



101082016001905



## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
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Company Information

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Company Type Stock Corporation

Document Information

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January 7, 2016

**ATTY. JUSTINA F. CALLANGAN**

Director  
Corporate Governance and Finance Department  
Securities and Exchange Commission  
SEC Building, EDSA, Greenhills,  
Mandaluyong City

**Dear Atty. Callangan:**

Re: ACGR Updates in compliance with Par. 2 of SEC Memorandum Circular No. 1, ss 2014  
(Updates not required to be reported or disclosed under Sec. 17 of the SRC)

Pursuant to SEC Memorandum Circular No. 1, ss 2014, we hereby advise the Commission on the updates to the Annual Corporate Governance Report (ACGR) of the Philippine Business Bank on matters not required to be reported or disclosed under Sec. 17 of the SRC, embodied in Annex A of this Advisement Letter, as follows:

1. Board Matters:
  - a. Board of Directors; and
  - b. Orientation and Education Program.
2. Board Meetings and Attendance;
3. Remuneration Matters;
4. Board Committees:
  - a. Committee Members; and
  - b. Work done and issues addressed.
5. Risk Management System;
6. Internal Audit and Control;
7. Role of stakeholders;
8. Disclosure and Transparency;
9. Rights of Stockholders; and
10. Corporate Social Responsibility Initiatives.

Thank you and we hope you will find everything in order.

Very truly yours,

  
AGUSTIN F. DINGLE, JR.  
Chief Compliance Officer

  
ATTY. ROBERTO S. SANTOS  
Corporate Secretary

## A. BOARD MATTERS

## 1) Board of Directors

## (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
Francis T. Lee	NED	N/A	President	Oct. 2000	May 29, 2015	AM	15
Peter N. Yap	ED	N/A	Chairman	Aug. 2010	May 29, 2015	AM	5
Rolando R. Avante	ED	N/A	Chairman	Nov. 2011	May 29, 2015	AM	4
Amador T. Vallejos, Jr.	NED	N/A	Chairman	May 1997	May 29, 2015	AM	18
Jeffrey S. Yao	NED	N/A	Chairman	1999	May 29, 2015	AM	16
Honorio O. Reyes-Lao	NED	N/A	Chairman	Apr. 2010	May 29, 2015	AM	5
Paternon H. Dizon	ID	N/A	Chairman	Apr. 2006	May 29, 2015	AM	9
Leticia M. Yao	NED	N/A	Chairman	2009	May 29, 2015	AM	6
Benjamin R. Sta. Catalina, Jr.	ID	N/A	Chairman	Jul. 2012	May 29, 2015	AM	3
Roberto A. Atendido	NED	N/A	Chairman	May 2006	May 29, 2015	AM	2.5

## (b) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct Shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Francis T. Lee	37,968,750		7.07%
Peter N. Yap	262,262		0.05%
Rolando R. Avante	156,340		0.03%
Jeffrey S. Yao	1,350,446		0.25%
Leticia M. Yao	1,400,446		0.26%
Honorio O. Reyes-Lao	70,312	142,187	0.04%
Benjamin R. Sta. Catalina, Jr.	46,965		0.01%
Amador T. Vallejos, Jr.	32,146		0.01%
Roberto A. Atendido	90,625		0.02%
Paterno H. Dizon	109,465		0.02%
<b>TOTAL</b>	<b>41,487,757</b>	<b>142,187</b>	<b>7.76%</b>

