

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	References: <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report 	
2. Board has a mix of competence and expertise.	Compliant	Links: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf 	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	<ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The 2020 Annual Report contains relevant information on the Bank's Directors, all of whom possess the training, knowledge and experience that enable them individually and collectively to fulfill their responsibilities and roles on the Bank's Board and Committees.</p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Reference: <ul style="list-style-type: none"> • Philtrust Bank 104th Annual Report Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The Board is composed of five (5) non-executive directors and four (4) independent directors, representing the majority of its membership. The three (3) other members are executive directors.	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Reference: • Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
2. Company has an orientation program for first time directors.	Compliant	Directors are asked to attend programs formulated to help improve their work as Bank Directors. The Bank organizes a formal presentation and discussion on relevant topics with the Institute of Corporate Directors. This is done at least once each year and is attended by all Directors. There are training activities and updates on corporate governance, internal control, risk management, and current developments in the domestic and international environments. The Bank intends to continue working with the Institute of Corporate Directors in this activity. First time directors are required to attend relevant orientation seminars and programs before assuming their positions.	
3. Company has relevant annual continuing training for all directors.	Compliant		

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Reference: • Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf The Corporate Governance, Nomination and Remuneration Committee sees to it that Board membership is properly diverse in terms of competence, expertise, and gender.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Reference: • Manual on Corporate Governance	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	The Board is assisted by a Corporate Secretary, who helps the Board and its committees in their work. The Corporate Secretary is neither Compliance Officer nor member of the Board of Directors.	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Reference: • 2020 Annual Report (SEC Form 17-A)	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf <p>The Corporate Secretary, along with the Board of Directors and some key officers of the Bank, regularly attends at least a 4-hour training on updates on corporate governance, internal control, risk management, and recent developments in the business and regulatory environments relevant to the banking industry.</p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Manual on Corporate Governance <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf <p>The Board and Board-level Committees are assisted by a Compliance Officer who is not a member of the Board of Directors. The officer's title is Vice President and Compliance Officer, reporting directly to the Board.</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p>As such, he has the stature and authority equivalent to that of Senior Vice President.</p>	
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf With the Board of Directors, the Compliance Officer attends the training programs on corporate governance and related concerns that are organized by the Bank.	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Reference: <ul style="list-style-type: none"> • Philtrust Bank 104th Annual Report Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf Directors have full access to information necessary for participation in Board and Committee discussions.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Reference: <ul style="list-style-type: none"> • Manual on Corporate Governance 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf <p>Board members exercise their responsibility to oversee and monitor the planning and implementation of Bank objectives and strategy during Board meetings and discussions with Management particularly in the review of financial performance and Bank programs, including discussions concerning the Bank's ICAAP (Internal Capital Adequacy Assessment Process).</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • Philtrust Bank 104th Annual Report • Bank website <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf • https://www.philtrustbank.com/ 	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	The Bank's ICAAP document outlines the Bank's financial targets and medium and long-term strategy. The document is the result of management and Board discussion.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The Board is headed by a qualified and competent Chairman whose academic qualifications, professional and relevant experiences in the industry are provided in the Bank's Annual Report.</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Manual on Corporate Governance <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf <p>In coordination with Management, the Board ensures the proper succession planning at all levels of the organization. A Succession Planning Program was adopted to ensure the continuing</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		availability of qualified employees, especially for critical management and executive level positions.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	Directors are elected by stockholders at the Annual Stockholders' meeting on the basis of recommendations made by the Corporate Governance, Nomination and Remuneration Committee. The Committee considers nominees on the basis of their qualifications, experience, judgment, standing in the business community, and related factors. The retirement of key officers is similarly evaluated by the Board Committee on the basis of the Bank's policy that provides for retirement at the age of 60 or after 20 years of service, whichever comes first. However, if the exigency of the service so requires, the Bank has the option to extend the service of the employee concerned.	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	References: <ul style="list-style-type: none"> • Amended By-Laws • Manual on Corporate Governance 	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Links: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Amended%20By-Laws.pdf • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf 	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	The Bank's remuneration policy is based on merit measured through an individual performance evaluation system. This is	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>augmented by a profit-sharing system that is based on aggregated bank performance.</p> <p>Directors receive per diems for participation in Board and Board Committee meetings and share in the profit-sharing system.</p> <p>The profit-sharing component of the Bank's performance-based remuneration policy is subject to Bangko Sentral ng Pilipinas approval.</p>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> Manual on Corporate Governance <p>Link:</p> <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf 	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p>Any vacancy in the Board may be filled by the remaining directors constituting a quorum, or by the stockholders at any meeting or adjourned meeting.</p>	
3. Board nomination and election policy includes how the company accepted nomination from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidate.	Compliant		

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.	Compliant	The selection process for membership in the Board starts with nominations submitted to the Board's Corporate Governance, Nomination and Remuneration Committee. Candidates for directorship are submitted to stockholders for their consideration.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Reference: <ul style="list-style-type: none"> • Manual on Corporate Governance • Related Party Transactions Committee Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf • https://www.philtrustbank.com/sites/default/files/corporate-governance/Related%20Party%20Transactions%20Committee%20Charter_2018.pdf 	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	The Bank observes the Bangko Sentral ng Pilipinas regulations on loans to related parties. In addition, Board has constituted a Related Party Transactions Committee to review covered transactions. All RPTs are approved on an arms-length basis, without any special preferences and only in the regular course of bank business. These are subject to approval by the Board of Directors, as well as to the confirmation by stockholders. On	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		August 20, 2019 the RPT Committee and the Board of Directors approved the Policy on Material Related Party Transactions that is aligned with the requirements of SEC Memorandum Circular No.10 (Rules on Material Related Party Transactions for Publicly Listed Companies).	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	In 2020, the Board considered and approved seven (7) lease and five (5) credit transactions with related parties as defined by BSP regulations.	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	On August 20, 2019 the RPT Committee and the Board of Directors approved the Policy on Material Related Party Transaction that is aligned with the requirements of SEC Memorandum Circular No.10 (Rules on Material Related Party Transactions for Publicly Listed Companies).	
