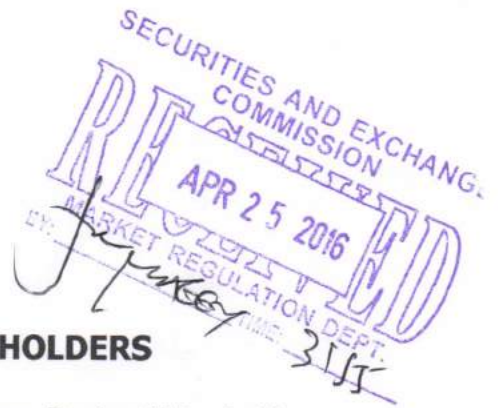




CITYSTATE
SAVINGS BANK
We Take Care of You.



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Citystate Savings Bank will be held on Tuesday, May 31, 2016 at 9:00 a.m. at the 20th Floor of Citystate Centre Building, 709 Shaw Boulevard, Pasig City, to take up the following matters:

- I. Calling of Meeting to Order
- II. Certification of Notice of Meeting
- III. Determination of Quorum
- IV. Reading and approval of the Minutes of the Stockholders' Meeting held on May 26, 2015
- V. Consideration of the President's Report on the Results of the Bank's Operations for the Year Ended 31 December 2015 (Annual Reports and Financial Statements of the Bank)
- VI. Confirmation/Ratification of the Acts of Officers, Management, the Executive Committee and the Board of Directors
- VII. Election of Members of the Board of Directors
- VIII. Appointment of External Auditor and Fixing of Remuneration
- IX. Such other business as may properly come before the meeting
- X. Adjournment

Only stockholders of record at the close of business on April 29, 2016 are entitled to vote at this meeting. Kindly present any proof of identification, such as driver's license, passport, company I.D. or SSS/GSIS I.D. Aside from personal identification document, representatives of corporate stockholders and other entities should also present a duly sworn Secretary's Certificate showing his or her authority to represent the corporation or entity.

Shareholders who will not be able to attend the meeting may designate their respective proxies by sending the proxy forms to the Office of the Assistant Corporate Secretary at the 2nd Floor, Citystate Centre Building, 709 Shaw Boulevard, Pasig City not later than 5:00 P.M. of May 23, 2016.

Thank you.


ATTY. SOCRATES M. AREVALO
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
 SEC FORM 20-IS
 INFORMATION STATEMENT PURSUANT TO SECTION 20
 OF THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE
 COMMISSION
RECEIVED
APR 25 2016
 BY: MAEG TIME: 3:15
 MARKET REGULATION DEPT.

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter CITYSTATE SAVINGS BANK, INC.
3. Makati City, Metro Manila, Philippines
 Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number A1997-9587
5. BIR Tax Identification Code 005-338-421-000
6. Citystate Centre Building, 709 Shaw Boulevard, Pasig City 1600
 Address of principal office Postal Code
7. Registrant's telephone number, including area code (632) 470-3333
8. May 31, 2016 at 9:00 AM; 20th Floor, Citystate Centre Building, 709 Shaw Boulevard, Pasig City.
 Date, time and place of the meeting of security holders
9. Approximate date on which the Information Statement is first to be sent or given to security holders May 11, 2016.

10. **In case of Proxy Solicitations:**

Name of Person Filing the Statement/Solicitor:

Address and Telephone No.:

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<u>Common Shares</u>	<u>72,764,998 shares</u>

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange/Common Stock

INFORMATION STATEMENT

A. GENERAL INFORMATION

Date, time and place of meeting of security holders.

Date	:	May 31, 2016
Time	:	9:00 A.M
Place	:	20 th Floor, Citystate Centre Building 709 Shaw Boulevard, Pasig City
Principal Office	:	2 nd Floor, Citystate Centre Building 709 Shaw Boulevard, Pasig City

This Information Statement is to be first sent to the security holders of Citystate Savings Bank, Inc. on May 11, 2016 in connection with the Annual Stockholders' Meeting.

WE ARE NOT ASKING YOU FOR A PROXY BUT YOU MAY SEND YOUR PROXY IF YOU CANNOT ATTEND PERSONALLY

Dissenters' Right of Appraisal

There are no matters or proposed actions included in the Agenda of the Meeting that may give rise to a possible exercise by stockholders of their appraisal rights.

With respect to that any matter to be acted upon at the Meeting which may give rise to the right of appraisal in order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder shall be reported within thirty (30) days after the date of the meeting at which such stockholder voted against the Corporate action, make a written demand on the Corporation for the value of his shares. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 81 to 86 of the Corporation Code.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which vote was taken for payment of the fair value of his shares: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days after the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: and Provided, further, that upon payment by the corporation of the agreed awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

The Board of the Directors of the Company is not aware of any party who has indicated an intention to

oppose the motions set forth in the Agenda.

No person who has been a Director or Officer of neither the Corporation nor any of his/her associates has a substantial interest in any matter to be acted upon at the Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

As of December 31, 2015, there are 72,764,998 shares of the Company common stock outstanding and entitled to vote at the Annual Meeting. Only holders of the Company's stock of record at the close of business on April 29, 2016, acting in person or by proxy on the day of the meeting are entitled to vote at the Annual Meeting to be held on May 31, 2016. Every stockholder shall be entitled to one vote for each share of common stock held as of the established record date.

Each stockholder may vote the number of shares of stock standing in his own name as of the record date of the meeting for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected: Provided, however, that no delinquent stock shall be voted. Cumulative voting is allowed for election of members of the Board of Directors.

Security Ownership of Certain Record and Beneficial Owners

The person known to the registrant to be directly or indirectly the record or beneficial owner of more than five (5%) of the registrant's voting securities as of December 31, 2015 are as follows:

Beneficial Owners of Voting Securities

Title of class	Name, address of record owner and relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Estate of the late Antonio L. Cabangon Chua, Director 5 th Flr., Dominga Bldg. III 2113 Chino Roces Ave., Makati City	D. Arnold A. Cabangon, Beneficial & Record Owner	Filipino	14,206,114	19.52328%
	D. Alfred A. Cabangon, Director 2 nd Flr., Citystate Centre Bldg., 709 Shaw Blvd., Pasig City	D. Alfred A. Cabangon, Beneficial & Record Owner	Filipino	8,283,330	11.38367%
	Fortune Life Insurance Company, Inc. (Affiliate) Fortune Life Bldg., 162 Legaspi St., Legaspi Village, Makati City	D. Arnold A. Cabangon, Director	Filipino	7,499,250	10.30612%
	Fortune General Insurance Corporation (Affiliate) 4 th Flr., Citystate Centre Bldg., 709 Shaw Blvd., Pasig City	J. Antonio A. Cabangon, Jr., Director	Filipino	5,484,000	7.53659%
	Top Ventures Investments & Management Corporation (Affiliate) Dominga Bldg., 2113 Chino Roces Ave., Cor. Dela Rosa St., Makati City	D. Arnold A. Cabangon, Director	Filipino	4,902,594	6.73757%
	Feorelio M. Bote Director 581 Wack Wack Road Shaw Blvd. Mandaluyong City	Feorelio M. Bote, Beneficial & Record Owner	Filipino	4,302,500	5.91287%

Shares of stock owned by Fortune General Insurance Corp., Top Ventures Investments & Management, and Fortune Life Insurance Co., Inc., are being represented and voted for by J. Antonio A. Cabangon, Jr. and D. Arnold A. Cabangon, respectively.

Security Ownership of Management as of December 31, 2015

Directors

Title of class	Name of Beneficial Owner	Amount and nature of beneficial ownership	Citizenship	Percent of Class
Common	Estate of the late Antonio L. Cabangon Chua	14,206,114	Filipino	19.52%
Common	D. Alfred A. Cabangon	8,283,330	Filipino	11.38%
Common	Feorelio M. Bote	4,302,500	Filipino	5.91%
Common	Alfonso G. Siy	1,650,000	Filipino	2.27%
Common	Benjamin V. Ramos	23,351	Filipino	0.03%
Common	J. Antonio A. Cabangon, Jr.	1,000	Filipino	0.00%
Common	Ramon L. Sin	110	Filipino	0.00%
Common	Wilfredo S. Madarang, Jr.	10	Filipino	0.00%
Common	Lucito L. Sioson	1	Filipino	0.00%
Common	Pedro E. Paraiso	1	Filipino	0.00%
Common	D. Arnold A. Cabangon	1	Filipino	0.00%
Common	Emmanuel R. Sison	1	Filipino	0.00%
Common	Jose Armando R. Melo	1	Filipino	0.00%
	TOTAL	28,466,420		39.12%

Directors and Officers as a Group

Title of Class	Director	Officer	Total	Percent of Class
Common	28,466,420	0	28,466,420	39.12%

Voting Trust of 5% or More

The company is not aware of any person holding 5% or more of common shares under a voting trust or similar agreement.

Change in Control

There is no change in control that has occurred since the beginning of the last financial year.

Directors and Executive Officers

Registrant is not aware of any legal proceedings of the nature required to be disclosed under Part 1, paragraph (C) of Annex C of SRC Rule 12 with respect to the registrant's directors and executive officers. The information required by Part IV, paragraphs A and 1 (d) and (3) of Annex C of SRC Rule 12 relating to identity, affiliation and related transactions of directors is set forth in the report accompanying this Information Statement.

The directors of the company are elected at the Annual Stockholders' Meeting to hold office for one (1) year and until their respective successors have been elected or qualified.

The officers are likewise elected annually by the Board of Directors and serve for one (1) year and until their respective successors have been elected and qualified.

The following are the members of the Board of Directors and Executive Officers of the bank:

Board of Directors

Amb. Antonio L. Cabangon Chua	-Chairman*
D. Alfred A. Cabangon	-Chairman**
Alfonso G. Siy	-Vice Chairman
Benjamin V. Ramos	-Director/President
D. Arnold A. Cabangon	-Corporate Treasurer
J. Antonio A. Cabangon, Jr.	-Director
Engr. Feorelio M. Bote	-Director
Dr. Ramon L. Sin	-Director
Pedro E. Paraiso	-Director
Atty. Emmanuel R. Sison	-Director
Lucito L. Sioson	-Independent Director
Justice Jose Armando R. Melo	-Independent Director
Wilfredo S. Madarang, Jr.	-Independent Director

* Chairman of the Board up to March 11, 2016

** Elected as Chairman of the Board last March 29, 2016

D. Alfred A. Cabangon, 49, Chairman. Mr. Cabangon is a Filipino citizen. He graduated from the De La Salle University with a Bachelor of Science in Commerce degree, major in Accounting in 1987. Mr. Cabangon is a Certified Public Accountant. He is the Chairman of Fortune Life Insurance Co., Inc. He is presently a director of Fortune General Insurance Corporation, Fortune Medicare, ALC Industrial & Commercial Development Corporation, and ALC Realty & Development Corporation.

He was elected as Chairman of the Bank last March 29, 2016. He has been the Chairman of the Board and President of Citystate Savings Bank, Inc. from 2005 up to 2011.

Alfonso G. Siy, 68, Vice Chairman. Mr. Siy is a Filipino citizen. He is a graduate of the University of the East with a Bachelor of Science in Business Administration in 1969. Aside from being a director of the bank, Mr. Siy is also a director of the Ever Fortune Thermoplas Corp., Citystate Tower Hotel, Cherry Blossom Hotel and Phil. Fishing Gears Industries.

He has been a director of Citystate Savings Bank, Inc. since the start of the bank in 1997.