2) Orientation and Education Program

(a) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Francis T. Lee	Dec. 10, 2015	Corporate Governance for Directors and Senior Officers	Risk Opportunities and Assessment Management, Inc. (ROAM)
Peter N. Yap	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
	Nov. 14, 2015	ASEAN Corporate Governance Conference & Awards	
Rolando R. Avante	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
	Dec. 10, 2015	Corporate Governance for Directors and Senior Officers	ROAM
Jeffrey S. Yao	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
Leticia M. Yao	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
	Dec. 10, 2015	Corporate Governance for Directors and Senior Officers	ROAM
Amador T. Vallejos, Jr.	Aug. 7, 2015	Updated Guidelines on Sound Credit Risk Management 2015	BAIPHIL
Paterno H. Dizon	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
	Nov. 14, 2015	ASEAN Corporate Governance Conference & Awards	
Honorio O. Reyes-Lao	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
	Sept. 15, 2015	2015 Distinguished Corporate Governance Speaker Series Part 2	
	Nov. 6, 2015	2015 Distinguished Corporate Governance Speaker Series Part 3	
	Nov. 14, 2015	ASEAN Corporate Governance Conference & Awards	
Benjamin R. Sta. Catalina, Jr.	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
	Sept. 15, 2015	2015 Distinguished Corporate Governance Speaker Series Part 2	
Roberto A. Atendido	Aug. 24, 2015	2015 Distinguished Corporate Governance Speaker Series Part 1	Institute of Corporate Directors (ICD)
	Sept. 15, 2015	2015 Distinguished Corporate Governance Speaker Series Part 2	
	Nov. 6, 2015	2015 Distinguished Corporate Governance Speaker Series Part 3	

## B. BOARD MEETINGS & ATTENDANCE

### 1) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Francis T. Lee	05.29.15	14	14	100
Member	Peter N. Yap	05.29.15	14	12	85.71
Member	Rolando R. Avante	05.29.15	14	14	100
Member	Jeffrey S. Yao	05.29.15	14	12	85.71
Member	Leticia M. Yao	05.29.15	14	8	57.14
Member	Amador T. Vallejos, Jr.	05.29.15	14	10	71.42
Member	Roberto A. Atendido	05.29.15	14	11	78.57
Member	Honorio O. Reyes-Lao	05.29.15	14	13	92.85
Independent	Paterno H. Dizon	05.29.15	14	13	92.85
Independent	Benjamin R. Sta. Catalina, Jr.	05.29.15	14	12	85.71

## C. REMUNERATION MATTERS

### 1) Remuneration Policy and Structure for Executive and Non-Executive Directors

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Yes. Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
The Board allocates and receives an amount from the net income of the Bank before income tax during the preceding year. Such compensation is determined and apportioned among the directors (except executive directors).	June 28, 2013
	May 30, 2014
	May 29, 2015
Each director receives per diem allowance for his attendance at each meeting of the Board.	June 28, 2013
	May 30, 2014
	May 29, 2015

## D. BOARD COMMITTEES

### 1) Committee Members

#### (a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Francis T. Lee	05.29.2015	12	12	100	15
Member (ED)	Rolando R. Avante	05.29.2015	12	12	100	4
Member (ED)	Peter N. Yap	05.29.2015	12	12	100	5

## (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Benjamin R. Sta. Catalina, Jr.	05.29.2015	12	12	100	3.5
Member (NED)	Jeffrey S. Yao	05.29.2015	12	5	41.67	16.5
Member (NED)	Amador T. Vallejos, Jr.	05.29.2015	12	12	100	18.5
Member (NED)	Roberto A. Atendido	05.29.2015	12	6	50	3
Member (ID)	Paterno H. Dizon	05.29.2015	12	12	100	9.5

## (c) Corporate Governance/Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Paterno H. Dizon	05.29.2015	6	6	100	9
Member (NED)	Amador T. Vallejos, Jr.	05.29.2015	6	6	100	18
Member (NED)	Roberto A. Atendido	05.29.2015	6	2	33.33	2.5
Member (ID)	Benjamin R. Sta. Catalina, Jr.	05.29.2015	6	6	100	3

## (d) Manpower, Compensation and Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Amador T. Vallejos, Jr.	05.29.2015	3	3	100	18
Member (NED)	Francis T. Lee	05.29.2015	3	3	100	15
Member (ED)	Rolando R. Avante	05.29.2015	3	3	100	4
Member (ED)	Peter N. Yap	05.29.2015	3	3	100	5

## (e) Trust

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Honorio O. Reyes-Lao	05.29.2015	6	6	100	4
Member (NED)	Francis T. Lee	05.29.2015	6	6	100	10
Member (NED)	Leticia M. Yao	05.29.2015	6	3	50	10
Member (ED)	Rolando R. Avante	05.29.2015	6	4	50	4
Member	Teresita S. Sion	05.29.2015	6	6	100	3

