14 August 2024

THE PHILIPPINE STOCK EXCHANGE, INC.
6th Floor PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: Atty. Stefanie Ann B. Go
Officer-in-Charge, Disclosure Department

Madam:

In compliance with your requirements, we hereby submit China Banking Corporation's SEC 17Q Report as of June 30, 2024.

Thank you.

Respectfully yours,

GERALD O. FLORENTINO
Corporate Information Officer

COVER SHEET

443

SEC Registration Number

CHINA BANKING CORPORATION AND SUB SIDIARIES

(Company's Full Name)

8745 Paseo de Roxas corner Villar Street, Makati City

(Business Address: No. Street City/Town/Province)

Patrick D. Cheng

(Contact Person)

8885-5555

(Company Telephone Number)

0	6		3	0

Month *Day*

(Fiscal Year)

17-Q

(Form Type)

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Corporate Governance and Finance Dept.

(Department Requiring this document)

(Amended Articles Number/Section)

Total Amount of Borrowings

1,807

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarter period ended **June 30, 2024**

2. Commission identification number **443**

3. BIR Tax Identification No.. **000-444-210-000**

4. **CHINA BANKING CORPORATION**
Exact name of issuer as specified in its charter

5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

7. **CHINA BANK BUILDING 8745 PASEO DE ROXAS COR. VILLAR STS., MAKATI CITY** **1226**
Address of registrant's principal office Postal Code

8. Issuer's telephone number, including area code **(02) 8885-5555**

9. Former name, former address and former fiscal year, if changed since last report **NA**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock Outstanding	Amount of debt outstanding
COMMON	**2,691,340,312**	

11. Are any or all of the securities listed on the Stock Exchange?

Yes [**X**] No [ ]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
PHILIPPINE STOCK EXCHANGE **COMMON**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [**X**] No [ ]

(b) has been subject to such filing requirements for the past 90 days

Yes [**X**] No [ ]

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

Attached are the following:

Annex I:	Interim Consolidated Statements of Financial Position
Annex II:	Interim Consolidated Statements of Income
Annex III:	Interim Consolidated Statements of Comprehensive Income
Annex IV:	Interim Consolidated Statements of Changes in Equity
Annex V:	Interim Consolidated Statements of Cash Flows
Annex VI:	Aging of Loans and Receivables
Annex VII:	Profitability Report by Business Segment
Annex VIII:	Financial Soundness Indicators

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Annex IX: Management's Discussion

PART II OTHER INFORMATION

There are no material disclosures that were not reported under SEC Form 17-C during the period covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer ………………………………………………................**CHINA BANKING CORPORATION**

Patrick Cheng

Principal Financial/Accounting Officer/Controller ……………..**PATRICK D. CHENG**

Signature and Title ………………………………………………Chief Finance Officer

Date……………………………………………………………….. August 14, 2024

Part I – Financial Information

Item 1. Financial Statements

a. **Accounting Policies and Methods of Computation**. The accompanying interim condensed consolidated financial statements of China Banking Corporation (the Parent Company) and Subsidiaries (collectively referred to as the Group) as of June 30, 2024 and for the six-month periods ended June 30, 2024 and 2023 have been prepared in accordance with the Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

   The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited financial statements as of December 31, 2023 which have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

b. **Seasonality or Cyclicality of Interim Operations.** Changes in the Group's financial condition or operation were due more to external factors such as interest rate movements and cost of borrowings rather than seasonality or cyclical aspects.

c. **Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.** Changes in nature and amounts in the financial statements were due more to market-related factors inherent in the nature of the issuer's business operations and are not considered unusual. Below are some significant changes as explained in the Management's Discussions of Financial Condition and Results of Operation:

(Amounts in Thousands)	June 30, 2024	December 31, 2023	Increase (Decrease)
Assets			
Cash and Other Cash Items	₱12,137,316	₱15,998,094	(₱3,860,777)
Due from Other banks	12,673,042	19,964,415	(7,291,373)
Interbank Loans Receivable and Securities Purchased under Resale Agreements	20,172,409	34,720,250	(14,547,840)
Financial Assets at Fair Value through Profit or Loss	24,916,974	13,631,287	11,285,687
Derivative Contracts Designated as Hedges	5,496,817	3,946,553	1,550,265
Financial Assets at Fair Value through Other Comprehensive Income	137,039,826	106,541,487	30,498,339
Accrued Interest Receivable	12,799,097	11,464,932	1,334,165
Investments in Associates	1,593,855	1,389,952	203,903
Intangible Assets	4,249,685	3,776,649	473,037
Other Assets	10,612,292	8,199,886	2,412,406
Liabilities			
Bonds Payable	–	19,989,307	(19,989,307)
Income Tax Payable	501,851	133,659	368,192
Derivative Liabilities	2,633,112	938,722	1,694,390
Derivative Contracts Designated as Hedges	2,790,449	8,049,417	(5,258,969)

(Amounts in Thousands)	June 30, 2024	June 30, 2023	Increase (Decrease)
Income			
Interest income on Loans and receivables	₱28,694,706	₱24,635,221	₱4,059,485
Interest income on Investment securities at amortized cost and at FVOCI	13,857,689	10,929,947	2,927,742
Interest income on Financial assets at FVPL	642,305	345,532	296,772
Interest income on Due from BSP and other banks and SPURA	1,507,255	1,953,931	(446,676)
Trading and securities, and foreign exchange gains (losses) - net	(6,479,204)	(1,614,290)	(4,864,914)
Trust fee income	317,526	282,236	35,290
Gain on asset foreclosure and dacion transactions	189,076	221,671	(32,595)
Share in net income of associates	288,686	238,370	50,316
Miscellaneous	2,505,262	482,817	2,022,444

Expense			
Interest expense on Deposit liabilities	12,358,366	10,379,261	1,979,105
Interest expense on Lease payable	141,196	97,843	43,353
Occupancy cost	987,446	1,124,899	(137,453)
Taxes and licenses	3,117,219	2,788,682	328,537
Depreciation and amortization	1,174,288	880,495	293,793
Provision for impairment and credit losses	737,192	877,914	(140,722)
Transportation and traveling	258,717	207,266	51,451
Professional fees, marketing and other related services	562,251	441,027	121,224
Stationery, supplies and postage	129,745	114,362	15,383
Repairs and maintenance	114,718	100,551	14,168
Miscellaneous	1,252,776	1,544,450	(291,674)
Provision for income tax	2,774,345	1,933,104	841,241

d. **Changes in Estimates of Amounts Reported.** There were no material changes in the estimates of amounts reported in prior financial years.

e. **Issuances, Repurchases, and Repayments of Debt and Equity Securities.**
Settlement of Long-Term Negotiable Certificates of Deposits (LTNCD) On January 12, 2024, the Parent Company settled the LTNCDs with aggregate principal amount of ₱10.25 billion. The LTNCDs bear a fixed coupon rate of 4.55% per annum, payable quarterly in arrears.

