	(2,702.85)	(42.24)	(1,604.09)	(8.95)
at +500 bps	(3,378.56)	(52.80)	(2,005.11)	(11.18)
at +600 bps	(4,054.27)	(63.36)	(2,406.13)	(13.42)

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 2021 Audited Financial Statement that describes 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 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.

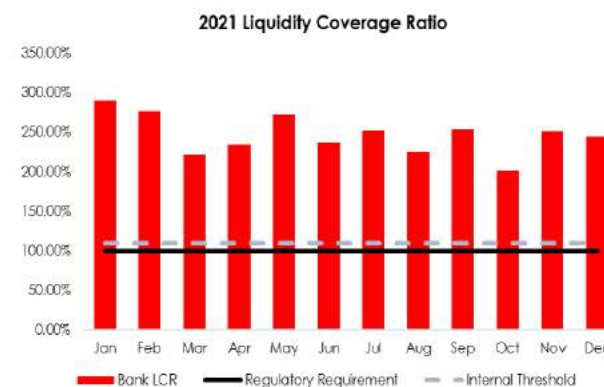
LIQUIDITY RISK MEASUREMENT AND REPORTING

The Bank employs liquidity ratios, liquidity stress testing, liquidity gapping report, liquidity funding concentration, intraday liquidity risk limits and Maximum Cumulative Outflow (MCO) limits 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.

LIQUIDITY COVERAGE RATIO

Pursuant to BSP Circular No. 905 issued in 2016 which aims to promote short-term resilience of banks' liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days. The Bank is required to hold and maintain an adequate level of unencumbered high-quality liquid assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30-calendar day horizon of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis.

As of 2021, the Bank maintained a higher internal limit of 110% to ensure compliance with the regulatory limit of 100%. The summary of the Bank's LCR position for 2021 is as follows:

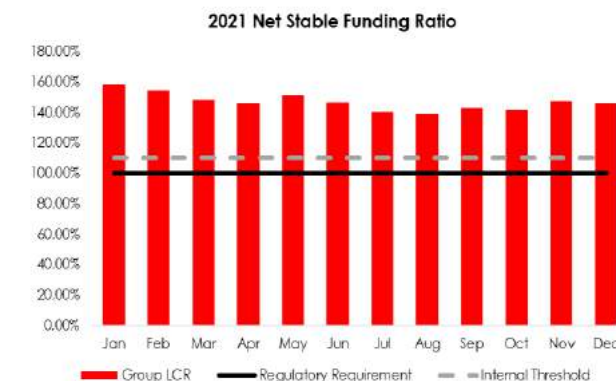


NET STABLE FUNDING RATIO

Pursuant to BSP Circular No. 1007 issued in 2018, The Bank is required to compute its Net Stable Funding Ratio (NSFR). The NSFR is aimed at strengthening the Bank's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items. The NSFR is expressed as the ratio of available stable funding and the required stable funding and complements the LCR as it takes a longer view of the Bank's liquidity risk profile.

As of 2021, the Bank maintained a higher internal limit of 110% to ensure compliance with the regulatory limit of 100%.

The historical NSFR balances reported by the Bank to the local regulator are as follows:



LEVERAGE RATIO

Pursuant to BSP circular No. 881 issued in 2015, which approved the guidelines for the implementation of Basel III Leverage Ratio (BLR) designed to act as a supplementary measure to the risk-based capital requirements, the Bank started computing for its BLR. BLR intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes, which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure.

Exposure measure is the sum of on-balance sheet exposures, derivative exposures, and off-balance sheet items. Items that are deducted completely from capital (regulatory deductions) do not contribute to leverage, hence, deducted from the exposure measure. BLR is computed as the capital measure (Tier 1 capital) divided by the total exposure measure and should not be less than 5.00%.

The BLR of the Bank as reported to the BSP, is shown in the table below (amounts, except ratios, are expressed in millions):

	2021	2020
Tier 1 capital	P13,376	P12,445
Total exposure measure	116,271	109,400
BLR	11.50%	11.38%

SUSTAINABLE FINANCE

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 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, 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 in by each and every employee of the Bank. The Bank accepts operational risks as long as it is within approved tolerance limits and employs a balanced approach to its risk and control activities to limit operational risk losses to a minimum. Mitigation measures shall also be in place to address operational risks due to internal or external threats that could be natural, man-made, or technical in nature. The PBCOM's Operational Risk Management (ORM) Framework, which provides for a strengthened foundation and guidance on how the Bank should effectively manage its operational risks, is regularly reviewed by the Board to ensure that ORM policies, processes, and systems are implemented effectively at all decision levels.

ORM tools include the Risk Control Self-Assessment, Key Risk Indicators, Incident Reports, and the Internal Operational Loss Database, results of which are regularly reported by

the ORM Division (ORMD) to the Risk Oversight Committee (ROC). Operational risk reports such as Profile of Complaints, Legal Case Profile, Bank Security Assessment, and Vendor Performance Evaluation Results are likewise regularly reported by the concerned banking groups to the ROC. Moreover, a system for reporting of crimes and operational losses, and policies on whistleblowing and handling of 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.

MINIMUM CAPITAL REQUIREMENTS TO COVER OPERATIONAL RISK EXPOSURES

PBCOM computes capital requirements to cover operational risk exposures using the Basic Indicator Approach. Under this approach to operational risk, banks must maintain fifteen percent 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 percent of previous three 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 MORB Appendix 59 (amounts in PHP millions):

	2021	2020
Average Gross Income (Previous 3 Years)	4,680	4,045
Capital Charge (Average Gross Income times 18.75% ^(a))	877	758
Risk Weighted Asset (Capital Charge times 10)	8,774	7,585

Capital requirement under the RBCAR framework as of December 2021 is more than sufficient to cover the amount of internal capital requirement by the Bank to cover operational risk.

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 training and seminars for Bank employees.

BUSINESS CONTINUITY MANAGEMENT

The Bank has a Business Continuity Management Framework that guides 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 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 the environment and are addressed in a timely manner.