Benjamin V. Ramos, 52, Director and President. Mr. Ramos is a Filipino citizen. He graduated from the University of Sto. Tomas with a Bachelor of Science in Commerce in 1983. Mr. Ramos is a Certified Public Accountant. He is currently the President of Philippine Graphic Publications Inc., Philippine Business Daily Mirror Publishing, Inc. and Radio Philippines Network. He is a director of Eternal Gardens Group of Companies and Fortune Insurance Group.

He has been re-elected as director of Citystate Savings Bank, Inc. in February 2015 and appointed as President of the Bank last April 06, 2015.

D. Arnold A. Cabangon, 45, Director & Corporate Treasurer. Mr. Cabangon is a Filipino citizen. He graduated from Ateneo de Manila University in 1992 with a Bachelor of Arts degree in Management Economics. He is the President of Fortune Life Insurance Company and a director of AAA Southeast Equities, Inc. and FIG Lending Investors Corporation. He is also the Senior Vice President of Fortune General Insurance Corporation.

He has been a director of Citystate Savings Bank, Inc. since April 2000.

J. Antonio A. Cabangon, Jr., 47, Director. Mr. Cabangon is a Filipino citizen. He graduated from California State University in 1990 with a degree in Bachelor of Science in Finance. He is the Chairman and CEO of Fortune General Insurance Corp. and Treasurer of Fortune Life Insurance, Co.

He has been a director of Citystate Savings Bank, Inc. since August 2007.

Engr. Feorelio M. Bote, 73, Director, is a citizen of the Philippines. Mr. Bote graduated from Mapua Institute of Technology with a degree in Civil Engineering in 1964. Besides being a director of the bank, Mr. Bote is also a director of Citystate Properties & Management Corporation.

He has been a director of Citystate Savings Bank, Inc. since the start of the bank in 1997.

Ramon L. Sin, 82, Director. Mr. Sin is a Filipino citizen. He is a graduate of the University of Santo Tomas where he received an Associate in Arts degree in 1950. He finished his Doctor of Medicine from the same university in 1955. Dr. Sin is the Assistant to the Rector for Grants and Endowment of the University of Santo Tomas. He is also the Vice Chairman of Fortune Medicare, Inc., a Board Member of Fortune Life Insurance Co., Inc. and Eternal Plans, Inc., and the Medical Director of Philippine Airlines. He also chairs the KAAD (Scholarship Foundation of the German Catholic Bishop's Conference) at the University of Santo Tomas.

He has been a director of Citystate Savings Bank, Inc. since 2002.

Pedro E. Paraiso, 82, Director. Mr. Paraiso is a Filipino citizen. He is a graduate of the University of the East in 1955 with a Bachelor of Science degree in Business Administration. He took up post graduate studies at the University of the East and Ateneo de Manila University. He is a director of various companies. Mr. Paraiso is a Certified Public Accountant.

He has been a director of Citystate Savings Bank, Inc. since December 2008.

Atty. Emmanuel R. Sison, 66, Director. Mr. Sison is a Filipino citizen. He is a graduate of Ateneo de Manila University with a Bachelor of Arts degree in Economics in 1970; and Adamson University with a Bachelor of Laws in 1975. He finished his masteral degree in Government Management at the Pamantasan ng Lungsod ng Maynila in 2007. Mr. Sison is a lawyer and a Senior Partner of Quiason, Makalintal, Barot, Torres, Ibarra, Sison & Damaso Law Firm. He is presently a director of Qualex Realty Corporation. Prior to this, he was the corporate secretary and a consultant of Meralco from 2008 to 2010. He was the Secretary to the Mayor of the City of Manila from 1998 to 2007 and the secretary to the City Council of Manila, from 1992 until 1998.

He has been a director of Citystate Savings Bank, Inc. since October 25, 2011.

Lucito L. Sioson, 77, Independent Director. Mr. Sioson is a Filipino citizen. He graduated from the University of the East in 1958 with a Bachelor of Science degree in Business Administration. He was the Special Assistant to the President and CEO of Social Security System from November 2001 to July 2008 before joining the bank. Mr. Sioson is a Certified Public Accountant.

He has been a director of Citystate Savings Bank, Inc. since December 2008.

Justice Jose Armando R. Melo, 83, Independent Director. Justice Melo is a Filipino citizen. He took Bachelor of Laws at Manuel L. Quezon University in 1956, and graduated Master of Laws at the University of Santo Tomas in 1960. He is a lawyer and jurist who served as an Associate Justice of the Supreme Court of the Philippines from 1992 to 2002. He was the former Chairman of the Commission on Elections (COMELEC) from 2008 to 2011. He is presently a director of Clark Development Corporation. Prior to this, he was a director & Chairman of PNOC-EC from 2005-2008. Other positions he held in his almost 45 years of government service were Associated Justice, Court of Appeal; Commissioner, Civil Service Commission; and Commissioner, Professional Regulation Commission.

He has been a director of Citystate Savings Bank, Inc. since February 28, 2012.

Wilfredo S. Madarang, Jr., 67, Independent Director. Mr. Madarang is a Filipino Citizen. He is a graduate of the University of the East with a Bachelor of Business Administration in 1970. He is a Trustee of Isla Lipana & Company Foundation, Inc. and a director/president of Wilko21 Global Trade, Incorporated. He is

also a past director/vice president of the Philippine Institute of Certified Public Accountants and the Association of Certified Public Accountants in Public Practice.

He was first elected as director of Citystate Savings Bank, Inc. last October 27, 2015.

Executive Officers

Benjamin V. Ramos	- President
Emerson G. Igarta	- Vice President
Des Corazon D. Cruz	- Vice President
Lawrence K. Cementina	- Vice President
Joseph D. Gonzaga	- Asst. Vice President
Meliton A. Narciso	- Asst. Vice President
Gemma F. Montes	- Asst. Vice President
Maria Christine A. Villanueva	- Asst. Vice President
Jeffrey B. Domingo	- Asst. Vice President
Martin Jerry E. Machado	- Asst. Vice President

Benjamin V. Ramos, 52, Director and President. Mr. Ramos is a Filipino citizen. He graduated from the University of Sto. Tomas with a Bachelor of Science in Commerce in 1983. Mr. Ramos is a Certified Public Accountant. He is currently the President of Philippine Graphic Publications Inc., Philippine Business Daily Mirror Publishing, Inc. and Radio Philippines Network. He is a director of Eternal Gardens Group of Companies and Fortune Insurance Group.

He has been re-elected as director of Citystate Savings Bank, Inc. in February 2015 and appointed as President of the Bank last April 06, 2015.

Emerson G. Igarta, 51, Vice President, is the head of Internal Audit Department. Prior to his stint with the bank in 1998, he worked with Guzman, Bocaling & Co., CPAs, Monte de Piedad and Orient Bank. He graduated from the Philippine School of Business Administration with a degree in Bachelor of Science in Business Administration major in Accounting in 1986. He is a Certified Public Accountant (CPA).

Des Corazon D. Cruz, 56, Vice President, is the head of Related Party Transaction Department. She joined the bank on March 2004. She also worked with Philippine Investment Management Consultants, Inc. (PHINMA) before she started her banking career at Far East Bank and Trust Co. and Banco De Oro Universal Bank. She is a graduate of St. Paul College of Quezon City with a degree of Bachelor of Arts major in Economics.

Lawrence K. Cementina, 39, Vice President, is the Head of the Branch Banking Group. He joined the bank in November 2012. He started his banking career in 1997 at Traders Royal Bank. He graduated from San Beda College with a degree in Bachelor of Science in Management and Entrepreneurship in 1997.

Joseph D. Gonzaga, 39, Assistant Vice President, is the Head of Account Management Department. He joined the bank in October 2014. He started his banking career in 1997 at Traders Royal Bank. He is a graduate of San Beda College with a Bachelor of Science in Management Entrepreneurship.

Meliton A. Narciso, 42, Assistant Vice President, is the Head of the Treasury Department. He joined the bank in January 2013. He also worked as Investment Officer of Maybank Trust Department in 2009. He started his investment banking career at Multinational Bancorporation in 1999. He also worked at National Economic and Development Authority in 1993. He is a graduate of University of Sto. Tomas with a degree in A.B. Economics in 1993. He completed his master's in Business Administration at the Ateneo de Manila University in 2002.

Gemma F. Montes, 58, Assistant Vice President, is the head of the Human Resources Department since May 19, 2014. Her previous work appointment under ALC Group of Companies was at Eternal Gardens Memorial Park Corporation in Makati City as HR Practitioner for 18 years. She graduated Cum Laude from West Negros University, Bacolod City, with a degree in Bachelor of Science in Psychology. She also obtained Masters in Business Administration (MBA) from the Pamantasan ng Lungsod ng Maynila (PLM) in

2006.

Maria Christine A. Villanueva, 41, Assistant Vice President, is the bank's Corporate Planning Department Head. She joined the bank as Quality Assurance Officer last May 2012. She was part of the bank's Finacle Core Team when the bank decided to acquire a new banking system, year 2013.

She started her banking career in 1997 at International Exchange Bank that merged with Union Bank year 2006. She graduated from Polytechnic University of the Philippines with a degree in Bachelor of Computer Data Processing Management in 1995.

Jeffrey B. Domingo, 43, Assistant Vice President, is the Head of Information Technology Department. He joined the bank in June 2013. Prior to this, he had worked for Robinsons Bank. He is a graduate of Adamson University with a degree in Bachelor of Science in Computer Science in 1995.

Martin Jerry E. Machado, 44, Assistant Vice President, is the Head of General Accounting Department. He joined the bank in May 2000. He started his banking career in 1996 at Orient Commercial Bank and Philippine Deposit Insurance Corporation. He is a graduate of Ateneo de Zamboanga University with a Bachelor of Science in Business Administration and Management.

Compliance with SRC Rule 38

The registrant has constituted its Nomination Committee in line with the Code of Corporate Governance and it is composed of:

1. Ambassador Antonio L. Cabangon Chua - Chairman*
2. D. Alfred A. Cabangon - Chairman**
3. Alfonso G. Siy - Member
4. Benjamin V. Ramos - Member
5. Gemma F. Montes - Non-voting Member

* *Chairman of the Board up to March 11, 2016*

** *Elected as Chairman of the Board last March 29, 2016*

During its last stockholders' meeting, the registrant elected two (2) independent directors in the persons of:

1. Lucito L. Sioson
2. Justice Jose Armando R. Melo

They possess the qualifications enumerated under SRC Rule 38.

In the forthcoming stockholders' meeting the nomination and election of directors and independent directors shall be conducted in line with the Corporation Code and with SRC Rule 38. The final list of the nominees is as follows:

As Directors

1. D. Alfred A. Cabangon, 49, Filipino
2. Alfonso G. Siy, 68, Filipino
3. D. Arnold A. Cabangon, 45, Filipino
4. Engr. Feorelio M. Bote, 73, Filipino
5. J. Antonio A. Cabangon, Jr., 47, Filipino
6. J. Wilfredo A. Cabangon, 55, Filipino
7. Ramon L. Sin, 82, Filipino
8. Atty. Emmanuel R. Sison, 66, Filipino
9. Pedro E. Paraiso, 82, Filipino
10. Benjamin V. Ramos, 52, Filipino

As Independent Directors

1. Lucito L. Sioson, 77, Filipino
2. Justice Jose Armando R. Melo, 83, Filipino
3. Wilfredo S. Madarang, Jr., 67, Filipino

The above-mentioned candidates have been pre-screened and qualified in accordance with the bank's Manual of Corporate Governance.