Maturity of the P20 Billion Peso Fixed Rate Bonds On February 18, 2024, the previously issued ₱20 billion peso fixed bonds matured. This bond bears a fixed couple rate of 2.50% per annum, payable monthly.

f. **Segment Information.** Operating businesses are recognized and managed separately according to the nature of business served, with each segment representing a strategic business unit. The Bank's comparative revenues and expenses by business segments are shown in Annex VII.

g. **Dividends.** At the special meeting held on April 17, 2024, the Board of Directors (BOD) approved the declaration of ₱1.20 per share regular dividend and an additional ₱1.00 per share special dividend, and set May 3, 2024 as the date of record. Cash dividends were paid on May 16, 2024.

h. **Effect of Changes in the Composition of the Enterprise during the Interim Period.**
There were no changes in the composition of the issuer including business combinations, acquisitions, or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations during the period.

i. **Changes in Contingent Liabilities or Contingent Assets.** There are various outstanding commitments and contingent liabilities but management does not anticipate any material financial impact as a result of these transactions.

j. **Material Contingencies and Any Other Events.**
Cash Dividends from China Bank Insurance Brokers, Inc. (CIBI) On March 25, 2024, the Bank received ₱50 million cash dividends from China Bank Insurance Brokers, Inc. (CIBI).

LIBOR Transition On July 1, 2023, the London Interbank Offered Rate (LIBOR) ceased to exist and was replaced by the Secured Overnight Financing Rate (SOFR). The Parent Company used LIBOR for the fair valuation of floating Interest Rate Swaps (IRS) for periods up to June 30, 2023, and SOFR for periods after June 30, 2023. On July 1, 2023, the impact of the transition from LIBOR to SOFR resulted in a net decrease in the fair value of IRS amounting to ₱47.07 million.

For the cash flow hedges where IRS are designated as hedging instruments, the Parent Company applied the provisions from the IBOR reform Phase 2 which provides temporary reliefs to enable the Parent Company's hedging relationships to continue upon the replacement of an existing interest rate benchmark with SOFR. Hence, the cessation of LIBOR does not have an impact on the Parent Company's existing hedge relationships.

k. **Financial Risk Disclosure**. The Group's activities are principally related to the profitable use of financial instruments. Risks are inherent in these activities but are managed by the Group through a rigorous, comprehensive, and continuous process of identification, measurement, monitoring and mitigation of these risks, partly through the effective use of risk and authority limits and thresholds, process controls and monitoring, and independent controls. As reflected in its corporate actions and organizational improvements, the Group has placed due importance on expanding and strengthening its risk management process and considers it as a vital component to the Group's continuing profitability and financial stability. Central to the Group's risk management process is its adoption of a risk management program intended to avoid unnecessary risks, manage and mitigate inherent risks, and maximize returns from taking acceptable risks necessary to sustain its business viability and good financial position in the market.

The key financial risks that the Group faces are: credit risk, market risk, and liquidity risk. The Group's risk management objective is primarily focused on controlling and mitigating these risks. The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries, particularly CBSI, have their own risk management processes but are structured similar to that of the Parent Company. To a large extent, the respective risk management programs and objectives are the same across the Group. The severity of risk, materiality, and regulations are primary considerations in determining the scope and extent of the risk management processes put in place for the subsidiaries.

Risk Management Structure

The BOD of the Parent Company is ultimately responsible for the oversight of the Parent Company's risk management processes. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BODs. The BOD of the Parent Company created a separate board-level independent committee with explicit authority and responsibility for managing and monitoring risks.

The BOD has delegated to the Risk Oversight Committee (ROC) the formulation and supervision of the risk management process which includes, among others, determining the appropriate risk mitigating strategies and operating principles, adoption of industry standards, development of risk metrics, monitoring of key risk indicators, and the imposition of risk parameters. The ROC is composed of three members of the BOD, all of whom are independent directors.

The Risk Management Group (RMG) is the operating unit of the ROC primarily responsible for the implementation of the risk management strategies approved by the Board of Directors. The implementation cuts across all departments of the Parent Company and involves all of the Parent Company's financial instruments, whether "on-books" or "off-books". The RMG is likewise responsible for monitoring the implementation of specific risk control procedures and enforcing compliance thereto. The RMG is also directly involved in the day-to-day monitoring of material risks ensuring that the Parent Company, in its transactions and dealings, engages only in risk-taking activities duly approved by the ROC. The RMG also ensures that relevant information is accurately and completely captured on a timely basis in the management reporting system of the Parent Company. The RMG is headed by the Chief Risk Officer (CRO) who reports the results of risk measurements to the ROC.

Apart from RMG, each business unit has created and put in place various process controls which ensure that all the external and internal transactions and dealings of the unit are in compliance with the unit's risk management objectives.

The Internal Audit Division also plays a crucial role in risk management primarily because it is independent of the business units and reports exclusively to the Audit Committee which, in turn, is comprised of independent directors. The Internal Audit Division focuses on ensuring that adequate controls are in place and on monitoring compliance to controls. The regular audit covers all processes and controls, including those under the risk management framework handled by the RMG. The audit of these processes and controls is undertaken regularly. The audit results and exceptions, including recommendations for their resolution or improvement, are discussed initially with the business units concerned before these are presented to the Audit Committee.

Risk Management Reporting
The CRO reports to the ROC and is a resource of the Credit Committee (CreCom), Asset-Liability Committee (ALCO), Operations Committee (OpsCom) and Technology Steering Committee (TSC). The CRO reports on key risk indicators and specific risk management issues that would need resolution from top management. This is undertaken after the risk issues and key risk indicators have been discussed with the business units concerned. The RMG's function, particularly, that of the CRO, as well as the Board's risk oversight responsibilities are articulated in the risk management manual based on the requirements of BSP Circular No. 971, Guidelines on Risk Governance.