(f) Risk Oversight

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Amador T. Vallejos, Jr.	05.29.2015	12	12	100	5
Member (NED)	Jeffrey S. Yao	05.29.2015	12	9	75.00	5
Member (NED)	Roberto A. Atendido	05.29.2015	12	6	50.00	4
Member (NED)	Honorio O. Reyes-Lao	05.29.2015	12	10	83.33	5
Member (ID)	Benjamin R. Sta. Catalina, Jr.	05.29.2015	12	12	100	4
Member (ID)	Paterno H. Dizon	05.29.2015	12	12	100	5

2) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Risk Oversight	<ol style="list-style-type: none"> <li>1. Monthly committee discussion on risk oversight matters which included the following:               <ol style="list-style-type: none"> <li>a. Identification of risks</li> <li>b. Evaluation of risk exposures</li> <li>c. Development of risk management strategies</li> <li>d. Oversight of the implementation of risk management strategies</li> <li>e. Best practice on risk management to ensure that the Bank adheres to what is required by regulators at a minimum and implements what is required of it based on its product scope and risk appetite.</li> </ol> </li> <li>2. Presented risk oversight reports to the Board and raised critical issues when needed.</li> <li>3. The Committee had deliberations on proposed risk policies covering credit, market &amp; liquidity, operational and other risks.</li> </ol>	<ol style="list-style-type: none"> <li>1. Promoted asset/loan portfolio diversification through:               <ol style="list-style-type: none"> <li>a. Provided guidance on internal management of real estate exposure through the implementation of internal limits. The objective of which is that the Bank's real estate exposure is within levels that management deems practicable. Moreover, the Committee further assessed credit risk exposures to related industries to Real Estate such as Construction and Manufacturing (of related materials and by-products used in Real Estate). Furthermore, the Committee monitored the quarterly result of the Real Estate Stress Test (REST) simulation to assess the results if it abides with regulatory limits.</li> <li>b. Provided guidance on exposures of loan portfolio under the "Wholesale and Retail Trade" industry.</li> <li>c. Provided guidance in the credit exposures of the Bank to certain industries of the Bank's clients by monitoring and assessing both sunrise and sunset industries.</li> </ol> </li> <li>2. Provided guidance on how the Bank manages its risks with the approval of the revisions on certain portions of the Risk Management Manuals covering Credit, Market, Liquidity, and Operational and</li> </ol>

Name of Committee	Work Done	Issues Addressed
		<p>Other Risks in the promotion of Enterprise Risk Management. This manual is now used by the Bank as a guide on how it identifies, assesses, control, and monitor its risk exposures.</p> <ol style="list-style-type: none"> <li>3. Revised specific provisions of the existing Internal Credit Risk Rating System (ICRRS) which is employed to assess credit risk for borrowers which have either improving or deteriorating asset quality specifically on the covered accounts to be subjected to the internal rating system. Moreover, the Bank has initiated the development and implementation of a specific risk rating system to those which are not covered by the ICRRS (e.g. Consumer loan portfolio).</li> <li>4. Continued bankwide implementation of existing board approved operational risk control and self-assessment policies and guidelines and employed best practice on operational risk assessment including strengthening/hardening of IT related risk assessment (identification, measurement, control, monitoring and reporting).</li> <li>5. Provided guidance on how the Bank manages its Treasury risks with the approval of the revised limits for Market &amp; Liquidity Risks. These limits are aligned with the risk appetite set by the Board to control its risk exposures yet considering the movement in the market.</li> <li>6. Ensured that management has a clear definition of "short-term profit taking" for use in its trading activities as required under regulations. This is to provide a clear delineation of which transactions should fall under "trading" activities thus be governed by the Bank's and the regulator's rules covering traded portfolio.</li> </ol> <p>Introduced the application of Value-at-Risk on foreign exchange products such as FX Forward and Swap as a risk metric.</p> <ol style="list-style-type: none"> <li>7. Ensured the Bank's compliance with regulatory requirement on business continuity management with its approval of the creation of a Business Continuity</li> </ol>