Information about the Nominees for Independent Directors

Lucito L. Sioson, 77, Independent Director. Mr. Sioson is a Filipino citizen. He graduated from the University of the East in 1958 with a Bachelor of Science degree in Business Administration. He was the Special Assistant to the President and CEO of Social Security System from November 2001 to July 2008 before joining the bank. Mr. Sioson is a Certified Public Accountant. He was appointed director of Citystate Savings Bank, Inc. on December 2008.

He was nominated as independent director by Ms. Mercedita Gapaz, minority stockholder not in any manner related to the nominee.

Justice Jose Armando R. Melo, 83, Independent Director. Justice Melo is a Filipino citizen. He took Bachelor of Laws at Manuel L. Quezon University in 1956, and graduated Master of Laws at the University of Santo Tomas in 1960. He is a lawyer and jurist who served as an Associate Justice of the Supreme Court of the Philippines from 1992 to 2002. He was the former Chairman of the Commission on Elections (COMELEC) from 2008 to 2011. He is presently a director of Clark Development Corporation. Prior to this, he was a director & Chairman of PNOC-EC from 2005-2008. Other positions he held in his almost 45 years of government service were Associated Justice, Court of Appeal; Commissioner, Civil Service Commission; and Commissioner, Professional Regulation Commission. He was appointed director of Citystate Savings Bank, Inc. on February 28, 2012.

He was nominated as independent director by Alfonso G. Siy, member of the Nomination Committee not in any manner related to the nominee.

Wilfredo S. Madarang, Jr., 67, Independent Director. Mr. Madarang is a Filipino Citizen. He is a graduate of the University of the East with a Bachelor of Business Administration in 1970. He is a Trustee of Isla Lipana & Co. Foundation, Inc. and a director/president of Wilko21 Global Trade, Incorporated. Aside from Citystate Savings Bank, he is also a past director/vice president of the Philippine Institute of Certified Public Accountants and the Association of Certified Public Accountants in Public Practice. He was appointed director of Citystate Savings Bank, Inc. on October 27, 2015.

He was nominated as independent director by Benjamin V. Ramos, member of the Nomination Committee not in any manner related to the nominee.

Significant Employees

Other than the officers and employees reported, there are no significant employees expected by the registrant to make significant contribution to the business.

Family Relationships

The late Antonio L. Cabangon Chua is the father of siblings D. Alfred A. Cabangon, D. Arnold A. Cabangon, J. Antonio A. Cabangon, Jr. and J. Wilfredo A. Cabangon.

Involvement in Certain Legal Proceedings

No directors of the registrant are currently involved in legal proceedings during the past 5 years in any of the following cases.

- a. Bankruptcy Petition
- b. Conviction by Final Judgment
- c. Being Subject to any Order, Judgment or Decree
- d. Violation of Securities Law

No director has resigned nor declined to stand for re-election due to disagreement with the registrant.

Recent Sales of Unregistered Securities

The Bank has not sold any unregistered securities for the past 3 years and therefore it has nothing to disclose under this Section of this report.

Certain Relationships and Related Transactions

In the ordinary course of business, the Bank has loan transactions with its affiliates and with certain directors, officers, stockholders and other related interests (DOSRI). Under the existing policies of the Bank, these loans are made substantially the same terms as loans to other individuals and business comparable risks. The General Banking Act of the BSP regulations limit the amount of the loans granted by a Bank to each affiliate 25% of capital funds. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of their deposits and the book value of their investments in the Bank. In the aggregate, loans to DOSRI generally should not exceed the total capital funds or 15% of the total loan portfolio of the Bank, whichever is lower.

Transactions with Related Parties

1. ALC BALIWAG CINEMA & SHOPPING COMPLEX, INC.

The Bank leases its Baliuag branch from ALC Baliuag Cinema & Shopping Complex, Inc., estate of the late Antonio L. Cabangon Chua owns 60% of this company. The late Antonio L. Cabangon-Chua is related by first degree of consanguinity to D. Edward A. Cabangon who owns 25% of the shares, J. Wilfredo A. Cabangon, D. Alfred A. Cabangon and D. Arnold A. Cabangon who owns 5% of the total shares each.

2. ALC REALTY DEVELOPMENT CORPORATION

The Bank leases its Chino Roces, New Panaderos and Pasay branches and the Meycauayan Branch ATM Site from ALC Realty Development Corporation. Estate of the late Antonio L. Cabangon Chua owns 44% of the company's total shares. The late Antonio L. Cabangon-Chua is related by first degree of consanguinity to J. Wilfredo A. Cabangon and T. Anthony C. Cabangon with 28% of the total shares each.

3. ALIW CINEMA COMPLEX, INC.

The bank leases its Meycauayan branch from Aliw Cinema Complex, Inc., estate of the late Antonio L. Cabangon Chua owns 10% of the company's total shares, while his sons, J. Wilfredo A. Cabangon, D. Edward A. Cabangon, D. Edgard A. Cabangon, D. Alfred A. Cabangon, J. Antonio A. Cabangon, and D. Arnold A. Cabangon owns 15% of the total shares each.

4. ALIW MANAGEMENT VENTURES, INC.

This company has an existing loan with the Bank which will mature on November 17, 2017. The Bank leases its Taguig Branch ATM Site from Aliw Management Ventures, Inc., J. Antonio A. Cabangon, Jr. owns 36% of the company's total shares. The following are related to him by second degree of consanguinity, D. Edward A. Cabangon, D. Arnold A. Cabangon, D. Alfred A. Cabangon and J. Wilfredo A. Cabangon, each owns 16% of the total shares.

5. AMB. ALC HOLDINGS & MANAGEMENT CORPORATION

The Bank leases its Dagupan Branch and Cubao Branch ATM Site from AMB ALC Holdings & Management Corporation. Estate of the late Antonio L. Cabangon-Chua owns 20% of the total company's total shares. J. Wilfredo A. Cabangon, D. Edgard A. Cabangon, D. Edward A. Cabangon, D. Alfred A. Cabangon, J. Antonio A. Cabangon, Jr., D. Arnold A. Cabangon and D. Cecilia A.

Cabangon are related to the late Amb. Antonio L. Cabangon-Chua by first degree of consanguinity, each owns 10% of the total shares of the company.

6. BROWN MADONNA PRESS, INC.

Estate of the late Antonio L. Cabangon owns 20% of the total shares of Brown Madonna Press, Inc. The other shares, are owned by T. Anthony C. Cabangon, D. Antoinette C. Cabangon, D. Adrian C. Cabangon, and D. Analyn C. Cabangon, who represents 20% of the total shares each.

7. CITYSTATE TOWER HOTEL, INC.

The Bank leases its Mabini branch from Citystate Tower Hotel, Inc., the Cabangon Family owns 55% of the company's total shares, while Siy family owns 30% and Bote family owns 15% of the total shares.

8. ETERNAL GARDENS MEMORIAL PARK CORPORATION

This company has an existing loan secured by Real Estate Mortgage which will mature on December 30, 2030.

Estate of the late Antonio L. Cabangon Chua owns 10% of the shares of Eternal Garden Memorial Park Corporation. The following are related to him by first degree of consanguinity, J. Wilfredo A. Cabangon, D. Alfred a Cabangon, D. Edward A. Cabangon, D. Edgard A. Cabangon, and D. Antoinette C. Cabangon, each owns 10% of the total shares.

9. ETERNAL GARDENS MEMORIAL PARK CORPORATION-BATANGAS

The Bank leases its Sta. Rosa Branch from Eternal Gardens Memorial Park Corporation-Batangas, estate of the late Antonio L. Cabangon-Chua owns 10% of the company's total shares. The following are related to him by first degree of consanguinity, D. Edgard A. Cabangon, T. Anthony C. Cabangon, D. Antoinette C. Jacinto, J. Wilfredo A. Cabangon, D. Alfred A. Cabangon and D. Edward A. Cabangon, each owns 10% of the total shares.

10. FILIPINAS PAWNSHOP, INC.

The Bank leases its Paco and Guadalupe branch from Filipinas Pawnshop, Inc. estate of the late Antonio L. Cabangon Chua owns 30% of the company's total shares.

11. FORTUNE LIFE INSURANCE COMPANY, INC.

Fortune Life Insurance Corporation is a stockholder of the Bank, with an aggregate share of 10.3%. D. Arnold A. Cabangon is the President of the company. The Bank leases its Palawan and Urdaneta branches from Fortune Life Insurance Co., Inc., estate of the late Antonio L. Cabangon-Chua owns 35.16% of the company's total shares.

Subsidiaries and Affiliates

The Bank has a number of affiliated or sister companies, most of which belong to ALC Group of Companies.

For some of its products and services, the Bank has tie-ups and has established working relationships with its affiliated and sister companies that provide its customers with discounts and free services from these companies.

Compensation of Directors and Executive Officers

The following table summarizes the aggregate compensation of the executive officers of the Bank for the period ended December 31, 2014 to December 31, 2015 (with estimate for year 2016).

<u>Year</u>	<u>Name and Principal Position</u>	<u>Salaries</u>	<u>Bonuses</u>
For the twelve Months Ended December 31, 2014	EXECUTIVE OFFICERS Andres Y. Narvasa, Jr. Atty. Rey D. Delfin - President Eduardo O. Olavario - Vice President Jeffrey T. Tantiado - Vice President Emerson G. Igarta - Vice President	6,893,649.24	1,348,841.54
	<i>All Executive Officers as a Group</i>	8,242,490.78	
	<i>All Board Directors and Officers as a Group</i>	8,242,490.78	
For the twelve Months Ended December 31, 2015	EXECUTIVE OFFICERS Andres Y. Narvasa, Jr. - Chief Executive Officer Benjamin V. Ramos - President Lawrence K. Cementina - Vice President Emerson G. Igarta - Vice President Des Corazon D. Cruz - Vice President	6,400,870.64	1,103,478.44
	<i>All Executive Officers as a Group</i>	7,504,349.08	
	<i>All Board Directors and Officers as a Group</i>	7,504,349.08	
For the Year Ending December 31, 2016 (Estimated)	EXECUTIVE OFFICERS Benjamin V. Ramos - President Lawrence K. Cementina - Vice President Emerson G. Igarta - Vice President Des Corazon D. Cruz - Vice President Joseph D. Gonzaga - Assistant Vice President	6,080,870.64	1,013,478.44
	<i>All Executive Officers as a Group</i>	7,094,349.08	
	<i>All Board Directors and Officers as a Group</i>	7,094,349.08	

Other Annual Compensation

There is no other annual compensation not properly categorized as salary or bonus.

Compensation of Directors

(a) Standard Arrangements

At present, its members of the board of directors do not receive any fixed regular monthly compensation from the bank, except per diem allowance in the amount of five thousand pesos (Php 5,000.00) for every board and committee meeting attended.

(b) Other Arrangements

There are no other arrangements, including consultancy contracts, pursuant to which any director of the registrant was compensated, or is to be compensated, directly or indirectly, during the registrant's last completed fiscal year, and the ensuing year, for any service provided as a director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

(a) Employment Contract

All executive officers listed above are regular employees who derive pure compensation income, in the form of salaries and bonuses from CSBI.

(b) Compensatory Plan or Arrangement

There is no compensatory plan or arrangement, including payments to be received from the registrant, with respect to a named executive officer, that will result from the resignation, retirement or any other termination of such executive officer's employment with the registrant and its subsidiary or from a change-in-control of the registrant or a change in the named executive officer's responsibilities following a change-in-control where the amount involved, including all periodic payments or installments, exceeds P2,500,000.