2. Board establishes a voting system whereby a majority of nonrelated party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	RPTs are reviewed by the RPT Committee before Board consideration. These are then presented to stockholders for confirmation at the Annual Stockholders' Meeting.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> •Manual on Corporate Governance <p>Link:</p> <ul style="list-style-type: none"> •https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf <p>The Board approves the selection of the Bank's Chief Executive Officer, Chief Risk Officer, Compliance Officer, and Internal Auditor at the Board's Organizational Meeting after the Annual Stockholders' Meeting, or in other meetings as may be necessary. The management team generally consists of the President, all executive officers and department/unit heads.</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> •Manual on Corporate Governance <p>Link:</p> <ul style="list-style-type: none"> •https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf <p>With the assistance of the appropriate Committees, the Board assesses Management performance.</p>	
Recommendation 2.9			
1. Board establishes an effective performance management framework	Compliant	The Bank's performance assessment program for its Management and personnel is consistent with the standards established for the	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
that ensures that Management's performance is at par with the standards set by the Board and Senior Management.		Board and Senior Management, including job knowledge and performance, attendance/punctuality, relationships with fellow workers and Bank clients, service orientation, office decorum, and character attributes identifying potential for career advancement.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	It is added that Board and Management Committees meet regularly among themselves and with relevant Bank personnel, thereby simultaneously achieving the purposes of supervision and assessment.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Reference: • Manual on Corporate Governance	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf Management has a comprehensive internal control system in place that is overseen by the Board Audit Committee with the assistance of the Internal Audit Department of the Bank. The internal audit program provides for the assessment of key control functions, such as risk management, compliance, human resource practices, conflict of interest situations, and other related matters.	
3. Board approves the Internal Audit Charter.	Compliant	Reference: • Audit Committee Charter	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf 	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Reference: <ul style="list-style-type: none"> • Manual on Corporate Governance Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf The Board has approved the creation of, and exercises oversight functions over, the Bank's risk management framework. This is done through the Board Risk Oversight Committee that helps ensure Bank-wide monitoring of the adequacy and soundness of risk minimization policies, assumptions and practices.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Reference: <ul style="list-style-type: none"> • Manual on Corporate Governance Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The Board of Directors has approved a risk framework for operations, market, interest rate, and other identified risks covered in a Risk Management Manual	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Reference: •Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	The Board's accountabilities are provided in the Bank's Manual on Corporate Governance.	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Reference: •Policy on Insider Trading Link: • https://www.philtrustbank.com/sites/default/files/company-policies/Policy%20on%20Insider%20Trading-2017.pdf It is the policy of the Bank to prevent the unfair use of material nonpublic information, that may have been obtained by Bank	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		directors, officers, stockholders, and employees by reason of their relationship with the issuer.	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1</p>			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	Compliant	<p>References:</p> <ul style="list-style-type: none"> • Executive Committee Charter • Audit Committee Charter • Board Risk Oversight Committee Charter • Corporate Governance, Nomination, and Remuneration Committee Charter • Related Party Transaction Committee Charter • Trust and Investment Committee Charter • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Executive%20Committee%20Charter-2018.pdf • https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf • https://www.philtrustbank.com/sites/default/files/corporate-governance/Board%20Risk%20Committee%20Charter-2018.pdf • https://www.philtrustbank.com/sites/default/files/corporate-governance/Corporate%20Governance%20Nomination%20and%20Remuneration%20Committee%20Charter_2018.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Related%20Party%20Transactions%20Committee%20Charter_2018.pdf • https://www.philtrustbank.com/sites/default/files/corporate-governance/Trust%20and%20Investment%20Committee%20Charter_2018.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The various Board-level committees were established to assist the Board in the performance of its responsibilities.</p>	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Audit Committee Charter <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf <p>The Board implements its oversight function over the Bank's internal control system through the Audit Committee, which looks after financial reporting policies and practices, as well as the internal and external audit functions. It also monitors and evaluates the adequacy and effectiveness of the Bank's internal control system. It is responsible for recommending the appointment of the internal auditor and the independent external auditor, both of which report directly to the Committee.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Audit Committee is composed of at least three appropriately qualified nonexecutive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The Audit Committee is composed of three non-executive directors, majority of whom are independent directors including the Chairman.</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>Members of the Audit Committee have relevant academic and work background in the fields of legislation, insurance, business administration and accountancy.</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf The Chairman of the Audit Committee is an independent Director and not the Chairman of the Board or of any other committee.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Reference: <ul style="list-style-type: none"> • Audit Committee Charter Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Corporate%20Governance%20Nomination%20and%20Remuneration%20Committee%20Charter_2018.pdf The Audit Committee is responsible for the appointment of external auditor, who reports directly to the Committee. All services, therefore, outside of audit are coursed through the Committee for approval.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The Audit Committee meets with the external auditors in the course of planning, implementation and discussion of the Bank's annual external audit. The Committee meets separately with auditors without the presence of Management to ensure independence in the external audit work and to resolve any difficulties in the course of their work.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Corporate Governance, Nomination and Remuneration Committee Charter <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Corporate%20Governance%20Nomination%20and%20Remuneration%20Committee%20Charter_2018.pdf <p>The Corporate Governance, Nomination and Remuneration Committee of the Board reviews and evaluates nominees for membership in the Board of Directors and other positions requiring appointment by the Board; ensures the effectiveness and observance of corporate guidelines and principles; recommends to the Board the continuing education of directors assigned to different board committees, the succession planning and remuneration policy; and determines whether elected directors are adequately carrying out assigned duties and responsibilities.