LEGAL RISK MANAGEMENT

Legal risk is the risk of financial loss due to non-existent, 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.

INFORMATION SECURITY, CYBERSECURITY & PRIVACY RISKS

INFORMATION SECURITY MANAGEMENT

PBCOM recognizes the importance of information security as a key element of maintaining a resilient business. As the Bank continues to expand its business and respond to the evolving threat landscape, PBCOM has adopted a risk-centric approach to information security and is committed to continuously enhance its efforts through:

CONTINUING PEOPLES' EDUCATION AND AWARENESS

Our people is our human firewall and act as the first line of defense to maintain good security posture. PBCOM is committed to delivering continuous education and awareness training to its people designed to help protect the confidentiality, availability, and integrity of the Bank's information and information systems. The Bank also recognizes the need to institute a cybersecurity culture within PBCOM; thus, constantly promote expanded security awareness to PBCOM customers.

SECURITY GOVERNANCE AND COMPLIANCE

We have our established framework, policies, procedures, guidelines and standards, which are the solid foundation of the Bank. Information security programs, initiatives and activities are aligned with the Bank's business objectives and is overseen from the top of the organization and built into business as usual.

Furthermore, validation of PBCOM's security posture is periodically conducted by independent internal and external organizations to assess the effectiveness of our control environment. Issues are prioritized based on PBCOM's established risk criteria and tracked to remediation.

PROACTIVE SECURITY PRACTICES

PBCOM uses multiple layers (defense-in-depth) of security measures and controls to protect Bank's information assets and resources. This improves our visibility and establishing further transparency into cyber threats through maturing security monitoring capabilities and existing toolsets. The Bank 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.

CYBERSECURITY RISK MANAGEMENT

Looking back at the plentiful year of 2021, with regard to information and cybersecurity, PBCOM continues to face significant amount of security challenges but it does not stop them from being dedicated to proactively protect its information, networks, and IT systems from risks, like fraud, unauthorized access, and cyber threats. Having a proactive, defense-in-depth approach to cybersecurity allows PBCOM to be more vigilant and adaptive to the new, emerging and evolving threat landscape. In valuing customers' trust and maintain a resilient business, the Bank invested heavily on its people, processes and technology to prevent, deter, detect and timely mitigate risks of security threats to Bank's information and information systems/resources.

PBCOM is committed to continually developing and honing overall security capabilities to protect/ safeguard the Bank's information and information assets. Putting the security and safety of the Bank's and customers' information / data, we have adopted the four main components to cyber readiness and resiliency.



FOUR MAIN COMPONENTS OF CYBER-READINESS & RESILIENCY



MANAGE & PROTECT

The ability of the Bank to identify, assess, manage risks, and protect information and systems from cyber attacks, system failures and unauthorized access, including those across supply chain.



IDENTIFY & DETECT

The ability of the Bank to timely identify and detect anomalies and potential cyber security incidents before they can cause any significant damage, including continuous monitoring.



RESPOND & RECOVER

The ability of the Bank to mitigate attacks, eject intruders, analyze attacker actions, operate even if hit by a cyber attack, and get back to business as usual as quickly and efficiently as possible.



GOVERN & ASSURE

Information security programs, initiatives, and activities aligned with the Bank's business objectives and is overseen from the top of the organization, and built into business as usual.

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.

PILLAR 1

Appoint a Data Protection Officer

PILLAR 2

Conduct Privacy Impact Assessment

PILLAR 3

Creation of Privacy Management Program Manual

PILLAR 4

Implementation of Privacy and Data Protection Measures

PILLAR 5

Regular Exercise of Breach Reporting Procedure

REPUTATIONAL RISK

Reputational risk refers to the risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as

regulators and other government agencies, that can adversely affect the Bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding.

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

1. 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.
2. 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.

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 at from the following risk tools and assessment reports:

- Media Value Analysis
- Bank-wide Profile of Complaints
- Analysis of Bank-wide RCSA

The Bank has a low tolerance for reputational risk, therefore, it implements all reasonable precautions to avoid situations that may result to negative publicity.

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 broken down to three (3) risk names:

1. 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.
2. 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



PBCOM saw many opportunities in people management, administrative processes and customer service and messaging. Striking the balance between the safety of our team and serving the needs of both our internal and external customers, we ensured uninterrupted operations. Now more than ever, we have focused on providing superior customer service and experience for our customers.

Our Human Resources, Branch Services, Marketing, and Customer Protection and Experience Management teams have adopted online collaboration tools, as well as digital native communication platforms to keep both our employees and our customers engaged, productive and well informed.

In photo: Mina F. Martinez (Head of Human Resources), Belle Rosamond D. Justiniani (Head of Marketing), Marichelle B. Almario (Data Privacy Officer and Head of Customer Protection and Experience Management), and Rizalina L. Fredeluces (Head of Branch Services)

RESHAPING THE CUSTOMER JOURNEY





CUSTOMER PROTECTION AND EXPERIENCE



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.

The PBCOM Board of Directors and Senior Management take the lead in developing a strong Consumer Protection and Risk Management System (CPRMS). The Bank is proactive and has an ongoing CPRMS and Consumer Protection training for the Board of Directors and Senior Management.

The Board of Directors and Senior Management oversight is a key component of the Bank's CPRMS.

- The Board of Directors and Senior Management should be knowledgeable of Consumer Protection laws, rules and regulations and have independent directors that can provide a credible challenge to management.
- The Board of Directors and Senior Management should be responsible for developing and maintaining a sound CPRMS that is integrated into the overall framework for the entire product and service life cycle.
- The Board of Directors and Senior Management should review the effectiveness of the CPRMS on an annual basis, including how findings are reported and whether

the audit mechanisms in place enable adequate oversight. The quality and timeliness of the information provided to the Board of Directors and Senior Management regarding the Bank's CPRMS are especially important for assessing the program's effectiveness.

- The Board of Directors and Senior Management should ensure that sufficient resources have been devoted to the program. The ability to achieve the Consumer Protection objectives depends, in large part, on the authority and independence of the individuals directly responsible for implementing the CPRMS and for performing audit/review activities, and the support provided by the Board of Directors and Senior Management.
- The Board of Directors and Senior Management should also make certain that CPRMS weaknesses are addressed and corrective actions are taken in a timely manner

The PBCOM Board 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.