Warrants and Options Outstanding Repricing

(a) Outstanding Warrants or Options

There are no outstanding warrants or options held by the registrant's CEO, the named executive officers above, and all officers and directors as a group.

(b) Repricing

At any time during the last completed fiscal year, the registrant, while a reporting company, has not adjusted or amended any exercise price of stock warrants or options; nor is there any previously awarded stock warrants or option to any of the officers and directors of CSBI, whether through amendment, cancellation or replacement grants, or any other means.

Independent Public Accountants

External Audit Fees and Services

The external audit and consultancy fees for the years 2015 and 2014 were as follows:

	<u>Year ended</u> <u>December 31, 2015</u>	<u>Year ended</u> <u>December 31, 2014</u>
Audit Fees (Incurred by Registrant)	P1,150,000.00	P1,080,000.00
Audit-Related Fees	-	-
Tax Fees - VAT	138,000.00	129,600.00
All Other Fees	-	-
Total	<u>P1,288,000.00</u>	<u>P1,209,600.00</u>

The accounting firm of Punongbayan & Araullo (Member of Grant Thornton International) has been the Company's Independent Public Accountant for the last sixteen (16) years. The same accounting firm is being recommended for election by the stockholders at the scheduled Annual Meeting of stockholders. Its re-appointment complies with the requirement of SEC under SRC Rule 68 (3) (b) (iv) regarding rotation of external auditors or engagement partners.

Representatives of the principal accountants (Punongbayan & Araullo) are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

There was no event in the past sixteen (16) years where Punongbayan & Araullo and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

As a policy, the Audit Committee makes recommendations to the Board of Directors concerning the choice of external auditor and pre-approves audit plans, scope and frequency before the audit is conducted. Audit services of external auditors for the years 2012 and 2011 were pre-approved by the Audit Committee. The Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved.

The Bank's Audit Committee are as follows:

Chairman: Lucito L. Sioson (Independent Director)
Wilfredo S. Madarang, Jr. (Independent Director)
Engr. Feorelio M. Bote
Pedro E. Paraiso

C. ISSUANCE AND EXCHANGE OF SECURITIES

Authorization or Issuance of Securities Other than for Exchange

Not Applicable.

Financial and Other Information

Management's Discussion and Analysis or Plan/Result of Operation

Management's Discussion and Analysis or Plan of Operation of the Company is attached hereto as "Annex A".

Financial Statements

The draft Financial Statements and the Auditors' PTR, name of certifying partner and address are attached to this Information Statement as "Annex B".

D. OTHER MATTERS

Action with Respect to Reports

Action to be taken will constitute reading and approval of the minutes of the previous stockholders' meeting, approval of the report for the year ended December 31, 2015 and ratification of all acts, proceedings and resolutions of the Board of Directors, the Executive Committee and the acts of the officers and management for the year 2015, details of which are hereto attached as Annex "C".

SUMMARY OF THE MINUTES OF THE 2015 STOCKHOLDERS' MEETING

The Chairman, Amb. Antonio L. Cabangon Chua, called the meeting to order at 9:30 A.M.

The Corporate Secretary, Atty. Socrates M. Arevalo, certified that the Notice of the Annual Stockholders' Meeting was sent to all stockholders in good standing fifteen (15) business days prior to the date of the meeting as required under paragraph (3) (C) of SRC Rule 20.

The Corporate Secretary, Atty. Socrates M. Arevalo, announced that the total stockholders physically present and/or represented by proxies of sufficiently met the required quorum for the conduct of the meeting. Mr. Andres Y. Narvasa, Jr., Chief Executive Officer (CEO), took notice of the fact that the copies of the Minutes of the Stockholders' Meeting held on May 27, 2014 have been previously distributed to the stockholders, and thus, he moved that the reading of the minutes be dispensed with and that the same be approved as circulated.

Atty. Emmanuel R. Sison, Director, seconded the motion.

There being no objection, the Minutes of the Annual Stockholders' Meeting was noted and approved.

Amendments of Charter, By-laws, and other Documents

The bank is complying with the procedures/guidelines for the nomination and election of independent directors as provided in SRC Rule 38.

The bank has adopted the pertinent provisions of SRC Rule 38, in its By-laws and has been approved by the Bangko Sentral ng Pilipinas (BSP).

Voting Procedures

Pursuant to the by-laws of the corporation, in all regular and special stockholders' meeting, the presence of shareholders who represent a majority of the outstanding capital stock entitled to vote shall constitute a quorum and all decisions made by the majority shall be final, unless the law requires a higher number of votes.

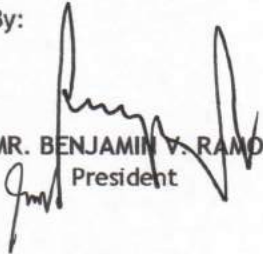
On the election of the member of the Board of Directors, the nominees receiving the highest number of votes shall be declared elected under Section 24 of the Corporation Code of the Philippines. Likewise, the nominee for external auditor with the highest number of votes shall be declared elected as such.

Counting of votes will be done via raising of hands. Affirmative votes are counted separately, the negative votes and lastly the abstention votes, if any. The Corporate Secretary, Atty. Socrates M. Arevalo is authorized to supervise/count the vote to be cast.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on the 22nd day of April 2016.

By:


MR. BENJAMIN V. RAMOS
President

**REPORT ACCOMPANYING INFORMATION SHEET
REQUIRED UNDER SRC RULE 20**

(A) AUDITED FINANCIAL STATEMENTS

The draft audited financial statements of the registrant as of December 31, 2015 and the Statement of Management Responsibility for Financial Statements are attached hereto.

(B) MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

I. Financial Condition, Changes in Financial Condition and Results of Operations for each of the last three (3) fiscal years.

Key Operating and Financial Indicators	2013	2014	2015
Number of Branches / Cash Unit	27	28	30
Number of Employee	324	326	312
*****	-	-	-
Cash	127,556	152,247	99,155
Due from BSP and Other Banks	602,896	1,258,401	1,118,495
Available-For-Sale-Securities	95,249	87,226	424,195
Loans and Receivables	1,981,009	2,130,816	2,496,399
Total Resources	3,510,131	4,193,301	4,871,268
Deposit Liabilities	2,679,598	3,396,810	4,143,577
Total Liabilities	2,749,602	3,501,192	4,261,791
Capital Funds	760,530	692,108	609,477
*****	-	-	-
Net Interest Income	224,819	191,882	161,732
Fee-Based and Other Income	67,495	64,387	42,353
Net Income	329	-70,063	-86,654
*****	-	-	-
Earnings per Share**	0.00	-0.96	-1.19
Book Value per Share*	10.45	9.51	8.38

(Amounts presented are in P'000, except per share figure)

*Based on Shares outstanding as of year-end

**Annualized Earnings per Share

Key Performance Indicators

The Bank monitors its performance with the other players in the banking industry in terms of the following indicators:

Key Performance Indicators	CSBI December 2015	INDUSTRY September 2015
<u>Capital Adequacy</u>		
Capital to Risk Ratio	18.72%	16.53%
<u>Asset Quality</u>		
Non-performing Loan (NPL) Ratio	3.73%	4.56%
Non-Performing Loan (NPL) Cover	35.62%	72.24%
<u>Liquidity</u>		
Loans to Deposit	57.13%	87.13%
<u>Profitability</u>		
Return on Average Equity	-13.04%	10.58%
Net Interest Margin	5.95%	5.43%
<u>Cost Efficiency</u>		
Cost to Income	242.22%	65.41%

In terms of stability, the bank continues to enjoy a higher Capital Adequacy Ratio (CAR) of 18.72% versus the industry ratio of 16.53%. The Bank's NPL ratio of 3.73% is lower compared with the industry's 4.56%. Allowance for probable losses over Non-performing loans is 35.62% versus the industry's 72.24% as it continues to be highly selective in its lending operation and improve on loan collection.

The Bank's loan to deposit ratio of 57.13% is lower compared with the thrift banking industry's 87.13%.

In terms of profitability, the bank is lower than the thrift banking industry with a Return on Ave. Equity (ROE) of -13.04%, versus the industry of 10.58%. Its Net Interest Margin is 5.95% as against the industry's 5.43%.

The bank continues to adopt measures to provide a strong and stable financial condition.

The manner by which the Bank calculates the above indicators is as follows:

<i>Key Performance Indicator</i>	<i>BSP Prescribed Formula</i>
Capital to Risk Assets Ratio	$\frac{\text{Total Qualifying Capital}}{\text{Market and Credit Risk Weighted Exposures}}$
Non-performing Loan (NPL) Ratio	$\frac{\text{Non-performing Loans}}{\text{Gross Loans}}$
Non-performing Loan (NPL) Cover	$\frac{\text{Allowance for Probable Losses}}{\text{Non-performing Loans}}$
Loans to Deposits Ratio	$\frac{\text{Total Loans}}{\text{Total Deposits}}$
Return on Average Equity	$\frac{\text{Net Income After Income Tax}}{\text{Average Total Capital Accounts}}$
Net Interest Margin	$\frac{\text{Net Interest Income}}{\text{Average Interest Earning Assets}}$
Cost to Income	$\frac{\text{Total Operating Expenses}}{\text{Net Interest Income + Other Income}}$

December 31, 2013

Interest Income

Gross Interest Income ended higher than prior year by 6.78% or P16.017 million on account of significant improvement and income on jewelry loan related and other Bank's lending related activities during the period. Interest Income on Loans Receivable climbed to P240.258 million, 10.55% much better than the P217.338 million recorded last year as a result of the steady growth in the Bank's loan portfolio. On the other hand, interest income on Due from BSP and Other Banks was lower at P8.575 million versus P13.694 million a year ago. Available for Sale Securities declined from P5.217 million to P3.434 million. Interest income on Held to Maturity declined to P0.00 due to maturities of various placements. The Gross Interest Income of P252.267 million represents 78.89% of the Bank's total gross income for the year 2013 which amounted to 319.761 million.

Interest Expense

Interest Expense on the Bank's deposit liabilities was lower by 2.49% at P27.208 million versus last year's P27.904 million on account of lower deposit level. The Interest Expense of P27.208 million is 10.78% of the Gross Interest Income of P252.267 million.

Other Income

Other Income comprising of Service Charges and Fees, Trading Gains and Miscellaneous Income posted a 23.69% increase in 2013 versus its performance in 2012. Of the 2013 increase in Other Operating Income, fee-based sources accounted for 4.88%, while Miscellaneous Income posted an increase of 38.76%. The amount of P67.495 million represents 21.11% of the bank's Total Gross Income in 2013 in the amount of P319.762 million.

Other Expenses

As of December 31, 2013, the Total Other Expenses increased by P31.483 million from P243.108 million versus this year's figure of P274.591 million. This was mainly due to increases in Repairs and Maintenance which increased by 7.82% from P4.502 million last year versus P4.854 million this year. Employee Benefits from P87.803 million to P100.212 million or an increase of 14.13%. Fuel and Oil increased by P40.50% from P7.325 million to P10.292 million while Security, Janitorial and Messenger Services from P25.525 million to P30.859 million. Likewise, Taxes and Licenses increased from P13.984 million to P15.074 million, while Communication, Light and Water increased by 10.90% from P22.330 million to P24.764 million, Occupancy from P26.073 million to P27.796 million. Litigation / Assets Acquired increased by 37% and Depreciation and Amortization rise to P16.931 million from P15.120 million. However, other operating expenses was reduced to P23.263 from P24.336 million last year.

Net Income

The Bank's Net Income for the year decreased to P.329 million compared to last year's P1.699 million.