The key risk indicators were formulated on the basis of the financial risks faced by the Parent Company. These indicators contain information from all business units that provide measurements on the level of the risks taken by the Parent Company in its products, transactions, and financial structure. Among others, the report on key risk indicators includes information on the Parent Company's aggregate credit exposure, credit metric forecasts, hold limit exceptions, Value-at-Risk (VaR), Maximum Cumulative Outflow (MCO) and Earnings-at-Risk (EAR) analysis, utilization of market and credit limits and thresholds, liquidity risk limits and ratios, overall loan loss provisioning, and risk profile changes. Loan loss provisioning and credit limit utilization are, however, discussed in more detail in the Credit Committee. On a monthly basis, detailed reporting of industry, customer, and geographic risks is included in the discussion with the ROC. A comprehensive risk report is presented to the BOD on a periodic basis for an overall assessment of the level of risks taken by the Parent Company. On the other hand, the Chief Audit Executive reports to the Audit Committee on a monthly basis on the results of branch or business unit audits and for the resolution of pending but important internal audit issues.

Risk Mitigation
The Parent Company uses derivatives to manage exposures to financial instruments resulting from changes in interest rates and foreign currencies exposures. However, the nature and extent of use of these financial instruments to mitigate risks are limited to those allowed by the BSP for the Parent Company and its subsidiaries.

To further mitigate risks throughout its different business units, the Parent Company formulates risk management policies and continues to improve its existing policies. These policies further serve as the framework and set of guidelines in the creation or revisions of operating policies and manuals for each business unit. In the process design and implementation, preventive controls are preferred over detection controls. Clear delineation of responsibilities and separation of incompatible duties among officers and staff, as well as among business units are reiterated in these policies. To the extent possible, reporting and accounting responsibilities are segregated from units directly involved in operations and frontline activities (i.e., players must not be scorers). This is to improve the credibility and accuracy of management information. Any inconsistencies in the operating policies and manuals with the risk framework created by the RMG are taken up and resolved in the ROC.

The Operational Risk Assessment Program and IT Risk Frameworks require the Parent Company to undergo periodic operational risk assessment and for all business units & allied businesses to conduct risk and control self-assessments. These enable determination of priority risk areas, assessment of mitigating controls in place, and institutionalization of additional measures to ensure both a controlled operating environment and proper handling of IT risk exposures. RMG maintains and updates the Parent Company's Centralized Loss

Database wherein all reported incidents of losses shall be encoded to enable assessment of weaknesses in the processes and come up with viable improvements to avoid recurrence.

Monitoring and controlling risks are primarily performed based on various limits and thresholds established by the top management covering the Group's transactions and dealings. These limits and thresholds reflect the Group's business strategies and market environment, as well as the levels of risks that the Group is willing to tolerate, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Liquidity risk, interest rate risk, and market risk exposures are measured and monitored through the reports generated by a cloud-based automated system (Ambit Focus system).

BSP issued Circular No. 639 dated January 15, 2009 which mandated the use of the Internal Capital Adequacy Assessment Process (ICAAP) by all universal and commercials banks to determine their minimum required capital relative to their business risk exposures. In this regard, the Board approved the engagement of the services of a consultant to assist in the bank-wide implementation and embedding of the ICAAP, as provided for under Pillar 2 of Basel II and BSP Circular No. 639.

On April 3, 2024, the BOD approved the 2024 ICAAP document. The Pillar 1 Plus approach used the Pillar 1 capital as the baseline. The process of allocating capital for all types of risks above the Pillar 1 capital levels includes quantification of capital buffer for Pillar 2 risks under normal business cycle/condition. In addition, the document included the quantification based on the results of the Integrated Stress Test (IST). The adoption of the IST allows the Parent Company to quantify its overall vulnerability to market shocks and operational losses in a collective manner driven by events rather than in silo. The capital assessment in the document discloses that the Group and the Parent Company has appropriate and sufficient level of internal capital.

The Parent Company submitted its annually-updated ICAAP document, in compliance with BSP requirements, on March 27, 2024.

l. **Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the period**. There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the period.

m. **Material commitment for capital expenditures.** The Group expects to incur capital expenditures to technology and building-related investments. Funding will be sourced internally.

n. **Fair Value Measurement**. The Group has assets and liabilities in the balance sheets that are measured at fair value on a recurring and non-recurring basis after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized in the balance sheet at the end of each financial reporting period. These include financial assets and liabilities at FVTPL and financial assets at FVOCI.

The methods and assumptions used by the Group in estimating the fair values of the financial instruments follow:

Cash and other cash items, due from BSP and other banks, interbank loans receivable and SPURA and accrued interest receivable – The carrying amounts approximate their fair values in view of the relatively short-term maturities of these instruments.

Debt securities – Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using directly or indirectly either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.

Equity securities – For publicly traded equity securities, fair values are based on quoted prices. For unquoted equity securities, remeasurement to their fair values is not material to the financial statements.

Loans and receivables and sales contracts receivable (SCR) included in other assets – Fair values of loans and receivables and SCR are estimated using the discounted cash flow methodology, where future cash flows are discounted using the Group's current incremental lending rates for similar types of loans and receivables.

Accounts receivable, RCOCI and other financial assets included in other assets – Quoted market prices are not readily available for these assets. These are reported at cost and are not significant in relation to the Group's total portfolio of financial assets.

Derivative instruments (included under FVTPL and designated as hedges) – Fair values are estimated based on discounted cash flows, using prevailing interest rate differential and spot exchange rates.

Deposit liabilities (time, demand and savings deposits) – Fair values of time deposits are estimated using the discounted cash flow methodology, where future cash flows are discounted using the Group's current incremental borrowing rates for similar borrowings and with maturities consistent with those remaining for the liability being valued. For demand and savings deposits, carrying amounts approximate fair values considering that these are currently due and demandable.

Bonds payable and bills payable – Unless quoted market prices are readily available, fair values are estimated using the discounted cash flow methodology, where future cash flows are discounted using the current incremental borrowing rates for similar borrowings and with maturities consistent with those remaining for the liability being valued.

Manager's checks and accrued interest and other expenses – Carrying amounts approximate fair values due to the short-term nature of the accounts.

Other liabilities – Carrying amounts approximate fair values due to the short-term nature of the accounts.