PBCOM Senior Management Team is also 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 three

important metrics, namely, Customer Satisfaction Score (CSAT), Net Promoter Score (NPS), and Customer Effort Score (CES).

CSAT focuses on customers' service satisfaction particularly from our Customer Care Unit which played a vital part in providing customer support during the pandemic since most of our customers did their banking transactions remotely. 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 through the CES survey. We aim to make it as easy and convenient for our customers to do their banking transactions with PBCOM. 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.

2021 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. Majority of the interaction to external stakeholders and customer support during pandemic were coursed through these alternative channels which delighted customers. 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.

PROJECTS IMPLEMENTED TO IMPROVE SERVICE DELIVERY



Launched PBCOM IN-CONTROL, a self-service platform where clients can do card blocking just by simply sending an SMS in cases of lost card or compromised card. No need to call the hotline or visit the branch to request for this service because the security of our clients account is right at their fingertips.



Deployed SMS platform to assist PBCOMOBILE clients who are locked out of their digital account, a secured convenient platform.



Implemented ticketing system to monitor the timely fulfillment of request and complaints received from customers to ensure achievement of SLA

COMPLAINTS HANDLING

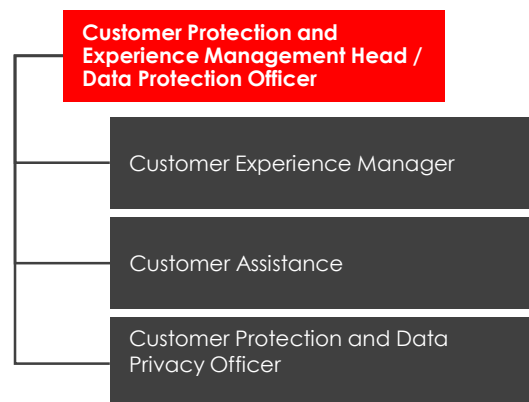
The Bank puts significant importance in resolving the complaints that we receive through various channels as we consider these feedback as further ways to improve our service. We ensure that these complaints are resolved strictly within the service level agreement (SLA) and turnaround time set by the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

PBCOM's Customer Assistance Office is subsumed under the responsibility of Customer Protection and Experience Management Division (CPED). The Customer Assistance Office monitors/tracks and investigates complaints received from multiple channels such as the contact

center, email, snail mail, social media, branches, etc. They also ensure that clients are provided feedback regarding the resolution of their concerns within BSP's standard turnaround times.

Below is the table of organization:



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	2021	2020	2019
SLA Achievement - complaints addressed within SLA	96%	99.04%	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".

The Banks Customer Assistance Management System is very straightforward in terms of handling all concerns received from the customer channels available.



CLIENT

Concerns, Requests & Commendations



- 1 Concern, inquiry or request are logged on to PBCOM's system.
- 2 It is investigated and evaluated.
- 3 It is resolved and response is provided to the client.



CLIENT ASSISTANCE MANAGEMENT SYSTEM

At PBCOM, we make sure that clients' concerns, requests and commendations are properly handled and given feedback.

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 skimming
- 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:

- 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 for the 2019 registration.
- The Board appointed DPO is a certified DPO ACE passer for the DPO ACE Certification Program facilitated by the NPC last November 2019.
- In 2021, Privacy Champions were identified for each business unit which will be responsible in assisting the DPO to comply with the privacy risk assessments and application of security measures resulting from their respective PIA. PIA 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.
- A workshop was facilitated by the DPO for the assigned Privacy Champions or Data Privacy coordinators to reiterate the importance of compliance to the IRR and to support the programs and activities related to Data Privacy.
- 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. 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 in this regard 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.

To assess the readiness of the Bank in case of a data privacy breach, a (tabletop) breach drill has been held for the past years 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.

The organizational, technical and physical security measures were also revisited and several drills were conducted to test the Bank's readiness in terms of technical security measures. In addition, privacy risk assessment was also conducted for all business units handling personal information. Applicable improvement on processes to address the gaps were identified and rectified.

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 frontliners 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.







OUR BRANCH & ATM NETWORK



OUR BRANCH AND ATM NETWORK



METRO MANILA

48 Branches

 3 Branch Lite Units*
 76 ATMs
2 CRMs

LUZON

23 Branches

 1 Branch Lite Units*
 52 ATMs
1 CRM

VISAYAS

 10 Branches
 13 ATMs

MINDANAO

 10 Branches
 18 ATMs



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

RS City Square Junction, Ortigas Extension
Junction, Brgy. Sto. Domingo, 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

CORINTHIAN GARDENS

Sanjo St., Corinthian Gardens
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

INTRAMUROS

Casa Villablanca, Cabildo Street Corner
Beaterio Street, Intramuros Manila

J.P. RIZAL

G/F Santini Corporation Building
No. 519 J.P. Rizal Avenue, Barangay
Olympia, Makati City

LAS PINAS

Unit 111 Ushio Commercial Arcade
2012 Marcos Alvarez Avenue
Brgy. Talon Singko, Las Pinas City

LEGASPI VILLAGE

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

M. DE SANTOS

G/F LCKK 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
Corner Ibarra Street, Brgy. 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 Street
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*

2/F VFC Mall, Puregold Paso de Blas
Paso de Blas Corner Gen. Luis Street
Malinta Exit, Valenzuela City

POP-UP PUREGOLD TAGUIG*

G/F Puregold Taguig, Gen. A. Luna Street
Corner Col. P. Cruz, 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

OUR BRANCHES

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 Calamba Medical Center (CMC) Crossing AH26, Real Street 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 St. Corner Gaerlan Street 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 Latitude Corporate Center 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

OUR BRANCHES

CEBU MANGO

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

ILOILO

Ledesma Corner Valeria Street
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 BUHANGIN

Star Pacific Plaza, Lot 3 Block 18, Buhangin Road, Buhangin, 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 AND CRMs