Cash and Other Cash Items

Cash and Other Cash items up by 4.06% from P122.575 million in the year ending 2012 as against P127.556 million in 2013.

Due from BSP and Other Banks

Due from BSP and Other Banks increased by 135.96% from P338.745 million in 2012 to P799.315 million in 2013 as investible funds were placed in local banks. Due from BSP and Other Banks is 22.77% of Total Resources.

Available-For-Sale Securities

Available-for-Sale Investments representing 2.71% of total assets decreased by 6.41% from P102.026 million to P95.250 million in 2013.

Loans and Receivables

Loans and Receivables increased to P1.981 billion from P1.979 billion in 2012. The amount of P1.981 billion is 56.44% of Total Resources.

Bank Premises, Furniture, Fixtures and Equipment

This account increased to P223.138 million from P189.032 million due to accumulated depreciation and amortization. The net amount of P223.138 million represents 6.36% of the Total Resources.

Other Resources

Other Resources increased by 130.84% from P111.474 million in 2012 to P257.322 million in 2013. The amount of P257.322 million is 7.33% of Total Resources.

Total Deposit Liabilities

Deposits generated by the Bank's twenty-seven (27) branches increased by P631 million from P2.049 billion to P2.680 billion at the end of 2013. Of this amount, P2.125 billion or 79.29% comprised savings deposits while the remaining 7.96% or P279.287 million is in the form of demand deposits. The 30.79% increase in Deposit Liabilities can be attributed to the Bank's aggressive marketing strategy. The Total Deposit Liabilities of P2.680 billion is 97.45% of the Total Liabilities and 76.35% of the Total Liabilities and Equity.

Other Liabilities

This account increased by 8.48% from P64.534 million to P70.005 million at the end of 2013. The ending balance of P70.005 million is 2.55% of the total liabilities.

Capital Funds/Equity

Capital Funds/Equity decreased by P4.318 million in 2013. Net Income for the year was P329 thousand.

Capital Adequacy Ratio (CAR)

The bank posted a higher than industry risk-based capital adequacy ratio of 31.61% versus the 16.24% of the industry and much higher than the minimum 10% mandated by the Bangko Sentral ng Pilipinas.

Liquidity

CSBI's loans to deposit ratio is 70.82%.

December 31, 2014

Interest Income

Gross Interest Income for the twelve (12) months ending December 31, 2014 amounted to P221.612 million from P252.267 million over the same period in 2013 for a 13.83% decrease. Of the former amount, about 90.90% came from its lending operations which amounted to P201.449 million and the rest were from Due From BSP and other Banks which increased from P8.575 million to P15.357 million and Available-for-sale securities which rose from P3.434 million to P4.806 million. The Gross Interest Income of P221.612 million represents 77.49% of the bank's total gross income for the year 2014 which amounted to P285.999 million.

Interest Expense

Interest Expense increased by 8.31% from P27.448 million in 2013 to P29.730 million for the period ending December 31, 2014. The Interest Expense of P29.730 million is 13.42% of the Gross Interest Income of P221.612 million.

Other Income

Other Income comprising of Service Charges and Fees and Miscellaneous Income posted a 5.37% decrease in 2014, versus its performance in 2013. Of the 2014 decrease in Other Operating Income, fee-based sources accounted for P17.499 million while Miscellaneous Income is accounted for P46.795 million. The amount of P64.387 million represents 22.51% of the bank's Total Gross Income in 2014 in the amount of P285.999 million.

Other Expenses

Other operating expenses increased by 5.81% from P275.136 million in 2013 versus P291.127 million in 2014. This was due to increases in Employee Benefits from P100.212 million to P106.834 million, Security, Janitorial and Messengerial Services from P30.859 million to P32.546 million, Occupancy from P27.796 million to P28.167 million, Communication, Light and Water from P24.764 million to P27.782 million, Depreciation and Amortization from P16.931 million to P19.526 million, Taxes and Licenses from P15.074 million to P16, 010 million and Fuel and Oil from P10.292 million to P11.006 million. The total Other Operating Expenses of P291.127 million is 90.73% of the total expenses.

Net Income

Net Income decreased by P69.734 million from a P0.329 million income in 2013 to P 70.063 million net loss in 2014.

Cash and Other Cash Items

Cash and Other Cash Items posted a P24.691 million increase from P127.556 million in the year ending 2013 as against P152.247 million in 2014.

Due from BSP and Other Banks

Due from BSP and Other Banks increased by 57.44% from P799.314 million in 2013 to P1.258 billion in 2014 as investible funds were placed in local banks. Due from BSP and Other Banks is 30% of Total Resources.

Available-For-Sale Securities

Available-for-Sale Investments representing 2.08% of total assets decreased by 8.42% from P95.250 million to P87.226 million in 2014.

Loans and Receivables

Loans and Receivables increased to P2.131 billion from P1.981 billion in 2013. The amount of P2.131 billion is 50.82% of the Total Resources.

Bank Premises, Furniture, Fixtures and Equipment

This account increased to P225.148 million from P223.138 million. The net amount of P225.148 million represents 5.37% of the Total Resources.

Other Resources

Other Resources increased by 23.21% from P257.278 million in 2013 to P316.982 million in 2014. The amount of P316.982 million is 7.56% of Total Resources.

Total Deposit Liabilities

Deposits generated by the bank's twenty-eight (28) branches increased by P717 million. From P2.680 billion, Total Deposit Liabilities reached P3.397 billion at the end of 2014. Of this amount, P2.689 billion or 79.16% comprised savings deposits while the remaining 20.84% or P708 million is in the form of time and demand deposits. The Total Deposit Liabilities of

P3.397 billion is 97.03% of the Total Liabilities and 81.01% of the Total Liabilities and Equity.

Other Liabilities

This account increased by 49.20% from P69.960 million to P104.382 million. The ending balance of P104.382 million is 2.98% of the total liabilities.

Capital Funds/Equity

Capital Funds/Equity decreased by P68.422 million in 2014. Net Loss for the year was P70.063 million.

Capital Adequacy Ratio (CAR)

The bank posted a higher than industry risk-based capital adequacy ratio of 27.31% versus the 14.95% of the industry.

Liquidity

CSBI's loans to deposit ratio is 59.11%.

December 31, 2015

Interest Income

Gross Interest Income for the twelve (12) months ending December 31, 2015 amounted to P202.216 million from P221.612 million over the same period in 2014 for an 8.75% decrease. Of the former amount, about 85.76% came from its lending operations which amounted to P173.419 million and the rest were interest from Due from BSP and other banks which increased from P15.357 million to P21.321 million and Available-for-sale securities which rose from P4.806 million to P7.476 million. The Gross Interest Income of P202.216 million represents 82.68% of the bank's total gross income for the year 2014 which amounted to P244.569 million.

Interest Expense

Interest Expense increased by 26.56% from P29.730 million in 2014 to P40.484 million for the period ending December 31, 2015. The Interest Expense of P40.484 million is 20.02% of the Gross Interest Income of P202.216 million.

Other Income

Other Income comprising of Service Charges and Fees and Miscellaneous Income posted a 32.14% decrease in 2015, versus its performance in 2014. Increase in fee-based sources accounted for P18.097 million while decrease in Miscellaneous Income is accounted for P24.256 million. The amount of P42.353 million represents 17.32% of the bank's Total Gross Income in 2015 in the amount of P244.569 million.

Other Expenses

Other operating expenses increased by 2.04% from P292.200 million in 2014 versus P298.296 million in 2015. This was due to increase in Security, Janitorial and Messengerial Services from P32.546 million to P37.465 million, Occupancy from P28.167 million to P29.600 million, Depreciation and Amortization from P19.696 million to P31.097 million, Taxes and Licenses from P16.010 million to P17.546, and Insurance from P14.639 million to P15.757 million. The total Other Operating Expenses of P298.296 million is 88.05% of the total expenses.

Net Income

The Bank posted a net loss of P86.654 million for 2015 versus P71.043 million of 2014.

Cash and Other Cash Items

Cash and Other Cash Items posted a P53.092 million decrease from P152.247 million in the year ending 2014 as against P99.155 million in 2015.

Due from BSP and Other Banks

Due from BSP and Other Banks increased by 5.63% from P1.258 billion in 2014 to P1.329 billion in 2015 as investible funds were placed in local banks. Due from BSP and Other Banks is 27.29% of Total Resources.

Available-For-Sale Securities

Available-for-Sale Investments representing 8.71% of total assets increased by 386.31% from P87.226 million to P424.195 million in 2015.

Loans and Receivables

Loans and Receivables increased to P2.496 billion from P2.131 billion in 2014. The amount of P2.496 billion is 51.254193% of the Total Resources.

Bank Premises, Furniture, Fixtures and Equipment

This account decreased to P224.500 million from P225.148 million. The net amount of P224.500 million represents 4.61% of the Total Resources.

Other Resources

Other Resources decreased by 14.34% from P315.800 million in 2014 to P270.523 million in 2015. The amount of P270.523 million is 5.55% of Total Resources.

Total Deposit Liabilities

Deposits generated by the bank's thirty (30) branches increased by P747 million. From P3.397 billion, Total Deposit Liabilities reached P4.144 billion at the end of 2015. Of this amount, P3.254 billion or 78.53% comprised savings deposits while the remaining 21.47% or P890 million is in the form of time and demand deposits. The Total Deposit Liabilities of P4.144 billion is 97.23% of the Total Liabilities and 85.06% of the Total Liabilities and Equity.

Other Liabilities

This account increased by 11.87% from P104.181 million to P118.214 million. The ending balance of P118.214 million is 2.77% of the total liabilities.

Capital Funds/Equity

Capital Funds/Equity decreased by P81.652 million in 2015. Net Loss for the year was P86.654 million.

Capital Adequacy Ratio (CAR)

The bank posted a higher than industry risk-based capital adequacy ratio of 18.72% versus the 16.53% of the industry.

Liquidity

CSBI's loans to deposit ratio is 57.13%.

Other known Trends, Demands, Commitments, Events or Uncertainties

There are no other known trends or any other known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The registrant is not having or does not anticipate having within the next twelve (12) months any cash flow or liquidity problems.

The registrant is not in default nor in breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. There is no significant amount of trade payables that have not been paid within the stated trade terms. There is likewise no material deficiency that can be identified.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material, favorable or unfavorable, impact on revenues or income from continuing operations.

Material Commitments for Capital Expenditures

There are no material commitments for capital expenditures.

Significant Elements of Income or Loss

There are no significant elements of income or loss that did not arise from the registrant's continuing operations.

Other Key Variable and Qualitative/Quantitative Factors

As to any seasonal aspects that may have material effect on the financial condition or result of operations, the registrant is not affected by the current worries on peso-dollar exchange, as the bank has no exposure on any foreign currency related transactions.

There are no events that would trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

No material off-balance sheet transaction, arrangement, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons are created during the reporting period.

Past and Future Financial Condition and Results of Operation with particular emphasis on the prospects for the future.

For 2015, Citystate Savings Bank opened an additional two (2) branches. The bank's clients could look forward to more innovative, competitive and customized products and services.

The bank's deposit base anchored on retail banking, is consistently increasing thereby maintaining an above average level of liquidity while it selectively appropriates its excess loanable funds.

Prospects for the Future

For the year 2016, CSBI will focus on further enhancing its service delivery system through the following action plans:

- Development of more bank products and services;
- Intensify SME lending and jewelry loan operations;
- Pursue a more aggressive marketing strategy and focus on the target market;
- Highly efficient and productive personnel coupled with cost-effective technology;
- A strong advertising and promotional campaign;
- Reputation of good service and expertise;
- Effective cost-control.