Name of Committee	Work Done	Issues Addressed
		Task Force with its defined responsibilities and composition.
Others (specify)-Trust	<ul style="list-style-type: none"> <li>• Reviewed and approved the TIC budget for the year 2015</li> <li>• Regularly review the performance of Trust</li> <li>• The Trust Committee performed the annual review of the outstanding trust accounts.</li> <li>• The Trust Committee thoroughly reviewed and approved all the investment outlets of Trust</li> <li>• Performed extensive assessment of TIC counter parties</li> <li>• The Trust Committee approved the Trust Training Program for the branches and other marketing units of the Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Budget plan for Trust</li> <li>• Entrust targets are met and Trust income and expenses are within approved budget.</li> <li>• Comprehensive and periodic independent accounts review.</li> <li>• Proper evaluation of all the risks involved in each investment outlet, including client directed investments.</li> <li>• Avoidance of counter-party risks by ensuring reliability of all TIC counter-parties</li> <li>• Ensure that Trust and other branch / marketing personnel are duly equipped with proper tools/knowledge of trust products and services through comprehensive training.</li> </ul>

**E. RISK MANAGEMENT SYSTEM**

1) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit risk RWA = 40,902MM	The credit risk management policy shall serve as the guiding principles in managing risk inherent in lending for all levels and individual player in the lending activity of the institution.	To maximize the Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Thus, to maximize the risk-adjusted profit, the Bank needs to manage the credit risk inherent in the entire portfolio as well as the risks in individual credits or transactions.

Risk Exposure	Risk Management Policy	Objective
Operational and other risks RWA = 3,250MM	Operational risk management policy shall serve as the guiding principle in managing potential loss of earnings or capital as a result of failures or weakness(es) of people, systems and internal processes or events external to the bank through which a bank operates.	The operational risk framework aims to develop an internal risk assessment methodology and operational risk data base management system linked to the operational risk management and business planning process, strengthen the risk control, ensure compliance with other local and global risk and capital regulation and Institutionalize a risk culture and sensitivity to potential losses including people empowerment, accountability and ownership of risks
Market and Liquidity risk RWA = 5,109MM	The market and liquidity risk management process traces out a complete and coherent risk management plan that is performed at three different levels: 1) strategic level; 2) transactional level; and 3) portfolio level. It provides the minimum criteria that the Bank uses to prudently manage and control its exposure to the abovementioned risks.	To develop risk policies and measurement mechanics including risk approach, risk limits and risk reporting infrastructure in order to analyze the risk-adjusted performance and understand the contribution of market and liquidity risk within the business.

## F. INTERNAL AUDIT AND CONTROL

### 1) Internal Control System

#### (a) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Internal Audit Center resignations (2015):

Name of Audit Staff	Reason
Jobel Ann L. Ramirez	Work opportunity in another bank
Jaemelle D. Garcia	Work opportunity in another company
Socorro Marie C. Yabut	Work opportunity in another company
Jenevib A. Loreto	Work opportunity to be based in Cebu
Jesus P. Esban III	Work opportunity in another company
Luigie L. Gonzales	Work opportunity in another bank
Yhoissa P. Bustamante	Work opportunity in another bank
Rhea Jane D. Susano	Work opportunity in another company
Ami T. Shiota	Work opportunity in another company
Catherine S. Mandap	Work opportunity in another bank

#### (b) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

<b>Progress Against Plans</b>	Total audited units/branches are 56 (br-47+HO-9) vs. total number of units/branches of 81 (br-64+HO-17), per 2015 audit plan or 69% attainment rate.
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## G. ROLE OF STAKEHOLDERS

1) Performance-enhancing mechanisms for employee participation.

(a) Show data relating to health, safety and welfare of its employees.

- Employee availment of the Annual Physical Examination decreased to 80% for 2015.
- 100% health insurance coverage for employees was registered.
- Low monthly consultation rate at an average of 14.2% bank-wide due to the increase in the health awareness of the PBB community thru the major presence of HRG clinic.

(b) State the company's training and development programs for its employees. Show the data.