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

BANAWA

G/F 2 Benby Building, Banawe Street
Manresa, 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

RS City Square Junction, Ortigas Extension
Sto. Domingo, 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

Stall 3M-16, Divisoria Mall, Tabora Street
Corner M. De Santos Street, San Nicholas
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

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

OUR ATMs AND CRMs



LAS PINAS

Ushio Commercial Arcade, 2012 Marcos Alvarez Avenue, Talon Singko, Las Pinas City

LEGASPI VILLAGE

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

M. DE SANTOS

G/F LCCCK 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 Avenue Corner Ibarra Street, 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 Street 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 PASO DE BLAS (CRM)

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 BF RESORT

Apollo III, BF Resort, Las Pinas

PUREMART FOURTH ESTATE PARAÑAQUE

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 POBLACION MUNTINLUPA

P. Burgos Street Corner Rizal Street Poblacion, Muntinlupa 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 Park 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 (CRM)

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

S&R LIBIS 2

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

S&R MARIKINA

2/F S&R Membership Shopping Sumulong Highway, Sto. Nino, Marikina City

S&R NEW MANILA 1

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

OUR ATMs

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

S&R SUCAT

S&R Sucat, Dr. Arcadio Santos Avenue
San Isidro, Paranaque 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

Calamba Medical Center (CMC) Crossing
AH26, Real Street, 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 VCI Building, Merchan Street Corner
San Fernando Street, Lucena City

MAGIC CENTERPOINT MALL

G/F Magic Mall Centerpoint, 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

NE PACIFIC MALL (CRM)

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

OUR ATMs

PUREGOLD ANABU

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

PUREGOLD BACOR

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 Canioogan 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

PUREMART SANJA MAYOR-TANZA

Lot 1120 H-2, Barangay Sanja Mayor Tanza, 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 City, 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 Retail No. 5 Latitude Corporate Center 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

COSTABELLA HOTEL

Costabella Tropical Beach Hotel Buyong Mactan Island, 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 City

DAPPMC

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

DAVAO BUHANGIN

Star Pacific Plaza, Lot 3 Block 18 Buhangin Road, Davao City

DAVAO MONTEVERDE

41 T. Monteverde Avenue, Davao City

OUR ATMs

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

MALL OF ACE KORONADAL

G/F Mall of Ace Centerpoint, General
Santos Drive, Koronadal City
South Cotabato

PUREGOLD ILIGAN

Badelles Street Extention Corner
Picardal Street, Barangay Mahayahay
Iligan City, Lanao Del Norte

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



FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

<i>in PHP thousands</i>	Y2021	Consolidated Y2020	Y2021	Parent Bank (Solo) Y2020
Profitability				
Total Net Interest Income	4,244,780	3,925,494	4,244,780	3,925,494
Total Non-Interest Income	840,094	1,966,957	840,030	1,966,890
Total Non-Interest Expense	2,932,883	3,075,188	2,932,819	3,075,121
Pre-Provision Profit	2,151,991	2,817,263	2,151,991	2,817,263
Allowance for Credit Losses	322,301	1,418,228	322,301	1,418,228
Net Income	1,573,064	1,168,912	1,573,064	1,168,912
Selected Balance Sheet Data				
Liquid Assets	40,698,237	38,624,103	40,698,237	38,624,103
Gross Loans	64,725,666	58,444,855	64,725,666	58,444,855
Total Assets	109,229,320	101,230,218	109,236,976	101,237,673
Deposits	86,945,905	83,781,412	86,954,864	83,790,273
Total Equity	14,175,818	12,529,678	14,175,818	12,529,678
Selected Balance Sheet Data				
Return on Equity	11.78	9.79	11.78	9.79
Return on Assets	1.49	1.15	1.49	1.15
CET 1 Capital Ratio	15.58 *	16.01 *	15.58	16.01
Tier 1 Capital Ratio	15.58 *	16.01 *	15.58	16.01
Capital Adequacy Ratio	18.18 *	18.87 *	18.18	18.87
Per common share data				
Net Income per Share				
Basic/Diluted	3.27	2.43	3.27	2.43
Book Value	29.49	26.07	29.49	26.07
Others				
Cash Dividends Declared			none	none
Headcount				
Officers			769	752
Staff			236	275

* presented same as parent

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, 2021, 2020 and 2019, 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



PATRICIA MAY T. SIY
President & CEO



ALAN E. ATIENZA
Treasurer



ARLENE M. DATU
Comptroller

INDEPENDENT AUDITOR'S REPORT



SyCip Gorres Velayo & Co. Tel: (632) 8891 0307
6760 Ayala Avenue Fax: (632) 8819 0872
1226 Makati City ey.com/ph
Philippines

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, 2021 and 2020, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2021, 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, 2021 and 2020, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2021, 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 Matter

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; 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, 2021 for the Group and the Parent Company amounted to ₱2.73 billion. Provision for credit losses of the Group and the Parent Company in 2021 amounted to ₱0.32 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) evaluated 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 compared 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.

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, 2021, 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, 2021 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 cast 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.

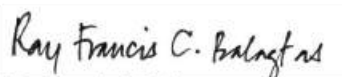
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 37 and Revenue Regulations No. 15-2010 in Note 38 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. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 108795-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-107-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8853467, January 3, 2022, Makati City