In terms of financial performance and results of operation, the bank is very optimistic to overcome its 2015 performance as it pursues aggressively its marketing strategies to deepen its reach to its target market.

(C) **BRIEF DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF BUSINESS OF THE REGISTRANT**

Citystate Savings Bank, Inc. was registered with the Securities and Exchange Commission on May 2, 1997. The Monetary Board of the Bangko Sentral ng Pilipinas on the other hand, granted the bank a license to operate as Thrift Bank on August 07, 1997. The bank's Authorized Capital is P1, 000,000,000.00 consisting of 100,000,000 common shares, with a par value of P 10.00 per share.

The bank began its operations on August 08, 1997 when it opened its first branch located in Dominga Building III, 2113 Chino Roces Avenue corner Dela Rosa Street, Makati City. At present, the bank's principal office is located at Citystate Centre Building, 709 Shaw Boulevard, Pasig City.

The bank itself provides a wide range of banking and other financial services such as but not limited to traditional and innovative deposit products and services, cash management, corporate and retail banking and treasury services. The bank caters to the needs of corporate, middle market and retail clients.

On March 4, 2004, the Bangko Sentral ng Pilipinas approved the application of Citystate Savings Bank, Inc. to engage in quasi-banking functions.

Pursuant to further enhancing the bank's delivery system, the Bangko Sentral ng Pilipinas authorized CSBI to operate an FCDU and to perform Trust and other fiduciary business on November 08, 2006.

(D) **MARKET INFORMATION**

The registrant's shares are traded in the Philippine Stock Exchange, Inc. (PSE) after its listing on November 28, 2001. The high and low market prices in 2014 & 2015 are as follows:

<u>QUARTERLY</u>	<u>HIGH</u>		<u>LOW</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
First Quarter	14.80	11.10	9.42	9.03
Second Quarter	12.70	10.20	8.70	9.20
Third Quarter	10.58	10.10	9.32	9.22
Fourth Quarter	14.00	10.10	9.88	8.48

For the interim period in 2016, the following are the high and low market prices of CSBI shares of stocks:

<u>MONTH</u>	<u>HIGH</u>	<u>LOW</u>
January 2015	10.10	9.50
February 2015	10.10	9.50
March 2015	10.10	9.50

As of December 31, 2015 CSBI has a total of fifty-five (55) stockholders owning 72,764,998 common shares.

Dividends Declared for the Last ten (10) years:

- In 1999, cash dividends totaling P594, 750.00 were declared and paid covering fiscal years 1997 to 1999.
- In 2001, 2002, 2003, 2004 and 2005 cash dividends amounting to P330,000.00, P660,000.00, P882,000.00, P882,000.00 and another P882,000.00 respectively were declared, approved by BSP and paid by the bank.
- In 2006, a 10% stock dividend equivalent to 6,615,000 shares and cash dividend amounting to P1,984,500.00 were declared, approved by BSP and paid by the bank.
- In 2007, cash dividend declared was 3/10 of 1% of the par value share or Php 0.03 per share.
- In 2008, cash dividend declared was 3/10 of 1% of the par value share or Php 0.03 per share.
- In 2009, cash dividend declared was 3/10 of 1% of the par value share or Php 0.03 per share.
- All cash dividends declarations are subject to Bangko Sentral ng Pilipinas approval.

As of December 31, 2015 the stocks are trading at P10.00 per share.

As of December 31, 2015, the top twenty (20) shareholders are as follows:

Top 20 Stockholders

	<u>Shareholder</u>	<u>No. of Shares Owned</u>	<u>Percent to Total</u>	<u>Nationality</u>
1.	Amb. Antonio L. Cabangon Chua	14,206,114	19.523280%	Filipino
2.	D. Alfred A. Cabangon	8,283,330	11.383674%	Filipino
3.	Fortune Life Insurance Company, Inc.	7,499,250	10.306123%	Filipino
4.	Fortune General Insurance Corporation	5,484,000	7.536591%	Filipino
5.	Top Ventures Investments & Management	4,902,594	6.737572%	Filipino
6.	Feorelio Bote	4,302,500	5.912870%	Filipino
7.	Ronaldo Zamora	3,521,000	4.838865%	Filipino
8.	Angelita Jose	3,100,074	4.260392%	Filipino
9.	Gencars-Batangas, Inc.	2,846,250	3.911565%	Filipino
10.	Eternal Plans, Inc.	2,641,700	3.630454%	Filipino
11.	D. Edgard A. Cabangon	2,143,350	2.945578%	Filipino
12.	Alfonso G. Siy	1,650,000	2.267574%	Filipino
13.	D. Antoinette Cabangon	1,650,000	2.267574%	Filipino
14.	Eternal Plans Inc. Life Trust Fund	1,118,643	1.537337%	Filipino
15.	Eternal Plans Inc. Pension Trust Fund	905,400	1.244280%	Filipino

16.	Eternal Plans Inc. Education Trust Fund	771,950	1.060881%	Filipino
17.	Gencars-San Pablo, Inc.	726,000	0.997732%	Filipino
18.	Aliw Broadcasting Corp.	717,300	0.985776%	Filipino
19.	J. Wilfredo A. Cabangon In Trust For: Michael Wesley M. Cabangon	714,450	0.981859%	Filipino
20.	J. Wilfredo A. Cabangon In Trust For: William Mathew M. Cabangon	714,450	0.981859%	Filipino
		67,898,355	93.311835%	

(E) DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The bank has adopted the SEC Corporate Governance Self Rating Form to evaluate the level of compliance of the bank with its Manual on Corporate Governance. In addition, the Compliance Officer reviews on a periodic basis the level of compliance of its directors, officers and employees with the leading practices and principles on good corporate governance as embodied in the bank's Manual.

There have been no violations of the Corporate Governance Manual and no director, officer or employee has been sanctioned.

The bank will regularly conduct a review of the Manual on Corporate Governance and will adopt appropriate changes as necessary.

UNDERTAKING TO PROVIDE ANNUAL REPORT

The registrant undertakes to provide without charge any person a copy of the Bank's Annual Report on SEC Form 17-A upon written request to the registrant addressed to:

MR. MARTIN JERRY E. MACHADO
Assistant Vice President, Comptrollership/Accounting
Citystate Centre Building
709 Shaw Boulevard, Pasig City



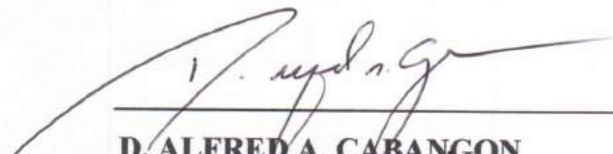
CITYSTATE
SAVINGS BANK
We Take Care of You.

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

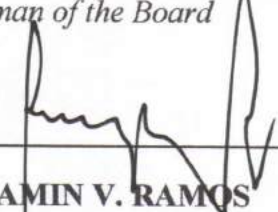
The Management of **Citystate Savings Bank, Inc.** is responsible for the preparation and fair presentation of the financial statements for the year ended **December 31, 2015 and 2014**, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and the implementing internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors or Trustees reviews and approves the financial statements and submit the same to the stockholders or members.

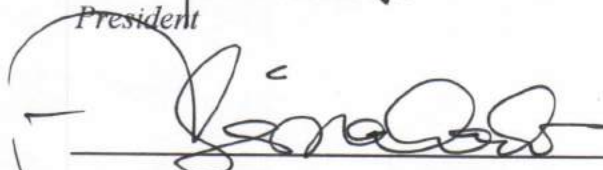
Punongbayan and Araullo, the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to stockholders or members, has expressed opinion on the fairness of presentation upon completion of such examination.



D. ALFRED A. CABANGON
Chairman of the Board



BENJAMIN V. RAMOS
President



MARTIN JERRY E. MACHADO
Chief Financial Officer

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS (page 2)

SUBSCRIBED AND SWORN to before me on APR 25 2016 at Pasig City,
affiants exhibiting to me:

NAME	SOCIAL SECURITY SYSTEM NO.
D. Alfred A. Cabangon	03-9540210-6
Benjamin V. Ramos	03-7460820-6
Martin Jerry E. Machado	33-2211146-7


MARIA TERESA E. PATULA
Notary Public
Serial No. of Commission 1598
Commission expires on 12-31-16
Roll of Attorney's No. 53971
IBP No. 102912 PTR No. 2209624

Doc. No. 391;
Page No. 10;
Book No. 32;
Series of 2016.

CITYSTATE SAVINGS BANK, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014
(Amounts in Philippine Pesos)

ANNEX B

Draft

	Notes	2015	2014
<u>R E S O U R C E S</u>			
CASH AND OTHER CASH ITEMS	P	99,154,882	P 152,246,760
DUE FROM BANGKO SENTRAL NG PILIPINAS	7	1,118,494,957	1,037,862,022
DUE FROM OTHER BANKS	8	210,773,710	220,538,904
AVAILABLE-FOR-SALE SECURITIES	9	424,194,665	87,226,323
LOANS AND RECEIVABLES - Net	10	2,496,398,635	2,130,815,636
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net	11	224,500,601	225,147,757
INVESTMENT PROPERTIES - Net	12	27,227,394	22,481,257
OTHER RESOURCES - Net	13	270,523,132	315,800,106
TOTAL RESOURCES	P	4,871,267,976	P 4,192,118,765
<u>L I A B I L I T I E S A N D E Q U I T Y</u>			
DEPOSIT LIABILITIES	14		
Demand	P	531,012,854	P 301,591,137
Savings		3,253,885,651	2,688,820,124
Time		358,678,563	406,398,497
Total Deposit Liabilities		4,143,577,068	3,396,809,758
OTHER LIABILITIES	15	118,214,324	104,180,513
Total Liabilities		4,261,791,392	3,500,990,271
EQUITY	16	609,476,584	691,128,494
TOTAL LIABILITIES AND EQUITY	P	4,871,267,976	P 4,192,118,765

See Notes to Financial Statements.

CITYSTATE SAVINGS BANK, INC.
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

Draft

	Notes	2015	2014	2013
INTEREST INCOME				
Loans and receivables	10	P 173,419,493	P 201,449,274	P 240,257,936
Due from BSP and other banks	7, 8	21,320,619	15,356,728	8,574,990
Available-for-sale securities	9	7,476,081	4,806,174	3,433,888
		<u>202,216,193</u>	<u>221,612,176</u>	<u>252,266,814</u>
INTEREST EXPENSE				
Deposit liabilities	14	40,484,198	29,728,494	27,207,879
Others		-	1,691	239,774
		<u>40,484,198</u>	<u>29,730,185</u>	<u>27,447,653</u>
NET INTEREST INCOME		161,731,995	191,881,991	224,819,161
IMPAIRMENT LOSSES (RECOVERIES) - Net	10, 13	(13,786,273)	27,072,490	228,149
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		175,518,268	164,809,501	224,591,012
OTHER OPERATING INCOME (LOSS)				
Service charges and fees		18,097,071	17,499,146	16,655,356
Miscellaneous	17	24,256,026	44,917,540	51,385,204
		<u>42,353,097</u>	<u>62,416,686</u>	<u>68,040,560</u>
OTHER OPERATING EXPENSES				
Employee benefits	18	99,864,930	106,833,959	100,211,569
Security, janitorial and messengerial services		37,465,355	32,546,262	30,859,408
Occupancy	24	29,600,007	28,166,835	27,795,714
Communication, light and water		24,710,447	27,782,098	24,764,326
Depreciation and amortization	11, 12, 13	31,096,712	19,696,815	15,397,496
Taxes and licenses	26	17,546,215	16,010,345	15,074,270
Insurance		15,756,861	14,639,209	14,856,969
Fuel and oil		10,409,975	11,006,058	10,292,167
Litigation and asset acquired expenses	12	1,639,827	3,340,584	5,687,774
Repairs and maintenance		3,263,590	3,482,882	4,853,944
Miscellaneous	17	26,942,086	26,695,371	25,342,261
		<u>298,296,005</u>	<u>292,200,418</u>	<u>275,135,898</u>
PROFIT (LOSS) BEFORE TAX		(80,424,640)	(64,974,231)	17,495,674
TAX EXPENSE	19	6,229,647	6,069,266	17,166,734
NET PROFIT (LOSS)		(P 86,654,287)	(P 71,043,497)	P 328,940
Earnings (Losses) Per Share – Basic and Diluted	22	(P 1.19)	(P 0.98)	P 0.00

See Notes to Financial Statements.