</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The Corporate Governance, Nomination and Remuneration Committee of the Board is composed of three (3) independent directors.	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The Chairman of the Committee is an independent director.</p>	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Board Risk Oversight Committee Charter <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Board%20Risk%20Committee%20Charter-2018.pdf <p>The Board Risk Oversight Committee is responsible for the creation and oversight of the Bank's corporate risk policy; for identifying and analyzing the risks faced by the Bank; setting and recommending to the Board a system of risk limits and controls; and ensuring that each business unit continuously monitors the adequacy and soundness of policies, assumptions and practices.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The majority of the three (3) members of the committee are independent directors. All members possess competencies in law and justice and business administration. The chairman of the Committee is not the chairman of the Board.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	References: <ul style="list-style-type: none"> • Board Risk Oversight Committee Charter • Philtrust Bank 104th Annual Report Links: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Board%20Risk%20Committee%20Charter-2018.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf 	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	The BROC Charter provides that the Committee shall be composed of at least three members, majority of whom should be independent directors, including the Chairman; that the Chairman should not be the Chairman of the Board or of any other committee; and that at least one member of the committee must have relevant thorough knowledge and experience on risk and risk management.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Reference: <ul style="list-style-type: none"> • Related Party Transactions Committee Charter 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Related%20Party%20Transactions%20Committee%20Charter_2018.pdf <p>The RPT Committee is responsible for identifying related parties; monitoring RPTs, ensuring that appropriate processes are undertaken to mitigate any risk that may arise from such transaction/s; and ensuring compliance with regulatory requirements.</p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Philtrust Bank 104th Annual Report <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The RPT Committee is composed of three (3) directors, all of whom are independent directors including the chairman. Other members include the Compliance Officer and the Internal Auditor.</p>	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • Executive Committee Charter • Audit Committee Charter • Board Risk Oversight Committee Charter • Corporate Governance, Nomination, and Remuneration Committee Charter • Related Party Transaction Committee Charter 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<ul style="list-style-type: none"> Trust and Investment Committee Charter Links: <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/corporate-governance/Executive%20Committee%20Charter-2018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Board%20Risk%20Committee%20Charter-2018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Corporate%20Governance%20Nomination%20and%20Remuneration%20Committee%20Charter_2018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Related%20Party%20Transactions%20Committee%20Charter_2018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Trust%20and%20Investment%20Committee%20Charter_2018.pdf 	
3. Committee Charters were fully disclosed on the company's website.	Compliant	<ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/corporate-governance/Board%20Risk%20Committee%20Charter-2018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Corporate%20Governance%20Nomination%20and%20Remuneration%20Committee%20Charter_2018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Related%20Party%20Transactions%20Committee%20Charter_2018.pdf https://www.philtrustbank.com/sites/default/files/corporate-governance/Trust%20and%20Investment%20Committee%20Charter_2018.pdf <p>The Charters of Board-level Committees identify the functions and responsibilities that are used as standards of performance.</p>	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board,	Compliant	Reference: <ul style="list-style-type: none"> Philtrust Bank 104th Annual Report 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.		Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf 	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The Bank's Annual Report includes the record of attendance of each director at Board and Board-level Committees. Each director is furnished with minutes and reports/materials for their reference before each meeting.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Reference: <ul style="list-style-type: none"> • Philtrust Bank 104th Annual Report Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf Non-executive directors of the bank are not concurrently serving as directors to more than five (5) publicly listed companies.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Directors notify the board before accepting other directorships.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Bank has four (4) independent directors comprising one-third of the board's membership.	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>All independent directors have executed a notarized sworn certification that they possess all the qualifications and none of the disqualifications for an independent director mandated by the SEC.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	The Bank has no arrangements that impose any constraint on the decisions or actions of its Independent Directors.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>None of the Bank's Independent Directors had exceeded the maximum term as provided by applicable regulations.</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	None of the Bank's incumbent Independent Directors have exceeded the nine (9) years term limit. The Manual on Corporate Governance effectively bars independent directors from exceeding the term limit as the election of such directors must comply with SEC/BSP regulations.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	There is no plan to exceed the indicated limit but should there be a need to do so, the Board will provide meritorious justification and will seek the necessary shareholders' approval.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	At its Organizational Meeting held on July 28, 2020 the Board of Directors elected Mr. Basilio Yap as Chairman of the Board and Dr. Jaime C. Laya as President.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Reference: <ul style="list-style-type: none"> Manual on Corporate Governance Link: <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf <p>The Chairman of the Board is concerned with policy directions and ensuring that Board meetings and Board-level committee meetings are held as provided in their charters. The President or Chief Executive Officer, on the other hand, executes the strategic direction of the Board.</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	The Board has designated Chief Justice Hilario G. Davide, Jr. (Ret.) as Lead Independent Director.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	Internal Auditor, Compliance Officer, and Chief Risk Officer regularly conduct separate meetings with their respective Board-level Committees chaired by independent and non-executive directors.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Meetings concern audit findings, related party transactions, and corporate governance issues as the case may be.	