April 27, 2022

STATEMENTS OF FINANCIAL POSITION

	Consolidated		Parent Company	
	December 31		December 31	
	2021	2020	2021	2020
	(Amounts in Thousands)			
ASSETS				
Cash and Other Cash Items	₱2,803,341	₱2,467,099	₱2,803,341	₱2,467,099
Due from Bangko Sentral ng Pilipinas (Notes 18 and 19)	10,271,486	20,597,868	10,271,486	20,597,868
Due from Other Banks	658,593	1,495,485	658,593	1,495,485
Interbank Loans Receivable and Securities				
Purchased under Resale Agreements (Note 8)	4,195,846	6,054,454	4,195,846	6,054,454
Financial Assets at Fair Value through Profit or Loss (Note 9)	886,291	718,294	886,291	718,294
Financial Assets at Fair Value through Other Comprehensive Income (Note 10)	6,489,287	5,137,816	6,489,287	5,137,816
Investment Securities at Amortized Cost (Note 11)	15,520,279	2,263,356	15,520,279	2,263,356
Loans and Receivables (Note 12)	63,497,965	57,623,993	63,500,798	57,626,707
Investments in Subsidiary and an Associate (Note 7)	14,401	14,114	20,475	20,252
Property and Equipment (Note 13)	882,217	894,617	882,217	894,617
Investment Properties (Note 14)				
Condominium units for lease	1,740,177	1,788,559	1,740,177	1,788,559
Foreclosed properties	834,303	610,075	834,303	610,075
Office units for lease	2,689	2,923	2,689	2,923
Intangible Assets (Note 15)	527,503	613,526	527,503	613,526
Deferred Tax Assets - Net (Note 30)	325,614	170,608	325,614	170,608
Other Assets (Note 16)	579,328	777,431	578,077	776,034
TOTAL ASSETS	₱109,229,320	₱101,230,218	₱109,236,976	₱101,237,673
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 18 and 31)				
Demand	₱41,166,107	₱30,865,282	₱41,175,066	₱30,874,143
Savings	11,359,112	9,664,945	11,359,112	9,664,945
Time	31,531,570	40,367,517	31,531,570	40,367,517
Long-term negotiable certificates of deposits	2,889,116	2,883,668	2,889,116	2,883,668
	86,945,905	83,781,412	86,954,864	83,790,273
Bills Payable (Note 19)	6,010,988	2,182,844	6,010,988	2,182,844
Outstanding Acceptances	71,609	497,813	71,609	497,813
Manager's Checks	172,247	188,100	172,247	188,100
Accrued Interest, Taxes and Other Expenses (Note 20)	680,734	802,785	680,648	802,637
Income Tax Payable	66,823	146,866	66,823	146,866
Other Liabilities (Note 21)	1,105,196	1,100,720	1,103,979	1,099,462
TOTAL LIABILITIES	95,053,502	88,700,540	95,061,158	88,707,995

(Forward)

	Consolidated		Parent Company	
	December 31		December 31	
	2021	2020	2021	2020
	(Amounts in 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)	106,922	106,418	106,922	106,418
Deficit (Notes 2 and 23)	(66,061)	(1,638,621)	(66,061)	(1,638,621)
Unrealized gain on financial assets carried at fair value through other comprehensive income (Note 10)	53,509	100,093	53,509	100,093
Cumulative translation adjustment	(237,668)	(211,464)	(237,668)	(211,464)
Remeasurement gains (losses) on retirement liability (Note 27)	40,741	(105,123)	40,741	(105,123)
TOTAL EQUITY	14,175,818	12,529,678	14,175,818	12,529,678
TOTAL LIABILITIES AND EQUITY	₱109,229,320	₱101,230,218	₱109,236,976	₱101,237,673

See accompanying Notes to Financial Statements.

STATEMENTS OF INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
	(Amounts in Thousands, Except Earnings per Share)					
INTEREST INCOME						
Loans and receivables (Note 12)	₱4,109,882	₱4,325,208	₱4,468,479	₱4,109,882	₱4,325,208	₱4,468,479
Investment securities (Note 26)	472,796	363,618	588,317	472,796	363,618	588,317
Interbank loans receivable and securities purchased under resale agreements (Note 8)	60,069	92,746	40,246	60,069	92,746	40,246
Deposits with other banks	55,686	132,408	11,981	55,686	132,408	11,981
Financial assets at fair value through profit or loss (Note 26)	40,345	80,007	159,297	40,345	80,007	159,297
	4,738,778	4,993,987	5,268,320	4,738,778	4,993,987	5,268,320
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 18 and 31)	434,899	921,459	1,501,587	434,899	921,459	1,501,587
Bills payable, borrowings and others (Notes 19 and 21)	59,099	147,034	561,700	59,099	147,034	561,700
	493,998	1,068,493	2,063,287	493,998	1,068,493	2,063,287
NET INTEREST INCOME	4,244,780	3,925,494	3,205,033	4,244,780	3,925,494	3,205,033
Rent income (Notes 14, 28 and 31)	505,241	673,414	736,341	505,241	673,414	736,341
Service charges, fees and commissions	331,729	389,096	407,507	331,729	389,096	407,507
Trading and securities gain (loss) – net (Note 26)	(241,598)	654,731	408,413	(241,598)	654,731	408,413
Foreign exchange gain - net	56,831	59,185	49,873	56,831	59,185	49,873
Income from trust operations (Note 25)	29,231	25,689	21,095	29,231	25,689	21,095
Profit from assets sold (Notes 13, 14 and 16)	13,567	6,779	97,739	13,567	6,779	97,739
Gain (loss) on assets exchange - net (Note 14)	7,460	(3,157)	(11,850)	7,460	(3,157)	(11,850)
Gain on sale of investment securities at amortized cost (Notes 3 and 11)	–	2,552	–	–	2,552	–
Miscellaneous (Note 29)	137,346	158,402	137,783	137,346	158,402	137,783
TOTAL OPERATING INCOME	5,084,587	5,892,185	5,051,934	5,084,587	5,892,185	5,051,934
	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
	(Amounts in Thousands, Except Earnings per Share)					
OPERATING EXPENSES						
Compensation and fringe benefits (Notes 14, 27 and 31)	₱1,016,559	₱1,009,118	₱978,869	₱1,016,559	₱1,009,118	₱978,153
Taxes and licenses (Notes 14 and 30)	477,442	640,060	624,122	477,432	640,053	624,115
Depreciation and amortization (Note 13)	387,619	380,653	445,979	387,619	380,653	445,979
Provision for credit and impairment losses - net (Notes 17)	322,301	1,418,228	377,613	322,301	1,418,228	377,613
Insurance	162,820	153,762	139,771	162,820	153,762	139,771
Entertainment, amusement and recreation	120,375	126,572	82,483	120,375	126,572	82,483
Occupancy and other equipment-related costs (Notes 14, 28 and 31)	118,519	101,334	130,220	118,519	101,334	130,169
Management and professional fees	99,541	139,999	106,543	99,497	139,944	106,443
Security, clerical, messengerial and janitorial services	88,850	83,426	97,754	88,850	83,426	97,747
Communications	49,684	47,487	48,661	49,684	47,487	48,661
Loss on sale of a subsidiary (Note 7)	–	–	–	–	–	171,173
Miscellaneous (Notes 14 and 29)	411,474	392,777	432,394	411,464	392,772	432,394
TOTAL OPERATING EXPENSES	3,255,184	4,493,416	3,464,409	3,255,120	4,493,349	3,634,701
INCOME BEFORE SHARE IN NET INCOME OF SUBSIDIARY AND AN ASSOCIATE	1,829,403	1,398,769	1,587,525	1,829,467	1,398,836	1,417,233
SHARE IN NET LOSS OF SUBSIDIARY (Note 7)	–	–	–	(64)	(67)	(58,116)
SHARE IN NET INCOME OF AN ASSOCIATE (Note 7)	287	266	531	287	266	531
INCOME BEFORE INCOME TAX	1,829,690	1,399,035	1,588,056	1,829,690	1,399,035	1,359,648
PROVISION FOR INCOME TAX (Note 30)	256,626	230,123	202,391	256,626	230,123	202,391
NET INCOME FROM CONTINUING OPERATIONS	1,573,064	1,168,912	1,385,665	1,573,064	1,168,912	1,157,257
NET LOSS FROM DISCONTINUED OPERATIONS (Note 7)	–	–	(228,408)	–	–	–
NET INCOME	₱1,573,064	₱1,168,912	₱1,157,257	₱1,573,064	₱1,168,912	₱1,157,257
Attributable to:						
Equity holders of the Parent Company	₱1,573,064	₱1,168,912	₱1,157,257			
Non-controlling interests	–	–	–			
	₱1,573,064	₱1,168,912	₱1,157,257			
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 32)	₱3.27	₱2.43	₱2.41			