As of June 30, 2024 and December 31, 2023, except for the following financial instruments, the carrying values of the Group's financial assets and liabilities as reflected in the balance sheets and related notes approximate their respective fair values:

	June 30, 2024		**December 31, 2023 (Audited)**	
(Amounts in Thousands)	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Financial Assets at Amortized Cost				
Government bonds	**₱270,631,505**	**₱265,460,076**	₱254,849,986	₱253,652,604
Private bonds	**134,059,935**	**126,904,502**	125,611,435	119,279,664
	404,691,440	**392,364,578**	380,461,421	372,932,268
Loans and receivables				
Corporate and commercial lending	**589,447,624**	**563,885,194**	579,165,319	562,274,548
Consumer lending	**197,928,354**	**215,199,307**	180,835,652	195,194,554
Trade-related lending	**9,737,749**	**9,981,436**	11,890,709	12,020,823
Others	**131,242**	**128,905**	100,079	117,817
	797,244,969	**789,194,842**	771,991,759	769,607,742
Sales contracts receivable	**1,649,126**	**1,812,263**	1,612,416	1,764,176
	798,894,095	**791,007,105**	773,604,175	771,371,918
	₱1,203,585,535	**₱1,183,371,683**	₱1,154,065,596	₱1,144,304,186

	June 30, 2024		December 31, 2023 (Audited)	
Financial Liabilities				
Time deposit liabilities	**₱714,676,933**	**₱698,590,443**	₱611,466,946	₱586,818,584
Bills payable	**78,942,966**	**78,721,067**	84,798,489	84,370,558
Bonds payable	**–**	**–**	19,989,307	19,989,307
	₱793,619,899	**₱777,311,510**	₱716,254,742	₱691,178,449

As of June 30, 2024 and December 31, 2023, the fair value hierarchy of the Group's assets and liabilities are presented below:

	June 30, 2024			
(Amounts in Thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at FVPL				
Held-for-trading				
Government bonds	**₱1,250,176**	**₱14,155,734**	**₱–**	**₱15,405,910**
Treasury notes	**–**	**3,511,978**	**–**	**3,511,978**
Treasury bills	**–**	**1,902,809**	**–**	**1,902,809**
Private bonds	**1,125,610**	**–**	**–**	**1,125,610**
Quoted equity shares	**278,367**	**–**	**–**	**278,367**
Financial assets designated at FVTPL	**482,262**	**165,752**	**–**	**648,014**
Derivatives with positive fair value held for trading	**–**	**2,044,286**	**–**	**2,044,286**
Derivative contracts designated as hedges	**–**	**5,496,817**	**–**	**5,496,817**
Financial assets at FVOCI				
Government bonds	**35,442,698**	**75,550,773**	**–**	**110,993,471**
Quoted private bonds	**24,320,911**	**–**	**–**	**24,320,911**
Quoted equity shares	**1,697,358**	**–**	**–**	**1,697,358**
	₱64,597,382	**₱102,828,149**	**₱–**	**₱167,425,531**
Financial liabilities at FVPL				
Derivative liabilities	**₱–**	**₱2,633,112**	**₱–**	**₱2,633,112**
Derivative contracts designated as hedges	**–**	**2,790,449**	**–**	**2,790,449**
	₱–	**₱5,423,561**	**₱–**	**₱5,423,561**
Fair values of assets carried at amortized cost/cost				
Investment securities at amortized cost				
Government bonds	**₱265,460,076**	**₱–**	**₱–**	**₱265,460,076**
Private bonds	**70,705,130**	**–**	**56,199,372**	**126,904,502**
Loans and receivables				
Corporate and commercial lending	**–**	**–**	**563,885,194**	**563,885,194**
Consumer lending	**–**	**–**	**215,199,307**	**215,199,307**
Trade-related lending	**–**	**–**	**9,981,436**	**9,981,436**
Others	**–**	**–**	**128,905**	**128,905**
Sales contracts receivable	**–**	**–**	**1,812,263**	**1,812,263**
Investment properties				
Land	**–**	**–**	**5,714,104**	**5,714,104**
Buildings and improvements	**–**	**–**	**2,837,586**	**2,837,586**
	₱336,165,206	**₱–**	**₱855,758,167**	**₱1,191,923,373**
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	**₱–**	**₱–**	**₱698,590,443**	**₱698,590,443**
Bills payable			**78,721,067**	**78,721,067**
	₱–	**₱–**	**₱777,311,510**	**₱777,311,510**

	December 31, 2023 (Audited)			
(Amounts in Thousands)	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱650,086	₱7,536,794	₱–	₱8,186,880
Treasury notes	–	1,135,824	–	1,135,824
Treasury bills	–	772,482	–	772,482
Private bonds	1,252,276	–	–	1,252,276

(Amounts in Thousands)	December 31, 2023 (Audited) Level 1	Level 2	Level 3	Total
Quoted equity shares	897,898	–	–	897,898
Financial assets designated at FVTPL	450,825	161,662	–	612,487
Derivatives with positive fair value held for trading	–	773,440	–	773,440
Derivative contract designated as hedge	–	3,946,553	–	3,946,553
FVOCI financial assets				
Government bonds	29,614,852	55,522,517	–	85,137,369
Quoted private bonds	19,774,579	–	–	19,774,579
Quoted equity shares	1,601,596	–	–	1,601,596
	₱54,242,112	₱69,849,272	₱–	₱124,091,384
Financial liabilities at FVPL				
Derivative liabilities	₱–	₱938,722	₱–	₱938,722
Derivative contracts designated as hedges	–	8,049,417	–	8,049,417
	₱–	₱8,988,139	₱–	₱8,988,139
Fair values of assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱253,652,604	₱–	₱–	₱253,652,604
Private bonds	63,038,700	–	56,240,963	119,279,663
Loans and receivables				
Corporate and commercial loans	–	–	562,274,548	562,274,548
Consumer loans	–	–	195,194,554	195,194,554
Trade-related loans	–	–	12,020,823	12,020,823
Others	–	–	117,817	117,817
Sales contracts receivable	–	–	1,764,176	1,764,176
Investment properties				
Land	–	–	5,087,793	5,087,793
Buildings and improvements	–	–	2,819,037	2,819,037
	₱316,691,304	₱–	₱835,519,711	₱1,152,211,015
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱586,818,584	₱586,818,584
Bills payable	–	–	84,370,558	84,370,558
Bonds payable	–	–	19,989,307	19,989,307
	₱–	₱–	₱691,178,449	₱691,178,449

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

Transactions with Retirement Plans of the Group's Employees

Under PFRS, certain post−employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of its retirement plans pursuant to which it provides trust and management services to these plans. Income earned by Parent Company from such services amounted to ₱30.76 million and ₱24.25 million for the six-month periods ended June 30, 2024 and 2023, respectively. The Group's retirement funds may hold or trade the Parent Company's shares or securities. Significant transactions of the retirement fund, particularly with related parties, are approved by the Trust Investment Committee (TIC) and the Related Party Transaction (RPT) Committee of the Parent Company. The members of the TIC and RPT are directors and key management personnel of the Parent Company.