2. The meetings are chaired by the lead independent director.	Compliant	The Lead Independent Director has been assigned the responsibility of presiding over separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions without any member of Management present.	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Assessment is facilitated by the Compliance Department annually, and overseen by the Corporate Governance, Nomination and Remuneration Committee.	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Self-assessments have been individually done by Directors after general discussion. External facilitator will be invited by the Directors to assist in the work.	
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and	Compliant	The self-assessment system has set criteria and process to determine the performance of the Board, the individual directors,	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
process to determine the performance of the Board, individual directors and committees.		and Board-level committees. The criteria are based on the functions and responsibilities of the Board, directors, and committees as provided in their charters.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	Shareholder feedback is obtained at Board meetings where Bank shareholders are adequately represented. The general discussions at Annual Stockholder Meetings are also considered as venue for feedback on Bank performance, policies, procedures and plans.	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-policies/Whistle%20Blowing%20Policy-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Policy%20on%20Insider%20Trading-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Prevention%20of%20Conflict%20of%20Interest-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Employee%20Code%20of%20Conduct-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/ABC%20Policy_summary.pdf <p>Standards for professional and ethical behavior are provided in the following policies of the Bank:</p> <ul style="list-style-type: none"> • Whistle Blowing Policy <p>The Bank has whistle blowing policy that encourages stakeholders, including bank employees, to communicate in confidence and without the risk of reprisal, legitimate concerns</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>that are within the scope of the said policy. Its objective is to establish an independent system of receiving, investigating, and addressing those concerns; and to improve the atmosphere of good corporate governance and transparency within the Bank. The guidelines for the submission and resolution of whistle blowing reports are provided in the policy.</p> <ul style="list-style-type: none"> • Insider Trading Policy The Bank prevents the unfair use of material nonpublic information, which may have been obtained by Bank directors, officers, stockholders, and employees by reason of their relationship with the issuer. • Prevention of Conflict of Interest The Bank has established a standard of conduct to ensure that personal interests of the directors, employees, and consultants do not conflict with the duties and responsibilities they perform for the Bank. • Employee Code of Conduct The policy covers officers and staff and touches on areas of performance, adherence to pertinent laws and regulations, avoiding conflict of interest, confidentiality of information, office decorum, protection of bank properties, business continuity and reporting of violations thereof. • Anti-Bribery and Corruption Policy The Bank is committed to continuously apply the principles of honesty, integrity, and transparency in doing its business and conducting its transactions with internal and external stakeholders. As part of its ethical business practice, bribery and corruption are not tolerated by the Bank. 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Internal policies are disseminated in hard copies and published in the Bank's Compliance Library.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-policies/Whistle%20Blowing%20Policy-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Policy%20on%20Insider%20Trading-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Prevention%20of%20Conflict%20of%20Interest-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Employee%20Code%20of%20Conduct-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/ABC%20Policy_summary.pdf <p>Summary of the policies are posted in the Bank's website</p>	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>Bank policy has always been to prohibit involvement in any form of bribery.</p> <p>Reference: Anti-Bribery and Corruption Policy</p> <p>https://www.philtrustbank.com/sites/default/files/company-policies/ABC%20Policy_summary.pdf</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Compliance with the policies relating to business conduct and ethics is a collective effort of the entire organization. Overseeing compliance rests with the Audit Committee and the Corporate Governance, Nomination and Remuneration Committee, assisted by the Compliance Department. For Employee Code of Conduct and related internal policies, compliance is being monitored by the Personnel Department, which reports to the Personnel Management, Employee Benefit, and Ethics Committee. The Committee reports to the Office of the President, which reports significant issues to the Board.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	The Bank strictly complies with the reporting and disclosure requirements on company's financial condition, results and business operations. Reporting and publication is done in accordance with the timelines provided by regulations.	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year,	Compliant	As required by pertinent regulations of the SEC and BSP, financial and other matters related to business are disclosed to the regulatory authorities and to the general public on monthly, quarterly, semestral and annual basis.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
while interim reports are published within forty-five (45) days from the end of the reporting period.			
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; gross- holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	Reference: • 2020 Annual Report (SEC Form 17-A) Link: • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf The Bank's Annual Report discloses the identity of controlling stockholders, shareholdings and the degree of ownership to total shares outstanding.	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Bank Directors and officers are required to disclose to the Bank all dealings in the company's shares within three business days.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's	Compliant	The Bank reports the trading of the company's directors and officers, including any company dealings on its own shares, as required by the Philippine Stock Exchange.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
purchase of its shares from the market (e.g. share buyback program).			