See accompanying Notes to Financial Statements

STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
	(Amounts in Thousands)					
NET INCOME FOR THE YEAR	₱1,573,064	₱1,168,912	₱1,157,257	₱1,573,064	₱1,168,912	₱1,157,257
OTHER COMPREHENSIVE INCOME (LOSS)						
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 income (Note 10)	(62,055)	7,516	68,516	(62,055)	7,516	68,516
Net movement in cumulative translation adjustment	(26,204)	20,200	(54,605)	(26,204)	20,200	(54,605)
	(88,259)	27,716	13,911	(88,259)	27,716	13,911
Items that may not be reclassified to profit or loss in subsequent periods:						
Unrealized gain on equity securities carried at fair value through other comprehensive income (Note 10)	15,471	4,645	–	15,471	4,645	–
Change in remeasurement gains on retirement liability (Note 27)	204,497	(71,849)	(111,505)	204,497	(71,849)	(111,505)
Income tax relating to change in remeasurement gains on retirement liability	(58,633)	45,053	8,157	(58,633)	45,053	8,157
	161,335	(22,151)	(103,348)	161,335	(22,151)	(103,348)
	73,076	5,565	(89,437)	73,076	5,565	(89,437)
TOTAL OTHER COMPREHENSIVE INCOME	₱1,646,140	₱1,174,477	₱1,067,820	₱1,646,140	₱1,174,477	₱1,067,820
Attributable to:						
Equity holders of the Parent Company	₱1,646,140	₱1,174,477	₱1,067,820			
Non-controlling interests	–	–	–			
TOTAL COMPREHENSIVE INCOME	₱1,646,140	₱1,174,477	₱1,067,820			

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

Consolidated										
Years Ended December 31, 2021, 2020 and 2019										
Equity Attributable to Equity Holders of the Parent Company										
	Common Stock (Note 23)	Subscribed Common Stock - net (Note 23)	Additional Paid-in Capital	Surplus Reserves (Note 23)	Deficit (Notes 2 and 23)	Comprehensive Income (Note 10)	Cumulative Translation Adjustment	Remeasurement Gains (Losses) on Retirement Liability (Note 27)	Total	Non- Controlling Interests
										Total Equity
(Amounts in Thousands)										
Balances at January 1, 2021	₱12,016,129	₱-	₱2,262,246	₱106,418	(₱1,638,621)	₱100,093	(₱211,464)	(₱105,123)	₱12,529,678	₱-
Transfer to surplus reserves	-	-	-	504	(504)	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	1,573,064	(46,584)	(26,204)	145,864	1,646,140	-
Balances at December 31, 2021	₱12,016,129	₱-	₱2,262,246	₱106,922	(₱66,061)	₱53,509	(₱237,668)	₱40,741	₱14,175,818	₱-
Balances at January 1, 2020	₱12,016,129	₱-	₱2,262,246	₱105,952	(₱2,807,067)	₱87,932	(₱231,664)	(₱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 January 1, 2019	₱12,016,129	₱-	₱2,252,826	₱105,893	(₱3,964,265)	₱19,416	(₱177,059)	₱25,021	₱10,277,961	₱24
Derecognition of share of PRBI as a result of sale	-	-	9,420	-	-	-	-	-	9,420	(24)
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	(₱2,807,067)	₱87,932	(₱231,664)	(₱78,327)	₱11,355,201	₱-