Transactions with related party retirement plan follow:

(Amounts in Thousands)	**June 30, 2024**	December 31, 2023 (Audited)
Balance Sheet		
Deposit in banks	**₱66,917**	₱7,468
Financial assets at FVTPL	**2,183,169**	1,683,769
Total market value	**2,183,169**	1,683,769
Number of shares held	**54,579**	54,579

(Amounts in Thousands)	**Six Months Ended June 30** **2024**	2023
Income Statement		
Dividend income	**₱120,074**	₱103,700
Interest income	**30**	55

Other Related Party Transactions

Related party transactions of the Group by category of related party are presented below:

(Amounts in Thousands)	**June 30, 2024**		
Category	**Amount / Volume**	**Outstanding Balance**	**Terms and Conditions**
Significant Investor			
Loans and receivables		**₱8,321,900**	Secured with shares of stocks of stocks with interest rate ranging from 4% to 4.18% and remaining maturity between 0.19 years to 4.38 years. Allowance for probable losses to Php5.21 million.
Issuances	**–**		
Repayments	**(2,000)**		
Associates			
Deposit Liabilities		**2,187**	These are checking accounts with annual average rate ranging from 0.13% to 1.00%.
Deposit	**621**		
Withdrawals	**(93)**		
Key Management Personnel			
Loans		**3,881**	Unsecured officer's accounts from credit card with interest of 3% and peso loans with average interest rate of 5% and average term of 8 years.
Issuance	**1,134**		
Repayments	**(909)**		
Deposit Liabilities		**139,904**	These are checking, savings and time deposit account with annual average interest rates ranging from 0.13% to 1.00%
Deposits	**212,532**		
Withdrawals	**(186,952)**		
Other Related Parties			
Loans		**64,755,205**	Secured and unsecured loans with interest rate ranging from 2.50% to 10.79% and with remaining maturity between less than a month to 12.08 years. Allowance for credit losses amounting to ₱54.1 million and general loan loss provision of ₱ 394.04 million.
Issuances	**8,484,478**		
Repayments	**(3,698,252)**		
Deposit Liabilities		**715,996**	These are checking accounts with annual average rate ranging from 0.13% to 1.00%.
Deposit	**8,908,096**		
Withdrawals	**(8,733,901)**		

(Amounts in Thousands)	**December 31, 2023 (Audited)**		
Category	**Amount / Volume**	**Outstanding Balance**	**Terms and Conditions**
Significant Investor			
Loans		₱8,323,900	Secured with shares of stocks, with interest rate ranging from 4% to 4.18%; with remaining term to maturity between 0.62 years to 4.88 years; and with allowance for probable losses of ₱4.54 million.
Issuances	–		
Repayments	(8,350)		
Associates			
Deposit Liabilities		1,659	These are checking accounts with annual average rate of 0.13%.
Deposit	212		
Withdrawals	(1,523)		
Key Management Personnel			
Loans		3,656	Unsecured officer's credit card accounts with interest of 3% and loan accounts with average 5% rate.
Issuances	2,061		
Repayments	(1,569)		
Deposit Liabilities		114,323	These are checking, savings and time deposits with annual average
Deposit	341,843		
Withdrawals	(348,676)		

(Amounts in Thousands)	December 31, 2023 (Audited)		
Category	**Amount / Volume**	**Outstanding Balance**	**Terms and Conditions**
			interest rates ranging from 0.25% to 1.00%.
Other Related Parties			
Loans		59,968,980	Secured and unsecured loans amounting to ₱5.16 billion and ₱54.8 billion, respectively, with interest rates ranging from 2.50 % to 10.80%; with remaining term to maturity between 0.01 years to 12.57 years; with allowance for credit losses of ₱ 371.3 million.
Issuances	17,261,831		
Repayments	(8,216,634)		
Deposit Liabilities		541,801	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposit	592,183		
Withdrawals	(450,813)		

Other related parties pertain to subsidiaries of the significant investor.

Interest income earned and interest expense incurred from the above loans and deposit liabilities, respectively, for the six-month periods ended June 30, 2024 and June 30, 2023, are presented below:

	Significant Investor		**Associates**	
	June 30			
(Amounts in Thousands)	**2024**	2023	**2024**	2023
Interest income	**₱169,694**	₱170,201	**₱–**	₱–
Interest expense	**–**	–	**1**	1

	Key Management Personnel		**Other Related Parties**	
	June 30			
(Amounts in Thousands)	**2024**	2023	**2024**	2023
Interest income	**₱107**	₱101	**₱1,691,065**	₱1,397,482
Interest expense	**3,056**	2,272	**868**	537

Related party transactions of the Group with significant investor, associate and other related parties pertain to transactions of the Parent Company with these related parties.

The following table shows the amount and outstanding balance of other related party transactions included in the financial statements:

	Subsidiaries		
Amounts in Thousands)	**June 30, 2024**	December 31, 2023	**Nature, Terms and Conditions**
Balance Sheet			
Accounts receivable	**₱5,263**	₱33,970	This pertains to various expenses advanced by CBC in behalf of various subsidiaries
Security deposits	**11,297**	10,981	This pertains to the rental deposits with CBSI and CBCC for office space leased out to the Parent Company

	Subsidiaries		
(Amounts in Thousands)	**June 30, 2024**	June 30, 2023	**Nature, Terms and Conditions**
Income Statement			
Trust fee income	**₱511**	₱438	Trust Fee earned by Parent Company from CBCC
Interest Income	**211**	435	Interest earned from cash in bank and short-term investment of CBCC
Rent income	**1,752**	1,390	Rent Income from CBCC

	Subsidiaries		
(Amounts in Thousands)	**June 30, 2024**	June 30, 2023	**Nature, Terms and Conditions**
Other Income	**8,996**	14,356	Unrealized gain on money market funds of CBCC
Miscellaneous income	**1,000**	1,875	Certain functions provided by the Parent Company to its subsidiaries such as accounting, human resources, audit, treasury operations, administrative, corporate marketing, and financial control services. Under the agreement between the Parent Company and its subsidiaries, the subsidiaries shall pay the Parent Company an annual fee.
Occupancy cost	**20,285**	19,297	Certain units of the condominium owned by CBSI are being leased to the Parent Company for a term of five years, with no escalation clause.
Deferred charges	**–**	1,274	Arranger fees paid by the Parent Company to CBCC for the issuance of its fixed rate bonds
Information technology	**174,385**	161,929	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements.
Miscellaneous expense	**843**	1,543	Brokerage fees paid by the Parent Company to CBSec.