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The Annual Report of the Bank and reports to regulatory authorities disclose relevant information on each member of the Board of Directors.</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>The Annual Report of the Bank and reports to regulatory authorities disclose relevant information on key executives.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Reference: <ul style="list-style-type: none"> 2020 Annual Report (SEC Form 17-A) Link: <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf 	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	The Bank observes standard practice in setting Board remuneration with per diems and profit-sharing. The total annual compensation of directors and key executives is disclosed in the Bank's Annual Report submitted to regulatory authorities.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant		The Bank is satisfied that the remuneration of its directors is reasonable, and does not disclose remuneration on an individual basis consistent with laws on privacy.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	References: <ul style="list-style-type: none"> Manual on Corporate Governance Related Party Transactions Policies and Procedures Links: <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-policies/Related%20Party%20Transactions%20Policies%20and%20Procedures-2017.pdf 	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Complaint	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf 	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Manual on Corporate Governance • Related Party Transactions Policies and Procedures <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Related%20Party%20Transactions%20Policies%20and%20Procedures-2017.pdf <p>Policies and Procedures for RPT require all directors, officers and stockholders to submit disclosure statement regarding RPT to the Board of Directors through the RPT Committee within five (5) days from the date of transaction.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Every material fact or event related to the Bank is duly reported to regulatory authorities.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Any transactions are based on the appraisal conducted by the Bank's internal appraiser in the case of minor transactions, or an external appraiser accredited by the BSP and SEC, as may be applicable.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	There are no such agreements in existence and the necessary regulatory reports will be submitted should any such agreement take place.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Reference: •Manual of Corporate Governance	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
3. Company's MCG is posted on its company website.	Compliant		

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The Manual was submitted to BSP, SEC and PSE and disclosed in the Bank's web site	
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Reference: •Manual of Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf The Bank's Manual has been submitted to the authorities concerned and any changes thereto are similarly submitted.	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is noncompliance, identifies and explains reason for each such issue.	Compliant	Reference: •2020 Annual Report (SEC Form 17-A) Link: • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf The Annual Report complies with all the disclosures required by regulatory authorities.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational,	Compliant	Reference: •2020 Annual Report (SEC Form 17-A)	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
financial and compliance controls) and risk management systems.		Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf 	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	The Board approves the external audit report that contains the external auditor's opinion of company internal controls.	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Reference: <ul style="list-style-type: none"> • Philtrust Bank 104th Annual Report Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf 	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Reference: <ul style="list-style-type: none"> • Manual on Corporate Governance 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf <p>As provided for in the 2018 Revised Audit Committee Charter, the Audit Committee shall meet once every quarter, or more frequently as needed, as determined by the Committee Chairman or its members. Discussion would involve, among other things, reviewing the external auditor's proposed annual audit scope, plan, and approach; reviewing the performance of the independent auditor; making recommendations to the Board of Directors on the appointment, renewal or termination of engagement of an external auditor; as well as reviewing and confirming the qualifications and independence of the independent auditor.</p>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf <p>The Audit Committee recommends the appointment removal and fees of the external auditor and the same is ratified by more than majority of outstanding shares in attendance during the stockholders' meeting.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Disclosure submitted to the PSE EDGE • Disclosure at the Bank's website <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/Change%20in%20external%20auditor.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/Re-appointment%20of%20external%20auditor_1.pdf <p>The Manual on Corporate Governance provides that the Audit Committee shall include among its responsibilities to disclose to regulators and the public the removal or change of external auditor. Disclosure for change of external auditor is submitted to PSE portal and published at the Bank's website.</p>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	This is a requirement prescribed by regulatory authorities and the Bank has fully complied with the same.	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p>	Compliant	<p>References:</p> <ul style="list-style-type: none"> • Manual on Corporate Governance • Audit Committee Charter <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.		<ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf <p>The Audit Committee's responsibilities include, among other things, assessing the integrity and independence of external auditors; exercising effective oversight to review and monitor the external auditor's independence, objectivity, and audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Audit Committee Charter <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf <p>The Audit Committee is responsible in reviewing and confirming the qualifications, performance, independence of the external auditor, at least annually.</p>	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Audit Committee Charter <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Review of the external auditor's competence is part of the responsibilities of the Audit Committee.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Reference: • Audit Committee Charter Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Audit%20Committee%20Charter%20-%20BOD%202018.pdf The Audit Committee is responsible in reviewing the external auditor's proposed annual audit scope, plan, and approach.	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	The Bank has not previously engaged its external auditor for any non-audit services and intends to disclose any such dealings at the appropriate time.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	The Bank has not previously engaged its external auditor for any non-audit services and intends to disclose any such dealings at the appropriate time. The external auditor's Report confirms the absence of any conflict of interest.	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	The Bank has not previously engaged its external auditor for any non-audit services and intends to disclose any such dealings at the appropriate time.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A Category	Compliant	<p>Information on the Bank's external auditor:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner Ms. Haydee M. Reyes <ol style="list-style-type: none"> a. SEC Accreditation Number: 83522 Accreditation Type: Group A Date Issued: March 10, 2020 Validity: Five (5) year for the audit of 2019-2023 Financial Statements b. BSP Accreditation No. 83522 Accreditation Type: Group A Date Issued: March 5, 2020 Validity: Five (5) years for the audit of 2019-2023 Financial Statements 2. Name, address, contact number of the audit firm: Reyes Tacandong & Co. 8741 Paseo de Roxas, Makati, Metro Manila (02) 8982 9100 	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	The Bank's external auditor has not yet received notice from SEC whether it was selected for SOAR.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>Relevant policies are as follows:</p> <ul style="list-style-type: none"> • Whistle Blowing Policy <p>The Bank has whistle blowing policy that encourages stakeholders, including bank employees, to communicate in confidence and without the risk of reprisal, legitimate concerns that are within the scope of the said policies. Its objective is to establish an independent system of receiving, investigating, and addressing those concerns; and to improve the atmosphere of good corporate governance and transparency within the Bank. The guidelines for the submission and resolution of whistle blowing reports are provided in the policy.</p> <ul style="list-style-type: none"> • Insider Trading Policy <p>The Bank prevents the unfair use of material nonpublic information, which may have been obtained by Bank directors, officers, stockholders, and employees by reason of their relationship with the issuer.</p> <ul style="list-style-type: none"> • Prevention of Conflict of Interest <p>The Bank establishes a standard of conduct to ensure that personal interests of the directors, employees, and consultants do not conflict with the duties and responsibilities they perform for the Bank.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Health, Safety and Welfare Policy</p> <p>The Bank believes that its employees are its most valuable asset. Therefore, to nurture employment satisfaction and loyalty, the Bank commits to promote its employees' health, safety, and welfare by:</p> <p>(a) Maintaining safe working environment; (b) Creating policies and programs that ensure the safety and physical well-being of employees; and (c) Providing employees with opportunities for learning and development.</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and nonfinancial issues.	Compliant	The Bank complies with the regulatory requirements for reporting.	