Parent Company										
Years Ended December 31, 2021, 2020 and 2019										
	Common Stock (Note 23)	Subscribed Common Stock - net (Note 23)	Additional Paid-in Capital	Surplus Reserves (Note 23)	Deficit (Notes 2 and 23)	Comprehensive Income (Note 10)	Cumulative Translation Adjustment	Remeasurement Gains (Losses) on Retirement Liability (Note 27)	Total	
										Total Equity
(Amounts in Thousands)										
Balances at January 1, 2021	₱12,016,129	₱-	₱2,262,246	₱106,418	(₱1,638,621)	₱100,093	(₱211,464)	(₱105,123)	₱12,529,678	
Transfer to surplus reserves	-	-	-	504	(504)	-	-	-	-	
Total comprehensive income (loss) for the year	-	-	-	-	1,573,064	(46,584)	(26,204)	145,864	1,646,140	
Balances at December 31, 2021	₱12,016,129	₱-	₱2,262,246	₱106,922	(₱66,061)	₱53,509	(₱237,668)	₱40,741	₱14,175,818	
Balances at January 1, 2020	₱12,016,129	₱-	₱2,262,246	₱105,952	(₱2,807,067)	₱87,932	(₱231,664)	(₱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 January 1, 2019	₱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	(₱2,807,067)	₱87,932	(₱231,664)	(₱78,327)	₱11,355,201	

See accompanying Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
	(Amounts in Thousands)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax from continuing operations	₱1,829,690	₱1,399,035	₱1,588,056	₱1,829,690	₱1,399,035	₱1,359,648
Income before income tax from discontinued operations	—	—	(226,132)	—	—	—
Income before income tax	1,829,690	1,399,035	1,361,924	1,829,690	1,399,035	1,359,648
Adjustments to reconcile income before income tax to net cash generated from (used for) operations:						
Depreciation and amortization (Note 13)	387,619	380,653	445,979	387,619	380,653	445,979
Provision for credit and impairment losses (Note 17)	322,301	1,418,228	377,613	322,301	1,418,228	377,613
Trading loss (gain) on financial assets at FVOCI (Note 26)	285,542	(277,277)	(309,176)	285,542	(277,278)	(309,177)
Profit from assets sold (Notes 13, 14 and 16)	(13,567)	(6,779)	(97,739)	(13,567)	(6,779)	(97,739)
Accretion of interest on unquoted debt securities (Note 12)	(66,038)	(77,216)	(88,233)	(66,038)	(77,216)	(88,233)
Accretion of interest on lease liability (Note 21)	14,528	17,603	18,711	14,528	17,603	18,711
Loss on sale of a subsidiary (Note 7)	—	—	—	—	—	171,173
Loss (gain) on assets exchange (Note 14)	(7,460)	3,157	11,850	(7,460)	3,157	11,850
Share in net income of subsidiary and an associate (Note 7)	(287)	(266)	(531)	(223)	(199)	57,585
Unrealized losses (gains) on financial assets at fair value through profit or loss	9,794	(478)	(1,495)	9,794	(478)	(1,495)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Loans and receivables (Note 33)	(6,464,055)	2,137,326	(3,678,579)	(6,464,174)	2,137,365	(3,675,826)
Financial assets at fair value through profit or loss	(177,791)	950,011	(773,116)	(177,791)	950,011	(773,116)
Other assets	304,458	59,546	(361,667)	304,312	59,556	(363,056)
Increase (decrease) in the amounts of:						
Deposit liabilities	3,164,493	7,923,791	3,546,513	3,164,591	7,923,676	3,555,488
Manager's checks	(15,853)	(254,711)	345,364	(15,853)	(254,711)	345,364
Accrued interest, taxes and other expenses	(122,051)	90,360	32,576	(121,989)	90,360	32,425
Other liabilities	313,352	(93,399)	421,668	313,393	(93,399)	421,677
Net cash provided by operations	(235,325)	13,669,584	1,251,662	(235,325)	13,669,584	1,488,871
Income taxes paid	(551,454)	(233,541)	(210,254)	(551,454)	(233,541)	(207,978)
Net cash provided by (used in) operating activities	(786,779)	13,436,043	1,041,408	(786,779)	13,436,043	1,280,893
CASH FLOWS FROM INVESTING ACTIVITIES						
Decrease (increase) in interbank loans receivable	432,063	(3,902,952)	13,121	432,063	(3,902,952)	13,121
Acquisitions of:						
Financial assets at FVTOCI	(86,497,255)	(78,016,514)	(68,324,130)	(86,497,255)	(78,016,514)	(68,324,130)
Investment securities at amortized cost	(13,263,211)	(191,880)	—	(13,263,211)	(191,880)	—
Property and equipment (Note 13)	(195,531)	(49,355)	(87,133)	(195,531)	(49,355)	(87,133)
Software costs (Note 15)	(8,971)	(15,069)	(39,172)	(8,971)	(15,069)	(39,172)

	Consolidated			Parent Company		
	Years Ended December 31					
	2021	2020	2019	2021	2020	2019
	(Amounts in Thousands)					
Proceeds from disposals of:						
Financial assets at FVTOCI	₱84,804,597	₱81,263,005	₱67,695,250	₱84,804,597	₱81,263,005	₱67,695,250
Investment securities at amortized cost	—	10,498,994	—	—	10,498,994	—
Investment properties (Note 14)	62,581	20,441	314,655	62,581	20,441	314,655
Property and equipment (Note 13)	3,475	7,671	20,532	3,475	7,671	20,532
Chattel mortgage	24,118	18,097	91,812	24,118	18,097	91,812
Subsidiary	—	—	500,220	—	—	500,220
Proceeds from maturity of investment securities	10,000	250,168	200,000	10,000	250,168	200,000
Net cash provided by (used in) investing activities	(14,628,134)	9,882,606	385,155	(14,628,134)	9,882,606	385,155
CASH FLOWS FROM FINANCING ACTIVITIES						
Availments of:						
Bills payable	111,742,108	58,922,973	392,583,853	111,742,108	58,922,973	392,583,853
Outstanding acceptances	595,094	855,416	573,187	595,094	855,416	573,187
Marginal deposits	32,857	18,700	321,701	32,857	18,700	321,701
Settlements of:						
Bills payable	(107,981,483)	(69,802,907)	(397,121,016)	(107,981,483)	(69,802,907)	(397,121,016)
Outstanding acceptances	(1,036,538)	(438,206)	(522,775)	(1,036,538)	(438,206)	(522,775)
Marginal deposits	(39,630)	(46,275)	(287,657)	(39,630)	(46,275)	(287,657)
Lease liabilities (Note 21)	(124,868)	(124,495)	(119,169)	(124,868)	(124,495)	(119,169)
Net cash provided by (used in) financing activities	3,187,540	(10,614,794)	(4,571,876)	3,187,540	(10,614,794)	(4,571,876)
EFFECT OF FOREIGN CURRENCY TRANSLATION ADJUSTMENT	(26,204)	20,200	(54,605)	(26,204)	20,200	(54,605)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,253,577)	12,724,055	(3,199,918)	(12,253,577)	12,724,055	(2,960,433)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	2,467,099	2,698,682	1,389,869	2,467,099	2,698,682	1,357,609
Due from Bangko Sentral ng Pilipinas	20,597,868	10,213,521	15,224,382	20,597,868	10,213,521	15,168,302
Due from other banks	1,495,485	357,960	379,723	1,495,485	357,960	228,578
Interbank loans receivable (Note 33)	2,151,502	717,736	193,843	2,151,502	717,736	193,843
	26,711,954	13,987,899	17,187,817	26,711,954	13,987,899	16,948,332
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	2,803,341	2,467,099	2,698,682	2,803,341	2,467,099	2,698,682
Due from Bangko Sentral ng Pilipinas	10,271,486	20,597,868	10,213,521	10,271,486	20,597,868	10,213,521
Due from other banks	658,593	1,495,485	357,960	658,593	1,495,485	357,960
Interbank loans receivable (Note 33)	724,957	2,151,502	717,736	724,957	2,151,502	717,736
	₱14,458,377	₱26,711,954	₱13,987,899	₱14,458,377	₱26,711,954	₱13,987,899