CHINA BANKING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION **Annex I**
(Amounts in thousands)

		June 2024		December 2023
		Unaudited		Audited
ASSETS				
Cash and Other Cash Items	₱	**12,137,316**	₱	15,998,094
Due from Bangko Sentral ng Pilipinas		**79,214,184**		84,595,973
Due from Other banks		**12,673,042**		19,964,415
Interbank Loans Receivable and Securities Purchased under Resale Agreements		**20,172,409**		34,720,250
Financial Assets at Fair Value through Profit or Loss		**24,916,974**		13,631,287
Derivative Contracts Designated as Hedges		**5,496,817**		3,946,553
Financial Assets at Fair Value through Other Comprehensive Income		**137,039,826**		106,541,487
Investment Securities at Amortized Cost		**404,691,440**		380,461,421
Loans and Receivables - net		**797,244,969**		771,991,759
Accrued Interest Receivable		**12,799,097**		11,464,932
Investments in Associates		**1,593,855**		1,389,952
Bank Premises, Furniture, Fixtures and Equipment - net		**10,057,930**		10,078,844
Investment Properties		**4,117,309**		3,936,112
Deferred Tax Assets		**7,073,774**		6,505,865
Intangible Assets		**4,249,685**		3,776,649
Goodwill		**839,748**		839,748
Other Assets		**10,612,292**		8,199,881
	₱	**1,544,930,668**	₱	1,478,043,222
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities				
Demand		**288,571,892**		291,397,398
Savings		**280,012,143**		283,859,211
Time		**714,676,933**		611,466,946
		1,283,260,968		1,186,723,555
Bills Payable		**78,942,966**		84,798,489
Bonds Payable		**-**		19,989,307
Manager's Checks		**1,998,034**		2,109,463
Income Tax Payable		**501,851**		133,659
Accrued Interest and Other Expenses		**7,794,465**		8,589,210
Derivative Liabilities		**2,633,112**		938,722
Derivative Liabilities Designated as Hedges		**2,790,449**		8,049,417
Deferred Tax Liabilities		**791,376**		792,114
Other Liabilities		**14,304,655**		15,620,885
		1,393,017,876		1,327,744,821
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital Stock				
Common Stock - P10 par value				
Authorized - 3,300,000,000 shares				
Issued - 2,691,340,312 shares		**26,913,403**		26,913,403
Capital paid in excess of par value		**17,201,513**		17,201,513
Surplus Reserves		**5,101,437**		5,003,653
Surplus		**106,319,200**		100,900,465
Net Unrealized Gains (Losses) on Financial Assets at FVOCI		**(3,275,340)**		(1,413,868)
Remeasurement Gain on Defined Benefit Asset		**84,250**		88,215
Remeasurement on Life Insurance Reserve of Associate		**81,504**		92,103
Cumulative translation adjustment		**210,433**		190,471
Cash Flow Hedge Reserve		**(803,512)**		1,246,194
		151,832,888		150,222,149
Non-controlling Interest		**79,904**		76,252
		151,912,793		150,298,401
	₱	**1,544,930,668**	₱	1,478,043,222

CHINA BANKING CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands)

		June 2024		December 2023
		Unaudited		**Audited**
CONTINGENT ACCOUNTS				
Forward exchange bought	₱	**401,845,543**	₱	269,755,228
Trust department accounts		**288,609,460**		282,061,181
IRS receivable		**76,161,571**		99,809,626
Forward exchange sold		**92,678,059**		44,274,190
Credit card Lines		**26,688,509**		24,255,716
Unused commercial letters of credit		**17,775,917**		15,434,894
Committed Credit Lines		**8,251,107**		9,597,231
Spot exchange bought		**7,566,913**		2,619,034
Inward bills for collection		**8,357,953**		2,496,350
Spot exchange sold		**7,619,140**		8,544,119
Standby credit commitment		**5,495,156**		3,334,366
Outstanding guarantees Issued		**1,356,373**		3,639,666
Late deposits/payments received		**289,103**		383,716
Deficiency claims receivable		**280,195**		280,195
Outward bills for collection		**64,720**		29,729
Others		**2,976**		9,180
	₱	**943,042,695**	₱	766,524,421

CHINA BANKING CORPORATION AND SUBSIDIARIES **Annex II**

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in thousands)

	For the Semestral Ended June 30		For the Quarter Ended June 30	
	2024	2023	2024	2023
INTEREST INCOME				
Loans and receivables	₱ **28,694,706**	₱ 24,635,221	₱ **14,622,940**	₱ 12,591,213
Investment securities at amortized cost and at FVOCI	**13,857,689**	10,929,947	**7,175,973**	5,710,966
Financial Assets at FVPL	**642,305**	345,532	**360,072**	199,911
Due from BSP and other banks and SPURA	**1,507,255**	1,953,931	**643,446**	952,845
	44,701,955	37,864,632	**22,802,431**	19,454,935
INTEREST EXPENSES				
Deposit liabilities	**12,358,366**	10,379,261	**6,360,886**	5,545,505
Bills payable and other borrowings	**1,784,837**	1,840,208	**912,624**	978,206
Lease Payable	**141,196**	97,843	**86,433**	48,602
	14,284,399	12,317,312	**7,359,943**	6,572,313
NET INTEREST INCOME	**30,417,556**	25,547,319	**15,442,489**	12,882,622
Service charges, fees and commissions	**1,553,438**	1,641,496	**591,746**	891,485
Trading, securities and foreign exchange gains (losses) - net	**(6,479,204)**	(1,614,290)	**(3,564,203)**	(686,454)
Gain on sale of investment properties	**255,976**	243,627	**124,441**	134,957
Trust fee income	**317,526**	282,236	**162,302**	154,954
Gain on asset foreclosure and dacion transactions	**189,076**	221,671	**101,051**	(11,182)
Share in net income of associates	**288,686**	238,370	**176,270**	239,019
Miscellaneous	**2,505,262**	482,817	**892,560**	287,704
TOTAL OPERATING INCOME	**29,048,315**	27,043,247	**13,926,656**	13,893,104
Compensation and fringe benefits	**4,793,393**	4,569,436	**2,706,545**	2,294,837
Occupancy cost	**987,446**	1,124,899	**446,435**	564,072
Taxes and licenses	**3,117,219**	2,788,682	**1,486,428**	1,420,993
Insurance	**1,506,329**	1,411,948	**808,654**	756,009
Depreciation and amortization	**1,174,288**	880,495	**684,277**	438,573
Provision for impairment and credit losses	**737,192**	877,914	**435,060**	437,447
Transportation and traveling	**258,717**	207,266	**144,515**	119,951
Professional fees, marketing and other related services	**562,251**	441,027	**369,559**	289,292
Entertainment, amusement and recreation	**198,766**	208,560	**121,808**	124,491
Stationery, supplies and postage	**129,745**	114,362	**60,735**	54,914
Repairs and maintenance	**114,718**	100,551	**63,967**	58,474
Miscellaneous	**1,252,776**	1,544,450	**(9,561)**	470,468
TOTAL OPERATING EXPENSES	**14,832,840**	14,269,589	**7,318,422**	7,029,523
INCOME BEFORE INCOME TAX	**14,215,475**	12,773,658	**6,608,233**	6,863,580
PROVISION FOR INCOME TAX	**2,774,345**	1,933,104	**1,071,095**	1,044,535
NET INCOME	₱ **11,441,130**	₱ 10,840,553	₱ **5,537,138**	₱ 5,819,044
Attributable to:				
Equity holders of the parent	**11,437,467**	10,825,384	**5,535,199**	5,811,504
Non-controlling Interest	**3,663**	15,169	**1,941**	7,541
	₱ **11,441,130**	₱ 10,840,553	₱ **5,537,138**	₱ **5,819,044**
Earnings Per Share				
Basic and Diluted *	**4.25**	4.02	2.06	2.16
Net Income	**11,437,467**	10,825,384	5,535,199	5,811,504
Weighted Ave. Number of Common Shares Outstanding	**2,691,340**	2,691,288	**2,691,340**	2,691,288