Training Program / Seminar	Program / Seminar Objectives	Target Participants
AMLA BASE 60 Orientation	Provides participants with the necessary knowledge on the use of the AMLA Base 60 program	BOO's, CSA's
AMLA For Clients	Provides participants with an overview and a basic understanding of the Anti-Money Laundering Act as it applies to various businesses	Branch clients
AMLA Refresher Seminar	Provides participants with a review of the pertinent provisions of the Anti-Money Laundering Act as well as updates on the same	All employees
AMLA Seminar	Provides participants with knowledge on the pertinent aspects of the Anti-Money Laundering Act	All employees
Basic Supervisory Skills Seminar-Workshop	Provides participants with the basic principles and knowledge on supervision	Senior rank-and-file employees being groomed for officership, first-level officers
Branch Based Selling Seminar	Provides participants with knowledge and pointers/guides on effective selling at the branch level	BOO's, CSA's
Branch Officers' Training Program	Provides participants with the necessary knowledge and preparation in becoming branch officers (consists of several modules)	Selected qualified rank-and-file employees who were nominated/who applied for inclusion in the Program
Core Credit Course	Provides participants with the necessary technical knowledge pertaining to the lending and credit process (consists of several modules)	Account Officers, Marketing Assistants
Corporate Governance Seminar for Directors and Senior Officers	Provides participants with updates on corporate governance	PBB Directors, Senior Officers
Counterfeit Detection Seminar	Provides participants with the necessary knowledge and skills in identifying counterfeit bills and coins	Tellers, CSA's
Employee Engagement Seminar	Promotes engagement at work through teamwork, enhanced working relationships, and self-management	Selected officers from both branches and support units
Executing Scripts for Branch Operations	Cascades established customer service scripts for use in branch operations situations	Branch Heads
FATCA Seminar	Provides participants with the necessary knowledge on the pertinent provisions of the FATCA	BOO's

Training Program / Seminar	Program / Seminar Objectives	Target Participants
First Aid & Basic Life Support Seminar	Provides participants with first aid and basic life support knowledge and skills	Selected officers and staff from both the branches and Head Office
Fraud & Risk Awareness Seminar	Provides participants with the knowledge and skills in identifying fraudulent documents that may be presented during branch operations	BOO's, CSA's, Tellers
Hedging Treasury Risk with Forward Foreign Exchange Contracts	Provides participants with the necessary knowledge pertaining to treasury risk and forward foreign exchange contracts	Account Officers
Internal Credit Risk Rating System Workshop	Discusses topics related to the recently-approved Internal Risk Rating policy	Account Officers
Leadership Seminar	Provides participants with knowledge and guidelines pertaining to effective leadership	Officers identified as possible successors
Managing Customer Service Through Personal and Process Improvement	Provides participants with insights on customer service on a behavioral level and provides guidelines as to how to improve customer service through process improvement	Selected officers from branches and support units
Negotiation Skills Seminar	Provides participants with pointers and guidelines on successful negotiations that lead to successful sales	Branch Heads, Account Officers, Marketing Officers
New Employees' Orientation	Introduces participants to the Bank, its existing policies, its products and services, and its benefits package; Provides participants with initial/preparatory training prior to deployment to their respective units/branches	Newly-hired employees
ORCSA Refresher & Updates	Reviews existing policies and procedures pertinent to the management of risks	Unit Heads
Orientation on the In House Developed AML System	Provides participants with the necessary knowledge on the use of the internally-developed AML System	BOO's, CSA's
Product & Services Orientation	Familiarizes participants with the Bank's various branch products and services	BOO's, CSA's, Tellers
Professional Image Seminar	Provides participants with pointers and guidelines on proper office/corporate attire, decorum and behavior, and overall interaction with people	All employees
Selling Bank Services	Provides participants with knowledge and pointers/guides on effective selling	Branch Heads, Account Officers, Marketing Officers
Seminar on Identifying Fake ID's	Provides participants with the necessary knowledge and skills in identifying fraudulent identification documents	BOO's, CSA's, Tellers
Signature Verification & Forgery Detection	Provides participants with the necessary knowledge and skills in identifying and detecting forged signatures	Tellers, CSA's, Signature Verifiers
SLA Seminar Workshop	Establishes service level agreements (SLA's) between various interacting units	Selected heads/officers from various units
UITF Orientation	Provides participants with the necessary knowledge and skills needed in marketing the Bank's UITF product	Branch Heads