OPERATIONAL CASH FLOWS FROM INTEREST

	Consolidated		Parent Company			
	Years Ended December 31					
	2021	2020	2021		2020	2019
	(Amounts in Thousands)					
Interest paid	₱525,620	₱1,139,197	₱2,121,862	₱525,620	₱1,139,197	₱2,103,611
Interest received	4,581,514	4,979,867	5,547,387	4,581,514	4,979,867	5,592,985

See accompanying Notes to Financial Statements.

BUSINESS CONTRIBUTION BY SEGMENT

Consolidated 2021							
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Revenue							
Revenue, net of interest expense							
Third party	(P299,081)	P3,597,205	P295,673	P398,050	P3,393	P7,942	P4,003,182
Intersegment	1,495,942	(1,278,380)	(362,503)	(74,865)	(3,244)	223,050	—
	1,196,861	2,318,825	(66,830)	323,185	149	230,992	4,003,182
Other operating income	107,595	241,522	48,234	6,700	29,230	648,124	1,081,405
Total operating income (loss)	1,304,456	2,560,347	(18,596)	329,885	29,379	879,116	5,084,587
Compensation and fringe benefits	595,498	194,653	68,926	109,400	21,779	26,303	1,016,559
Taxes and licenses	185,418	168,124	45,797	20,479	627	56,997	477,442
Depreciation and amortization	P211,715	P51,273	P17,031	P28,577	P5,003	P74,020	P387,619
Provision for (reversal of) credit and impairment losses	—	282,124	6,135	28,279	—	5,763	322,301
Occupancy and other equipment-related costs	91,881	9,880	2,765	12,518	705	770	118,519
Other operating expenses	508,012	155,937	126,681	75,223	9,029	57,862	932,744
Net operating income (loss) before income tax	(P288,068)	P1,698,356	(P285,931)	P55,409	(P7,764)	P657,401	P1,829,403
Segment results							
Net interest income	P1,196,361	P2,318,825	P174,768	P323,185	P150	P230,991	P4,244,780
Rent income	—	—	—	—	—	505,241	505,241
Trading and securities gain (loss) - net	—	—	(241,598)	—	—	—	(241,598)
Service charges, fees, and commissions	88,604	212,836	—	6,752	—	23,537	331,729
Profit (loss) from assets sold	—	—	—	—	—	13,567	13,567
Foreign exchange gain - net	9,009	7,314	40,508	—	—	—	56,831
Income from trust operations	2	—	—	—	29,229	—	29,231
Gain on assets exchange - net	—	—	—	—	—	7,460	7,460
Miscellaneous	9,980	21,372	7,726	(52)	—	98,320	137,346
Total operating income	1,304,456	2,560,347	(18,596)	329,885	29,379	879,116	5,084,587
Compensation and fringe benefits	595,498	194,653	68,926	109,400	21,779	26,303	1,016,559
Taxes and licenses	185,418	168,124	45,797	20,479	627	56,997	477,442
Depreciation and amortization	211,715	51,273	17,031	28,577	5,003	74,020	387,619
Provision for credit and impairment losses	—	282,124	6,135	28,279	—	5,763	322,301
Occupancy and other equipment-related costs	91,881	9,880	2,765	12,518	705	770	118,519
Other operating expenses	508,012	155,937	126,681	75,223	9,029	57,862	932,744
Total operating expenses	1,592,524	861,991	267,335	274,476	37,143	221,715	3,255,184
Segment profit (loss)	(288,068)	1,698,356	(285,931)	55,409	(7,764)	657,401	1,829,403
Provision for income tax	—	(2,139)	(106,660)	—	—	(147,827)	(256,626)
Share in net income of associate	—	—	—	—	—	287	287
Net income (loss) from continuing operations	(288,068)	1,696,217	(392,591)	55,409	(7,764)	509,861	1,573,064
Net loss from discontinued operations	—	—	—	—	—	—	—
	(P288,068)	P1,696,217	(P392,591)	P55,409	(P7,764)	P509,861	1,573,064
Segment assets							
Property and equipment	P218,683	P—	P—	P—	P—	P663,534	P882,217
Investment properties	—	—	—	—	—	2,577,169	2,577,169
Other allocated assets	10,087,192	58,301,076	29,726,452	4,031,789	109,365	3,514,060	105,769,934
Total segment assets	P10,305,875	P58,301,076	P29,726,452	4,031,789	P109,365	P6,754,763	P109,229,320
Total segment liabilities	P87,223,697	P111,302	P6,236,132	P20,832	P498	P1,461,041	P95,053,502



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