<p>Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<p>Recommendation 11.1</p>			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>Reference: Bank website</p> <p>Link: https://www.philtrustbank.com</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) • Philtrust Bank 104th Annual Report <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/104th%20Annual%20Report%202020.pdf <p>Quarterly reports are published at PSE EDGE and key data are routinely released by the BSP. Audited financial statements are published in the Bank's website.</p>	
b. Materials provided in briefings to analysts and media	Compliant	<p>Relevant information may be found in the Bank's website</p> <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/news 	
c. Downloadable annual report	Compliant	<p>References:</p> <ul style="list-style-type: none"> • 2020 Annual Report (SEC Form 17-A) <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/2020%20Annual%20Report-min.pdf 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
d. Notice of ASM and/or SSM	Compliant	<p>Notice of Stockholders Meeting is posted at the Bank's website in addition to formal written notices sent to stockholders.</p> <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/Notice%20of%20the%20Annual%20Meeting%20of%20the%20Stockholders_0.pdf 	
e. Minutes of ASM and/or SSM	Compliant	<p>Minutes of stockholders' meeting are being posted at the Bank's website as well as at the PSE EDGE.</p> <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/Minutes%20of%20Annual%20Stockholders%27%20Meeting.pdf • https://edge.pse.com.ph/openDiscViewer.do?edge_no=a58d7b3c1aa1dd770de8473cebbd6407 	
f. Company's Articles of Incorporation and By-Laws	Compliant	<p>Link to Amended Articles of Incorporation:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Amended%20Articles%20of%20Incorporation_1.pdf <p>Link to Amended By-Laws:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Amended%20By-Laws.pdf 	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> • Bank website 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Link: • https://www.philtrustbank.com/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>The Internal Audit Department regularly reviews the adequacy and effectiveness of implementation of the Bank's internal policies and procedures, and compliance with existing laws, rules and regulations. The approved annual Internal Audit Program provides for the assessment of the effectiveness of the adequacy and implementation of the Bank's internal control systems and other policies and procedures consistent with the findings of the Bank's risk assessment.</p> <p>The Audit Committee conducts an annual assessment of the Bank's internal audit work and internal control system. The 2020 evaluation shows that the Bank has adequate and effective internal controls.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Reference: •Risk Management Manual</p> <p>The Bank's risk management framework provides, through carefully designed policies, clear responsibilities and accountability, and a tight monitoring and feedback mechanism involving all risk takers including the Board of Directors and the relevant committees.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p>The Bank's Compliance Program sets out the compliance function's planned activities intended to effectively manage compliance risks. The compliance risk management activities include:</p> <ol style="list-style-type: none"> 1. Assessment of the implementation of internal policies and procedures; 2. Compliance risk assessment; 3. Sufficient and representative compliance testing; 4. Educating staff on compliance matters; 5. Monitoring compliance risk exposures; and 6. Reporting to the Board of Directors, or board-level committee. <p>Review of the program is done annually or as may be necessary.</p>	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations	Compliant	The Bank has an independent internal audit function headed by the Internal Auditor.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The Bank has an Internal Auditor whose duties and responsibilities are defined under the By-Laws, and Internal Audit Manual.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	The Bank's Internal Auditor oversees and is responsible for the internal audit activity of the Bank. No portion of the internal audit activity is outsourced to a third-party service provider.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	The Bank does not outsource internal audit activity.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Bank's Risk Management Department is an independent business function that identifies, analyzes, and measures risks from the Bank's trading, position taking, lending, borrowing, and other transactional activities. The Department is headed by the Chief Risk Officer.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Bank believes that it has adequate risk management capability but intends to seek external technical support if and when the need arises.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	The Bank has a Chief Risk Officer whose duties, responsibilities, and qualifications/background are defined in the Risk Management Manual.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The Bank's Chief Risk Officer is a director and Executive Vice-President of the Bank.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	With the participation of the Bank's President and Internal Auditor, the Audit Committee conducts an annual assessment of the organization's internal audit, control, and compliance pursuant to SEC Memorandum Circular No. 4 (series of 2012).	