## H. DISCLOSURE AND TRANSPARENCY

### 1) Disclosure of RPT

RPT	Relationship	Nature	Value
Alfredo M. Yao	Chairman Emeritus	Loan	150,000,000.00
Asiawide Airways, Inc.	Alfredo M. Yao Group of Companies	Loan	500,000,000.00
Alfredo M. Yao	Chairman Emeritus	Loan	95,817,000.00
Zest Airways, Inc.	Alfredo M. Yao Group of Companies	Loan	40,000,000.00
Zest Airways, Inc.	Alfredo M. Yao Group of Companies	Loan	60,000,000.00
Zest Airways, Inc.	Alfredo M. Yao Group of Companies	Loan	150,000,000.00
Zest Airways, Inc.	Alfredo M. Yao Group of Companies	Loan	200,000,000.00
Sps. Amor M. Salud Jr. and Dulce Gidget Salud	Dulce Salud is VP-Marketing	Loan	280,000.00 677,524.81
PBB Employee - Officers Loans	PBB Employee Loans under Fringe Benefit	Loan	34,947,004.33
<i>Contingent Accounts</i>			
ARC Refreshments	Alfredo M. Yao Group of Companies	Bank Guaranty	17,000,000.00
Mega Asia Bottling Corp.	Alfredo M. Yao Group of Companies	Bank Guaranty	1,000,000.00
Zest-O Corporation	Alfredo M. Yao Group of Companies	Bank Guaranty	5,000,000.00

Branch	Address	Lessor	Signatory/ies	Term		Present Rental Rate
Banawe	Unit 5-7 Solmac Bldg. 84 Dapitan cor. Banawe Sts., Sta. Mesa Heights, Quezon City	Solmac Marketing Inc.	Linda S. Yao	May 1, 2014	Apr. 30, 2020	115,744.80
Edsa-Caloocan	574 Epifanio delos Santos, EDSA Highway, Kalookan City	Solmac Marketing Inc.	Linda S. Yao	Apr. 1, 2007	Mar. 31, 2017	55,184.51
Quintin Paredes	G/F Downtown Center Bldg., Quintin Paredes St., Binondo, Manila	Downtown Realty Investment Corporation	Linda S. Yao	July 24, 2015	July 24, 2020	199,849.65
Grace Park	249 Rizal Avenue Ext., cor. 7th Ave., Grace Park, Caloocan City	SMI Development Corporation	Amador T. Vallejos, Jr	Aug. 17, 2013	Aug. 17, 2023	107,346.75

## I. RIGHTS OF STOCKHOLDERS

1. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? Yes.

a. Date of sending out notices: May 08, 2015

b. Date of the Annual/Special Stockholders' Meeting: May 29, 2015

2. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the 2014 Annual Stockholders' Meeting	70.26%	N/A	N/A
Approval on the Operations and Actions done by the Management for the year 2014	70.26%	N/A	N/A
Ratification of the Audited Financial Statements for the year ending December 31, 2014	70.26%	N/A	N/A
Ratification of the Acts and Resolutions of the Board of Directors and Management for 2014	70.26%	N/A	N/A
Election of the Members of the Board of Directors including two (2) Independent Directors to serve for 2015-2016	70.26%	N/A	N/A
Approval of the Dividend Policy	70.26%	N/A	N/A
Re-appointment of Punongbayan & Araullo (P&A) as the Bank's external auditor for the year 2015-2016	70.26%	N/A	N/A
Election of Directors for 2015-2016	70.26%	N/A	N/A

3. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:  
May 29, 2015

(a) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Francis T. Lee Peter N. Yap Rolando R. Avante Honorio O. Reyes-Lao Jeffrey S. Yao Roberto A. Atendido Amador T. Vallejos, Jr. Paterno H. Dizon Benjamin R. Sta.Catalina, Jr.	5.29.15	Open Voting	70.26%		70.26%
Special	Francis T. Lee Peter N. Yap Rolando R. Avante Honorio O. Reyes-Lao Jeffrey S. Yao Benjamin R. Sta.Catalina, Jr	12.11.15	Open Voting	70.08%		70.08%