CITYSTATE SAVINGS BANK, INC.
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
 (Amounts in Philippine Pesos)

Draft

	Notes	2015	2014	2013
NET PROFIT (LOSS)		(P 86,654,287)	(P 71,043,497)	P 328,940
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit post-employment plan	18	2,996,675	3,940,141	(3,470,458)
Tax income (expense)	19	(899,003)	(1,182,042)	1,041,137
		2,097,672	2,758,099	(2,429,321)
Item that will be reclassified to profit or loss				
Fair valuation of available-for-sale securities				
Fair value gains (losses) during the year	9	3,461,935	(1,115,977)	(2,616,050)
Tax income (expense)	19	(557,230)	-	397,944
		2,904,705	(1,115,977)	(2,218,106)
Total Other Comprehensive Income (Loss) - net of tax		5,002,377	1,642,122	(4,647,427)
TOTAL COMPREHENSIVE LOSS		(P 81,651,910)	(P 69,401,375)	(P 4,318,487)

See Notes to Financial Statements.

CITYSTATE SAVINGS BANK, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

Draft

	Notes	Capital Stock	Additional Paid-in Capital	Revaluation Reserves	Surplus Reserves	Retained Earnings (Deficit)	Total
Balance as of January 1, 2015		P 727,649,980	P 2,222,444	P 4,287,235	P 813,500	(P 43,844,665)	P 691,128,494
Transfer to reserves	20	-	-	-	256,424	(256,424)	-
Total comprehensive loss for the year	16	-	-	5,002,377	-	(86,654,287)	(81,651,910)
Balance as of December 31, 2015	16	<u>P 727,649,980</u>	<u>P 2,222,444</u>	<u>P 9,289,612</u>	<u>P 1,069,924</u>	<u>(P 130,755,376)</u>	<u>P 609,476,584</u>
Balance as of January 1, 2014		P 727,649,980	P 2,222,444	P 2,645,113	P 667,914	P 27,344,418	P 760,529,869
Transfer to reserves	20	-	-	-	145,586	(145,586)	-
Total comprehensive income (loss) for the year	16	-	-	1,642,122	-	(71,043,497)	(69,401,375)
Balance as of December 31, 2014	16	<u>P 727,649,980</u>	<u>P 2,222,444</u>	<u>P 4,287,235</u>	<u>P 813,500</u>	<u>(P 43,844,665)</u>	<u>P 691,128,494</u>
Balance as of January 1, 2013		P 727,649,980	P 2,222,444	P 7,292,540	P 507,697	P 27,175,695	P 764,848,356
Transfer to reserves	20	-	-	-	160,217	(160,217)	-
Total comprehensive income (loss) for the year	16	-	-	(4,647,427)	-	328,940	(4,318,487)
Balance as of December 31, 2013	16	<u>P 727,649,980</u>	<u>P 2,222,444</u>	<u>P 2,645,113</u>	<u>P 667,914</u>	<u>P 27,344,418</u>	<u>P 760,529,869</u>

See Notes to Financial Statements.

CITYSTATE SAVINGS BANK, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

Draft

	Notes	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		(P 80,424,640)	(P 64,974,231)	P 17,495,674
Adjustments for:				
Interest income	7, 8, 9, 10	(202,216,193)	(221,612,176)	(252,266,814)
Interest expense	14	40,484,198	29,730,185	27,447,653
Depreciation and amortization	11, 12, 13	31,096,712	19,696,815	15,397,496
Impairment losses (recovery) – net	10, 13	(13,786,273)	27,072,490	228,149
Gains from assets acquired/exchanged	17	(384,975)	(2,975,246)	(33,537,450)
Loss (gain) on sale/retirement of bank premises	17	51,214	(25,563,500)	63,263
Unrealized foreign currency exchange losses (gains)	17	(216,862)	172,566	(545,319)
Operating loss before working capital changes		(225,396,820)	(238,453,097)	(225,717,348)
Increase in loans and receivables		(285,383,842)	(41,884,966)	(29,902,384)
Decrease (increase) in investment properties		(5,856,905)	5,748,513	53,194,002
Decrease (increase) in other resources		15,207,678	(130,794,321)	(144,080,038)
Increase in deposit liabilities		743,592,888	717,172,014	630,619,884
Increase (decrease) in other liabilities		19,901,769	36,550,690	(8,268,393)
Cash generated from operations		262,064,768	348,338,833	275,845,723
Interest received		196,948,077	234,226,350	252,327,035
Interest paid		(38,510,077)	(29,690,007)	(27,536,342)
Cash paid for income taxes		(8,799,632)	(5,641,981)	(5,869,103)
Net Cash From Operating Activities		411,703,136	547,233,195	494,767,313
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of bank premises, furniture, fixtures and equipment	11	(23,319,796)	(76,059,644)	(46,349,972)
Proceeds from disposals/maturity of available-for-sale securities	9	15,885,716	6,650,000	4,000,000
Acquisitions of available-for-sale securities		(349,261,514)	—	—
Net Cash Used in Investing Activities		(356,695,594)	(69,409,644)	(42,349,972)
Effect of Foreign Currency Exchange Rate Changes in Cash and Cash Equivalents				
		216,862	(172,566)	545,319
NET INCREASE IN CASH AND CASH EQUIVALENTS		55,224,404	477,650,985	452,962,660
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and other cash items		152,246,760	127,556,153	122,574,664
Due from Bangko Sentral ng Pilipinas	7	1,037,862,022	602,895,583	225,855,077
Due from other banks	8, 25	164,994,587	147,000,648	76,059,983
		<u>1,355,103,369</u>	<u>877,452,384</u>	<u>424,489,724</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR				
Cash and other cash items		99,154,882	152,246,760	127,556,153
Due from Bangko Sentral ng Pilipinas	7	1,118,494,957	1,037,862,022	602,895,583
Due from other banks	8, 25	192,677,934	164,994,587	147,000,648
		<u>P 1,410,327,773</u>	<u>P 1,355,103,369</u>	<u>P 877,452,384</u>

See Notes to Financial Statements.

**RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS
FOR THE CONFIRMATION OF THE STOCKHOLDERS**

2015 BOARD RESOLUTIONS

DATE	BR NO.	PARTICULARS
January 27, 2015	2015-0001	Replacement of Authorized Signatories for Scripless Securities
	-0002	Eternal Plans Life Plan's Transfer of Trust Fund from BDO to CSBI-TD
	-0003	Eternal Plans Pension Plan's Planholder's Loan against Trust Fund
	-0004	Proposed Accreditation of Robinsons Land Corporation's Fixed Rate Bonds as Additional Investment Outlet
	-0005	Proposed Accreditation of San Miguel Purefoods Perpetual Preferred Shares as Additional Investment Outlet
	-0006	Amendment of Signatories for the Opening of Current Account at BDO Capitol Pasig Branch for CIS Bayad Center
	-0007	Delegation of Authority to the Chief Executive Officer or President to Decide, Direct and Declare the Closing of Branches, and/or Extension of Offices During Local Holidays
	-0008	Back to Back Loan of Fortune Medicare
	-0009	Relocation of CSBI Cubao Branch
February 24, 2015	2015-0010	Election of Mr. Benjamin V. Ramos as a Regular Director
	-0011	Conversion of One (1) Vehicle from ROPA to FFE
	-0012	One (1) Vehicle FFE Available for Sale
	-0013	Proposed Investment Outlet – SM Investment Corporation SMIC FXBD2019
	-0014	Proposed Investment Outlet – San Miguel Purefoods (SMPFC)
	-0015	Update on Signatories of Cebu Branch
	-0016	Term Loan – Grand Monaco Estate Developers
	-0017	Term Loan – Alexander Tantoco
	-0018	Assumption of Loan – Aliw Management Ventures, Inc.
	-0019	Board's Approval of Annual Stockholders' Meeting
	-0020	Offer to Purchase of Motor Vehicle of Col. Artemio B. Custodio
	-0021	Authorization of Two (2) Employees to receive Pag-Ibig and SSS Checks
	-0022	Enhancement on Jewelry Loans Process and Requirements
	-0023	Renewal of Contract to Sell (CTS) – International Silverwings Investment, Inc.

-0024	Dealer Accreditation of Autocirculo Corporation – KIA Pasig
-0025	Amendment of the Bank’s Approving Authority and Limits on Loan Policy
-0026	Proposed Counterparty Accreditation – RCBC
March 31, 2015	
2015-0027	Notation of the retirement of Atty. Rey D. Delfin and Election of Director Benjamin V. Ramos as President
-0028	Composition of Trust Committee
-0029	Report of Examination (RoE) of BSP
-0030	Accreditation of Investment Outlet – LGU Bonds
-0031	Opening of Dollar Time Deposit and Savings Account at China Bank Greenbelt 1
-0032	Update of Signatories for CSBI Philippine Payment System
-0033	Update of Signatories for Union Bank – Shaw Pasig Branch (Peso Current Account)
-0034	Update of Signatories for Union Bank – Shaw Pasig Branch (Dollar Time Deposit Account)
-0035	Update of Signatories for CSBI Demand Deposit Account
-0036	Update of Signatories of CSBI with UCPB Pioneer
-0037	Update of Signatories of CSBI with UCPB Cambridge
-0038	Update of Signatories for Philippine Dealing & Exchange Corp.
-0039	Update of Signatories of CSBI Dagupan with UCPB (Dollar Savings Account)
-0040	Update of Signatories of CSBI Meycauayan with UCPB (Dollar Savings Account)
-0041	Update of Signatories of CSBI Baliuag with UCPB (Dollar Savings Account)
-0042	Update of Signatories of CSBI Batangas with UCPB (Dollar Savings Account)
-0043	Update of Signatories for Investment in San Miguel Purefoods Company, Inc. (SMPFC)
-0044	Update of Signatories for Investment in SM Investment Corporation (SMIC)
-0045	Bank’s Authorized Signatories for Bank Reports per BSP Circular No. 870
-0046	Renewal of Agreement with Securities Transfer Services, Inc. (STSI) as the Bank’s Transfer Agent and Designating Mr. Andres Y. Narvasa, Jr. As its Authorized Representative
-0047	Amendment on the Approval of Grand Monaco Estate Developers, Inc.