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Reference: • Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Reference: • Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Reference: • Amended Articles of Incorporation • Amended By-Laws	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<ul style="list-style-type: none"> •Definitive Information Statement of Annual Stockholder's Meeting on July 28, 2020 <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/corporate-governance/Amended%20Articles%20of%20Incorporation_1.pdf • https://www.philtrustbank.com/sites/default/files/corporate-governance/Amended%20By-Laws.pdf • https://www.philtrustbank.com/sites/default/files/company-disclosure/Definitive%20Information%20Statement%20for%20Annual%20Stockholders%27%20Meeting_0.pdf <p>The Bank's Amended Articles of Incorporation and Amended By-Laws provide for one vote for one share</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> •Definitive Information Statement of Annual Stockholder's Meeting on July 28, 2020 <p>Link:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-disclosure/Definitive%20Information%20Statement%20for%20Annual%20Stockholders%27%20Meeting_0.pdf 	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Reference:</p> <ul style="list-style-type: none"> •Definitive Information Statement of Annual Stockholder's Meeting on July 28, 2020 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Link: • https://www.philtrustbank.com/sites/default/files/company-disclosure/Definitive%20Information%20Statement%20for%20Annual%20Stockholders%27%20Meeting_0.pdf	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Reference: • Definitive Information Statement of Annual Stockholder's Meeting on July 28, 2020 Link: • https://www.philtrustbank.com/sites/default/files/company-disclosure/Definitive%20Information%20Statement%20for%20Annual%20Stockholders%27%20Meeting_0.pdf	
5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.		Reference: • Manual on Corporate Governance Link: https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Reference: • Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
7. Company has a transparent and specific dividend policy.	Compliant	Reference: •Bank's Amended By-Laws Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Amended%20By-Laws.pdf	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	2020 Notice and Agenda were disclosed to the public thru the PSE-EDGE at least 30 business days prior to the Annual Stockholders Meeting (ASM) as required by PSE. 2020 ASM meeting materials were distributed to shareholders at least 15 business days prior to ASM as required by SEC. Results of ASM were disclosed thru PSE EDGE within 10 minutes after adjournment	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Reference: •Definitive Information Statement of Annual Stockholder's Meeting on July 28, 2020 Link: • https://www.philtrustbank.com/sites/default/files/company-disclosure/Definitive%20Information%20Statement%20for%20Annual%20Stockholders%27%20Meeting_0.pdf	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	These are included in the Annual Report copies of which are supplied to all stockholders.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
b. Auditors seeking appointment/re-appointment	Compliant	The name of the external auditor is included in the Annual Report and the Bank has traditionally retained the services of the same firm subject to BSP accreditation.	
c. Proxy documents	Compliant	Proxy forms are distributed to all stockholders of record.	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Reference: <ul style="list-style-type: none"> Manual on Corporate Governance Link: <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf 	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	Minutes of stockholders' meeting are being posted at the Bank's website as well as at PSE EDGE within the period required. Links: <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/company-disclosure/Minutes%20of%20Annual%20Stockholders%27%20Meeting.pdf https://edge.pse.com.ph/openDiscViewer.do?edge_no=a58d7b3c1aa1dd770de8473ceb6407 	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Invitations are routinely extended to the external auditor, Chief Accounting Officer, Treasurer, Internal Auditor, Chief Risk Officer, Compliance Officer, and other senior officers of the Bank for the annual stockholders' meeting.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Reference: • Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Reference: • Manual on Corporate Governance Link: • https://www.philtrustbank.com/sites/default/files/corporate-governance/Manual%20of%20Corporate%20Governance-2017.pdf	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Details of the IRO: Name: Mr. Allan Opao, AVP Tel. No. (02) 8524 9061 loc. 233 Fax No. (02) 8521 7309 E-mail: alo@philtrustbank.com	
2. IRO is present at every shareholder's meeting.	Compliant	IRO is present at stockholders meetings, most recently at the 2020 annual meeting.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench	Compliant	The Board is not aware of any attempted take-over measures and will take the necessary protective measures in the event of any such measure taking place.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
ineffective management or the existing controlling shareholder group.			