## J. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
<p>An annual gathering where all the scholarship donors and student benefactors of Philippine Normal University (PNU) was once again concluded at Geronimo Pecson Hall inside the university campus on February 27, 2015.</p> <p>Among the benefactors present during the program was AMY Foundation, Inc. The certificate of appreciation was received by the Coordinator for Volunteers, Ms. Luningning T. Ramos, on behalf of the Foundation.</p> <p>AMY Foundation has been in partnership with PNU since 2007 in providing scholarships to the economically deprived but academically deserving students of the said school. Currently, AMY Foundation has nine (9) new set of scholars enrolled in PNU for the SY 2014-2015.</p>	<p>AMY Scholars enrolled in Philippine Normal University</p>
<p>Last April 18, 2015, the Bankers Institute of the Philippines (BAIPHIL) spearheaded a jam-packed yet very successful Medical, Dental and Surgical Mission at Bayambang District Hospital in Pangasinan that was supported by BAIPHIL's member banks, non-profit organizations that include AMY Foundation, various donors and sponsors.</p> <p>Said worthwhile endeavor was able to serve more than 1,000 individuals residing in the depressed barangays within the locality where the mission was held. Those who wanted to avail the consultation patiently line-up, registered and waited for their turn to be checked-up by the volunteer doctors, nurses and other health workers. After thorough check-up, a medical prescription was handed to the patient and the prescribed medicines were given for free. There were also volunteer dentists who attended to patients requiring simple tooth extraction. After the procedure, the patients were given free toothbrush and medicines. More than 1,000 eyeglasses were likewise distributed to patients with defective eye sights especially to the elders. There were several patients who underwent minor surgery and free circumcision was also performed.</p> <p>All patients, who were mostly accompanied by their respective families, did not go home empty handed. Loot bags containing Zesto juice, bottled water, biscuits, breads and candies were given to the delight of everybody.</p>	<p>Underprivileged residents of Bayambang, Pangasinan</p>

Initiative	Beneficiary
<p>To aid the needs of the students enrolled in Halayhayin Elementary School, AMY Foundation recently donated one (1) set of LED Television and DVD Player from which the students can watch educational and informative programs as an additional form of learning.</p> <p>Present during the turnover last July 28, 2015 were the following: Halayhayin Elementary School Teacher Rennel Badal-Malabanan, AMY Foundation CSR Officer Ms. Ruth Tamayo, Volunteer Ms. Aleli Osumo, Executive Director and Project Coordinator Ms. Alice Rodil, Halayhayin Elementary School Principal Ms. Evangeline Bicera, and AMY Foundation Coordinator for Volunteers Ms. Luningning Ramos.</p> <p>Halayhayin Elementary School is a public school situated in Pililia, Rizal consisting of 13 classrooms with 15 teachers and 574 students.</p>	<p>Students of Halayhayin Elementary School</p>
<p>On December 21, 2015, AMY Foundation sponsored a Christmas Party for the benefit of more than 100 children living in the depressed areas near the St. Pancratius Parish located inside La Loma Compound Grace Park, Caloocan. The said affair was in coordination with the volunteers of the said parish.</p> <p>The Foundation sponsored the food and zest-o juice drinks, candies, giveaways, including game prizes. Children actively participated in the parlor games and everyone was thankful for the giveaways consisting of school supplies and goody bag full of candies from the Foundation.</p> <p>Represented by its Executive Director/Project Coordinator Ms. Alice P. Rodil, Coordinator for Volunteers Ms. Luningning T. Ramos, CSR Officer Ms. Ruth Tamayo, active volunteers Ms. Linalyn Gabrido, Mr. Rolando G. Alvendia, Ms. Aleli Osumo, Ms. Jenny V. Magbuhos and Mr. Dopher Villanueva, the Foundation once again capped a successful party for the underprivileged children.</p>	<p>Street Children</p>