** No preferred shares, convertible bonds and stock warrants issued.*

CHINA BANKING CORPORATION AND SUBSIDIARIES **Annex III**
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in thousands)

	For the Semestral Ended June 30		For the Quarter Ended June 30	
	2024	**2023**	**2024**	**2023**
Net Income	₱ **11,441,130**	₱ 10,840,553	₱ **5,537,138**	₱ 5,819,044
Other Comprehensive Income (Loss):				
Items that recycle to profit or loss in subsequent periods:				
Changes in fair value of debt financial assets at FVOCI:				
Fair value gain (loss) for the year, net of tax	**(1,879,172)**	1,013,801	**(1,196,281)**	(513,701)
Gains taken to profit or loss	**(7,965)**	(313,790)	**(892)**	(313,790)
Share in other comprehensive income of associate:				
Net unrealized gain (loss) on financial assets at FVOCI	**(70,210)**	43,630	**(39,377)**	62,750
Gain (loss) on hedges	**(2,049,706)**	(2,701,796)	**(912,151)**	(801,646)
Cumulative translation adjustment	**20,070**	(18,143)	**6,723**	4,519
Items that do not recycle to profit or loss in subsequent periods:				
Changes in fair value of equity financial assets at FVOCI:				
Fair value gain (loss) for the year, net of tax	**95,763**	247,513	**14,928**	261,236
Share in other comprehensive income of associate:				
Remeasurement gain (loss) on defined benefit assset or liability, net of tax	**(453)**	(73,537)	**(2,504)**	-
Remeasurement gain on life insurance reserves	**(10,599)**	35,709	**(10,599)**	31,128
Remeasurement gain (loss) on defined benefit asset or liability	**(3,520)**	69,211	**2,504**	255
Other Comprehensive Income (Loss) for the year	**(3,905,793)**	(1,697,402)	**(2,137,649)**	(1,269,249)
Total Comprehensive Income for the year	₱ **7,535,337**	₱ 9,143,151	₱ **3,399,489**	₱ 4,549,795
Total comprehensive income attributable to:				
Equity holders of the Parent Company	₱ **7,531,688**	₱ 9,127,601	₱ **3,397,532**	₱ 4,541,991
Non-controlling Interest	**3,649**	15,551	**1,958**	7,805
	₱ **7,535,337**	₱ 9,143,151	₱ **3,399,489**	₱ 4,549,795

CHINA BANKING CORPORATION AND SUBSIDIARIES **Annex IV**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in thousands)

	Capital Stock	Capital Paid in Excess of Par Value	Surplus Reserves	Surplus Free	Net unrealized gains (losses) on FVOCI	Remeasurement gain (loss) on defined benefit asset or liability	Remeasurement gain (loss) on life insurance reserve of an associate	Cash Flow Hedge Reserve	Cumulative Translation Adjustment	Total Equity	Non-Controlling Interest	Total Equity
Balance at December 31, 2023	**26,913,403**	**17,201,513**	**5,003,653**	**100,900,465**	**(1,413,868)**	**88,215**	**92,103**	**1,246,194**	**190,471**	**150,222,149**	**76,252**	**150,298,401**
Total comprehensive income for the year	**-**	**-**	**-**	**11,437,467**	**(1,861,472)**	**(3,965)**	**(10,599)**	**(2,049,706)**	**19,962**	**7,531,688**	**3,652**	**7,535,340**
Retained Earnings, appropriated	**-**	**-**	**97,784**	**(97,784)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash Dividends - P2.20 per share				**(5,920,949)**						**(5,920,949)**	**-**	**(5,920,949)**
Balance at June 30, 2024	**26,913,403**	**17,201,513**	**5,101,437**	**106,319,200**	**(3,275,340)**	**84,250**	**81,504**	**(803,512)**	**210,433**	**151,832,889**	**79,904**	**151,912,793**
Balance at December 31, 2022	26,912,882	17,200,758	4,429,606	84,577,170	(4,293,952)	77,760	96,387	5,481,992	27,469	134,510,072	68,541	134,578,613
Total comprehensive income for the year	-	-	-	10,825,384	990,747	(4,326)	35,709	(2,701,796)	(18,118)	9,127,601	15,551	9,143,152
Retained Earnings, appropriated	-	-	(386,211)	386,211						-		-
Cash Dividends - P1.90 per share				(5,113,448)						(5,113,448)		(5,113,448)
Balance at June 30, 2023	26,912,882	17,200,758	4,043,395	90,675,317	(3,303,205)	73,433	132,096	2,780,196	9,352	138,524,225	84,091	138,608,317