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		As of December 31, 2020, free float is 13.2918% which is above the PSE and SEC minimum requirements of 12%.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Bank's stakeholders are as follows: 1. Depositors and other creditors, borrowers, trust and other clients 2. Employees 3. Stockholders 4. Regulators 5. Public in general	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Policies and programs for the protection and fair treatment of company's stakeholders are as follows: 1. Data Privacy Manual 2. Financial Consumer Protection Manual 3. Employee Code of Conduct 4. Manual on Corporate Governance 5. Whistle Blowing Policy	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		6. Insider Trading Policy 7. Prevention of Conflict of Interest 8. Anti-Bribery and Corruption Policy	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>The Bank has whistle blowing policy that encourages stakeholders, including bank employees, to communicate in confidence and without the risk of reprisal, legitimate concerns that are within its scope. Its objective is to establish an independent system of receiving, investigating, and addressing those concerns; and to improve the atmosphere of good corporate governance and transparency within the Bank. The guidelines for the submission and resolution of whistle blowing reports are provided in the policy.</p> <p>The Bank's financial consumer protection policy provides standards of customer protection in the areas of disclosure and transparency, protection of client information, fair treatment, effective recourse, and financial education.</p> <p>For customer complaints, each department/branch unit has a designated Customer Assistance Officer (CAO) to assist customers in addressing their concerns. Resolution and evaluation of complaints are being monitored by the Head CAO who is the Head of the Branches Department. The contact information are as follows:</p> <ul style="list-style-type: none"> • Head Customer Assistance Officer (02)8524-9061 loc. 156 and 226 ptc_hcao@philtrustbank.com ptc_customerdesk@philtrustbank.com 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Whistle blowing reports, on the other hand, may be submitted to the Internal Auditor or the Audit Committee through the Office of the President. The contact information are as follows:</p> <ul style="list-style-type: none"> • Internal Auditor (02) 524-9061 loc. amelita.cua@philtrustbank.com • Office of the President (02) 524 9061 loc 208 ptc_op@philtrustbank.com 	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	The Bank's existing Whistle Blowing Policy is deemed sufficient to resolve stakeholders' concerns.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Bank complies with relevant banking laws and regulations, and there has been no previous request for exemption to comply therewith.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company respects intellectual property rights	Compliant	The Bank uses only licensed computer operating systems and softwares from legitimate providers.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p>Relevant policies and procedures include the following:</p> <ol style="list-style-type: none"> 1. Health, Safety, and Welfare Policy 2. Training and Development Program 3. Employee Code of Conduct <p>Links:</p> <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-policies/Health%20Safety%20and%20Welfare%20Policy-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Policy%20Guidelines%20for%20Training%20and%20Development%20Program-2017.pdf • https://www.philtrustbank.com/sites/default/files/company-policies/Employee%20Code%20of%20Conduct-2017.pdf 	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Bank has a profit-sharing system as part of its remuneration policy. There is also merit increase and reward system that are based on performance evaluation. The Board believes that these longstanding practices are for the present adequate to motivate officers and employees not only for the short term but also for the long term.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company has policies and practices on health, safety and welfare of its employees.		<p>Reference:</p> <ul style="list-style-type: none"> •Health, Safety and Welfare Policy <p>Link:</p> <ul style="list-style-type: none"> •https://www.philtrustbank.com/sites/default/files/company-policies/Health%20Safety%20and%20Welfare%20Policy-2017.pdf <p>The Bank ensures the safety and physical well-being of its employees through the adoption of policies and programs related to: (1) drug-free workplace; (2) anti-sexual harassment; (3) health care; (4) team building activities; and (5) employees leave benefits, training and development.</p>	
3. Company has policies and practices on training and development of its employees.		<p>Reference:</p> <ul style="list-style-type: none"> •Policy Guidelines for Training and Development Program <ul style="list-style-type: none"> •https://www.philtrustbank.com/sites/default/files/company-policies/Policy%20Guidelines%20for%20Training%20and%20Development%20Program-2017.pdf <p>The Bank has a training and development program for its employees to meet the following objectives: (1) keep employees abreast with changes in laws, rules, and regulations, as well as with the Bank's internal policies and procedures; (2) develop/strengthen key competencies that would help employees work competently in the field that they are currently handling or that which they will possibly handle in the future; (3) provide employees opportunity to attain professional growth; and (4) promote employee satisfaction with their job. The policy provides for the guidelines, training methodology, responsibility, and assessment.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct.	Compliant	Reference: <ul style="list-style-type: none"> Employee Code of Conduct Anti-Bribery and Corruption Policy Link: <ul style="list-style-type: none"> https://www.philtrustbank.com/sites/default/files/company-policies/Employee%20Code%20of%20Conduct-2017.pdf https://www.philtrustbank.com/sites/default/files/company-policies/ABC%20Policy_summary.pdf 	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Policies and programs are disseminated in hard copies, and published in the Bank's electronic Compliance Library. Trainings are facilitated through the Personnel Department.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Reference: <ul style="list-style-type: none"> Anti-Bribery and Corruption Policy https://www.philtrustbank.com/sites/default/files/company-policies/ABC%20Policy_summary.pdf The Board is unaware of any instance where an employee was offered, paid or received a bribe.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Reference: <ul style="list-style-type: none"> Whistle Blowing Policy 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Link: <ul style="list-style-type: none"> • https://www.philtrustbank.com/sites/default/files/company-policies/Whistle%20Blowing%20Policy-2017.pdf </p> <p>The policy includes procedures to protect the employees from retaliation.</p> <p>Any illegal or unethical behavior may be reported to the following:</p> <ul style="list-style-type: none"> • Internal Auditor (02) 524 9061 loc. 151 • Office of the President (02) 524 9061 loc. 208 	
2. Board establishes a suitable framework for whistle blowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistle blowing concerns.	Compliant	The Internal Audit Department, which is an independent unit, is primarily tasked to receive whistle blowing reports. If the complaint involves the internal audit function, reports are received directly by the Audit Committee, through the Office of the President.	
3. Board supervises and ensures the enforcement of the whistle blowing framework.	Compliant	Enforcement of the whistle blowing policy is ensured by the Board through the Audit Committee.	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>As part of its social responsibility, the Bank provides scholarships to deserving students at Adamson University and Centro Escolar University, among other universities. It also supports the Philippine National Red Cross in its various medical missions, and the Bagong Bayani Foundation for free trainings given to those underprivileged who aspire to be seafarers.</p> <p>The Bank's environmental responsibility is integrated on its credit policies, specifically on credit application for green projects as well as for projects that may pose potential environmental risk or impact such as mining, agriculture, and construction projects.</p>	