- 0048 Amendment of the Bank's Loan Committee Composition
- 0049 Confirmation of Full Settlement of Sps. David Jhons and Victoria Luna
- 0050 Sale of CSBI Property in favor of Mr. Efren Alano
- 0051 Jewelry Term Loan Policy
- 0052 Vendor Management Policy
- 0053 Update on Counterparties and Trading Lines
- 0054 Amendment on the Bank's Signatories with Philippine Business Bank
- 0055 Loan Committee Approved Accounts
- 0056 Purchase of Vehicle from Philippine Business Mirror

April 28, 2015

- 2015-0057 Proposed Branch Operations Manual: Cash Management
- 0058 Term Loan – Narra Wellness Resorts, Inc. DBA The Farm at San Benito
- 0059 Bills Purchase Line: ALC Realty Development Corporation
- 0060 ATM Triple DES and EMV Implementation
- 0061 Revised Memorandum of Agreement for Payroll of Counterparties
- 0062 Home Guaranty Corporation
- 0063 Small Business Corporation
- 0064 Philippine Export and Import Credit Agency
- 0065 Bank's Market Vendor Loan Facility
- 0066 Confirmation of Accounts Approved by Loan Committee for March 25 to April 21, 2015
- 0067 Proposed Table of Organization
- 0068 Promotion of Mr. Lawrence K. Cementina to Vice President
- 0069 Issuance of Financial Statements
- 0070 Confirmation of Approved Trust Committee Matters

May 26, 2015

- 2015-0071 Election of Corporate Officers
- 0072 Term Loan Restructuring – Zoobic Safari
- 0073 Parameters for Eligible Borrowers for Auto Loan Financing with GenCars
- 0074 Agri-Agra Loan Facility
- 0075 Domestic Standby Letter of Credit
- 0076 Domestic Letter of Credit

- 0077 Trust Receipt Facility
- 0078 Accreditation for End-buyer Financing: First Wood Residential Development Corp.
- 0079 Updating of List of Authorized Signatories/Representatives for Legal Matters
- 0080 GAP Analysis Report Per Circular No. 855
- 0081 Approval of Sale of Bank Property to ALC Realty Development
- 0082 Retirement of Col. Custodio as Security Officer and Appointment of Col. Matias Montefalcon as Security Officer
- 0083 Retirement of Eduardo O. Olavario as Chief Financial Officer
- 0084 Bank's Receipt of Financial Audit Report and Action on the Findings and/or Recommendation of Punongbayan & Araullo
- 0085 Policy on the Optimization of the day-to-day liquidity of the Citystate Savings Bank – Trust Department for purposes of additional investment and re-investment of existing trust funds or fruits of existing investment

June 30, 2015

- 2015-0086 Confirmation of ROPA Classification and Transfer of Motor Vehicles to Branches
- 0087 Confirmation of Approved Trust Committee Matters
- 0088 Confirmation of Amendments in the Business Continuity Plan
- 0089 Confirmation of Approved Accounts by Loan Committee from June 1-19, 2015
- 0090 Resignation of Mr. Andres Y. Narvasa, Jr. as Director of CSBI
- 0091 Proposed Budget Revision for the Years 2015-2017
- 0092 Proposed Team Building Activity for CSBI 18th Anniversary
- 0093 Updating of Signatories for Bayad Center
- 0094 Updating of Signatories for Dollar Savings Account with UCPB Plaridel
- 0095 Authorized Signatories for Bank Reports per BSP Circular No. 870 as amended
- 0096 Investment in Aboitiz

July 28, 2015

- 2015-0097 Bank's Network Update
- 0098 Confirmation of Sale of Acquired Property
- 0099 Term Loan – Golden Egg Store / SLC Agri –Farm
- 0100 Increase in Contract to Sell (CTS) Receivable Financing Line with Recourse – Landowrks Asia
- 0101 Increase in Contract to Sell (CTS) Receivable Financing Line with

- Recourse – International Silverwings Investment
- 0102 All Purpose Loan Facility secured by fully paid insurance policy
- 0103 Amendment of Approving Authority Limits on Loan Policy
- 0104 Amendment of Bank’s Signatories with PBB
- 0105 Confirmation of Approved Accounts by Loan Committee from June 26 to July 23, 2015
- 0106 Software Maintenance Agreement for Infoserve ATM Switch
- 0107 Proposed Investment Outlet – SMC
- 0108 Proposed Certificate of Participation
- 0109 Amendment to the Anti-Money Laundering (AML) Manual
- 0110 Compliance Testing Program

August 25, 2015

- 2015-0111 Finacle End-Users Guide
- 0112 Official Set of Signatories for Investment/Divestment in San Miguel Corporation (SMC) Series “2” Preferred Shares
- 0113 Compliance Department Charter and Covered/Suspicious Transaction Process Flow
- 0114 Credit Line: HMR Philippines
- 0115 Credit Line: Cellprime Distribution Corporation
- 0116 Term Loan/Credit Line: RAL Imperial Realty Management Corporation
- 0117 CTS: Endura Land Development Corp.
- 0118 Confirmation of approved accounts by Loan Committee from August 4 to August 18, 2015
- 0119 Credit Risk Management Action Plan
- 0120 Term Loan: Sps. Jesus & Katrina Martinez
- 0121 Opening of Peso Savings Account at PNB Puerto Princesa for CSBI Puerto Princesa Branch
- 0122 Opening of Dollar Savings Account at PNB Puerto Princesa for CSBI Puerto Princesa Branch
- 0123 Deposit/Pick-Up/Cash Delivery Service at PNB for CSBI Puerto Princesa Branch
- 0124 Appointment of External Auditor
- 0125 Acceptance of resignation of Chief Compliance Officer, OIC to sign on behalf of the Compliance Department
- 0126 Creation of Promotion Committee (PROMCOM)

September 29, 2015

- 2015-0127 Term Loan: RJ Lhinet Development Corporation

- 0128 Omnibus Line: Gencars, Inc.
- 0129 Credit Line: Specialist Group Hospital & Trauma Center
- 0130 Delearship Accreditation of Autocirculo Corporation (Mahindra Brand)
- 0131 Confirmation of approved accounts by Loan Committee from August 20 to September 22, 2015
- 0132 Bank Signatories for BSP Reports and PHILPASS
- 0133 Availment of Services for Deposit Pick-up/Cash Delivery Arrangement with UCPB Binan, Laguna for CSBI Sta. Rosa City, Laguna Branch
- 0134 Opening of PESO Savings Account – with Passbook with UCPB Binan, Laguna for CSBI Sta. Rosa City, Laguna Branch
- 0135 Opening of DOLLAR Savings Account with UCPB Binan, Laguna for CSBI Sta. Rosa City, Laguna Branch
- 0136 Revocation of B.R. No. 2015-0121 and Opening of PESO Current Account – with Passbook with China Banking Corporation Puerto Princesa, Palawan for CSBI Palawan Branch
- 0137 Revocation of B.R. No. 2015-0122 and Opening of DOLLAR Savings Account with China Banking Corporation Puerto Princesa, Palawan for CSBI Palawan Branch
- 0138 Revocation of B.R. No. 2015-0123 and Availment of Services for Deposit Pick-up/Cash Delivery Arrangement with China Banking Corporation Puerto Princesa, Palawan for CSBI Palawan Branch
- 0139 Confirmation of matters approved by the Trust Committee

October 27, 2015

- 2015-0140 Signatories for Deposit/Pick-Up/Cash Delivery Services with UCPB for CSBI Dagupan Branch
- 0141 Updating of Signatories – Account with UCPB Dagupan for CSBI Dagupan Branch
- 0142 Updating of Signatories – Deposit/Pick-up/Cash Delivery Service with UCPB for CSBI Batangas Branch
- 0143 Updating of Signatories – Account with UCPB Batangas for CSBI Batangas Branch
- 0144 Opening of Dollar Savings Account at UCPB Urdaneta for CSBI Urdaneta Branch
- 0145 Upadting of Signatories – Deposit/Pick-Up/Cash Delivery Service with UCPB for CSBI Urdaneta Branch
- 0146 Updating of Signatories – Account with UCPB Urdaneta for CSBI Urdaneta Branch
- 0147 Information Technology Steering Committee (ITSC) Charter Revision and Reorganization of Members
- 0148 Full Revision of IT Operations Policy Manual

- 0149 Budget Approval for Check Truncation System
- 0150 Change of Title of CCTV/DVR Surveillance System Policy to Surveillance and Security System Policy, with Amendments
- 0151 Appointment of Mr. Wilfredo S. Madarang, Jr. as Independent Director and Confirmation of Election as member of Risk Oversight Committee (ROC) and Corporate Governance Committee (CGC)
- 0152 Capital Build-up Plan
- 0153 Anti-Money Laundering Committee Charter
- 0154 Finacle Manual / Revision of Operation Policy and Procedure Manual
- 0155 Addendum on Quality Assurance Manual
- 0156 Opening of Dollar Savings Account at UCPB Batangas for CSBI Batangas Branch
- 0157 Proposed Investment of Php100 Million in SM Prime Holdings Inc. Fixed Rate Bonds Due 2021 and 2025
- 0158 Revocation of B.R. No. 2015-0138 and Appointing a New Deposit Pick-Up/Cash Delivery Services Arrangement with UCPB Savings Bank Puerto Princesa, Palawan for CSBI Palawan Branch
- 0159 Revocation of B.R. No. 2015-0136 and Opening of New Peso Current Account with Passbook with UCPB Savings Bank Puerto Princesa, Palawan for CSBI Palawan Branch
- 0160 Confirmation of Approved Accounts by Loan Committee from September 22, 2015 to October 13, 2015
- 0161 Appointment of Mr. Alfonso G. Siy as Trust Committee Member
- 0162 Appointment of Mr. Benjamin V. Ramos as Corporate Governance Committee Member
- 0163 Operations Manual – Purchase/Buying of Foreign Currency Notes

November 24, 2015

- 2015-0164 CTS: Citihomes Builders & Development, Inc.
- 0165 Restructuring Term Loan: Sps. Ruel & Avelina Flores
- 0166 Omnibus Line: RH Digos Designworks & Construction
- 0167 Confirmation of Approved Accounts by Loan Committee October 23, 2015 to November 16, 2015
- 0168 Financial Consumer Protection Manual
- 0169 ISO Management Framework, IT Risk Management Framework and Baseline Security Standards Policy
- 0170 Promotions Committee (PROMCOM) Policies and Procedures
- 0171 Bank's Table of Organization
- 0172 Inter-Network Anti-Fraud Policy and Guidelines in Handling Electronic Banking

December 22, 2015

2015-0173	Loan Restructure: Dario Borje
-0174	Loan Restructure: Maria Margarita Eloriaga Sevilla
-0175	Loan Restructure: Sps. Harry & Melinda Crisostomo
-0176	Confirmation of Approved Accounts by Loan Committee from November 12 to December 11, 2015
-0177	Signatories on BSP Report and PhilPass
-0178	Investment of Php70,000,000.00 in Sta. Lucia Land Inc. Peso-denominated Fixed Rate Bond due 2018 and 2021
-0179	Investment of Php100,000,000.00 in SM Prime Holdings, Inc. Peso-denominated Fixed Rate Bond due 2021 and 2025
-0180	Confirmation/Approval of Cancellation of Contract to Sell and Approval of Assignment of Payments
-0181	First Batch of Employee Promotions
-0182	Reorganization of Committee Membership / Appointment of Independent Director Wilfredo S. Madarang in Risk Oversight Committee and Corporate Governance Committee
-0183	Capital Build-up Plan
-0184	Bank's replies to BSP Advance Findings
-0185	Complaints Summary October – December 2015
-0186	Reclassification of foreclosed asset to bank property
-0187	Revision on the IT Steering Committee Charter
-0188	Omnibus Line: RH Dlgos Designworks & Construction

****Nothing follows****