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CHINA BANKING CORPORATION AND SUBSIDIARIES **Annex V**
STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	JUNE 2024	JUNE 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱ **14,215,475**	₱ 12,773,658
Adjustment to reconcile income before income tax to net cash provided operations:		
Provision for impairment and credit losses	**737,192**	877,914
Depreciation and amortization	**1,174,287**	880,495
Amortization of transaction costs on bonds payable	**10,693**	11,003
Realized gain on financial assets at FVOCI and investment securities at amortized cost	**(7,965)**	(313,790)
Share in net loss (income) of an associate	**(288,686)**	(238,370)
Gain on sale of investment properties	**(255,976)**	(243,627)
Gain on asset foreclosures and dacion transactions	**(189,076)**	(221,671)
Operating income before changes in operating assets and liabilities	**15,395,945**	13,525,611
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Financial assets at FVPL	**(11,285,687)**	(10,775,768)
Loans and receivables	**(26,183,696)**	(26,783,957)
Other assets	**(5,058,914)**	(4,710,061)
Increase (decrease) in the amounts of:		
Deposit liabilities	**96,537,413**	55,470,732
Manager's checks	**(111,429)**	647,093
Accrued interest and other expenses	**(794,745)**	990,596
Other liabilities	**(2,799,378)**	(2,811,726)
Net cash provided by operations	**65,699,509**	25,552,521
Income taxes paid	**(2,496,006)**	(2,276,095)
Net cash provided by operating activities	**63,203,503**	23,276,426
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of/Additions to:		
Net additions to bank premises, furniture, fixtures and equipment	**(1,163,587)**	(2,570,491)
Equity investments	**-**	160,000
Investment securities at amortized cost	**(58,889,936)**	(52,347,344)
Financial assets at fair value through other comprehensive income	**(75,931,612)**	(38,321,224)
Proceeds from sale of:		
Financial assets at fair value through other comprehensive income	**43,647,678**	5,427,783
Investment properties	**261,263**	129,757
Bank premises, furniture, fixtures and equipment	**-**	1,814,895
Proceeds from maturity of:		
Investment securities at amortized cost	**34,656,657**	33,120,557
Net cash provided by (used in) investing activities	**(57,419,537)**	(52,586,068)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of bills payable	**227,661,161**	275,807,680
Payments of bills payable	**(238,355,153)**	(270,250,243)
Maturity / Pre-termination of bonds payable	**(20,000,000)**	(8,280,000)
Payments of cash dividends	**(5,920,949)**	(5,113,448)
Payments of principal portion lease liabilities	**(250,806)**	(207,232)
Net cash provided by financing activities	**(36,865,747)**	(8,043,243)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(31,081,781)**	(37,352,884)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	**15,998,094**	13,689,421
Due from Bangko Sentral ng Pilipinas	**84,595,973**	107,100,295
Due from Other banks	**19,964,415**	13,614,609
Interbank loans receivable and securities purchased under resale agreements	**34,720,250**	43,564,970
	155,278,732	177,969,295
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	**12,137,316**	11,718,420
Due from Bangko Sentral ng Pilipinas	**79,214,184**	96,858,761
Due from Other banks	**12,673,042**	13,866,984
Interbank loans receivable and securities purchased under resale agreements	**20,172,409**	18,172,244
	₱ **124,196,952**	₱ 140,616,410

China Banking Corporation **ANNEX VI**
Aging of Loans and Receivables
June 30, 2024
(amounts in thousands)

	Total	Current	90 days or less	91 to 180 days	181 days to 1 year	More than 1 year	Total Past Due	Items in Litigation
Loans and Receivables	**815,315,926**	795,415,408	15,786,812	1,278,373	892,181	1,625,463	**19,582,829**	317,690
Less: Allow for Probable Losses & Unamotized Discount	18,070,958							
Net Loans and Receivables	**797,244,969**							
Accounts Receivables	**4,004,504**	**2,066,578**	61,853	91,490	885,257	383,462	**1,422,063**	515,863
Less:Allowance for Probable Losses	788,794							
Net Accounts Receivables	**3,215,710**							
Accrued Interest Receivables	**13,245,604**	13,245,604						
Less:Allowance for Probable Losses	446,507							
Net Accrued Interest Receivables	**12,799,097**							

CHINA BANKING CORPORATION AND SUBSIDIARIES
PROFITABILITY REPORT BY BUSINESS SEGMENT

Segment Report

Chinabank's operating businesses are recognized and managed separately according to the nature of services provided and the markets served, with each segment representing a strategic business unit. The Bank's business segments are as follows:

a) **Institutional Banking -** principally handles lending, trade finance and corollary banking products and services offered to corporate and institutional customers as well as selected middle market clients.

b) **Consumer Banking -** principally handles home loans, contract-to-sell receivables, loans to developers, auto loans, credit cards for individual and/or corporate customers**,** cash management services, and remittance transactions.

c) **Retail Banking Business -** principally handles retail and commercial loans, individual and corporate deposits, overdrafts and funds transfer facilities, trade facilities and all other services for retail customers;

d) **Financial Markets -** principally provides money market, trading and treasury services, manages the Bank's funding operations through the use of government securities, placements and acceptances with other banks as well as offers advisory and capital-raising services to corporate clients;

e) **Others** - handles other services including but not limited to trust and investment management services, wealth management services to high net-worth customers, asset management, credit management, operations and financial control, and other support services; and

f) **Subsidiaries** - handles services of the Parent Bank's subsidiaries and affiliates such as thrift banking business, investment house, insurance brokerage, bancassurance business, stock brokerage and computer-related services.

The Bank reports its primary segment information on the basis of the above-mentioned segments.

Segment assets are those operating assets that are employed by a segment in its operating activities that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Interest income is reported net as management primarily relies on the net interest income as a measure of performance, instead of gross income and expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to the business units based on a pool of funds rate which approximates the marginal cost of funds.

Other operating income mainly consists of trading and securities gain (loss) - net, service charges, fees and commissions, trust fee income and foreign exchange gain - net. Other operating expense mainly consists of compensation and fringe benefits, provision for impairment and credit losses, taxes and licenses, occupancy, depreciation and amortization, stationery, supplies and postage and insurance. Other operating income and expense are allocated between segments based on equitable sharing arrangements.

The Bank has no significant customers which contribute 10% or more of the consolidated revenues.

The Bank's asset-producing revenues are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is not presented.

The following tables present relevant information regarding business segments as of June 30, 2024:

Chinabank

PROFITABILITY REPORT BY BUSINESS SEGMENT
FOR THE PERIOD ENDING JUNE 30, 2024
CONSOLIDATED

(Amounts in thousands of Pesos)

	INSTITUTIONAL BANKING	CONSUMER BANKING	RETAIL BANKING BUSINESS	FINANCIAL MARKETS	OTHER BUSINESS & SUPPORT	SUBSIDIARIES	BANKWIDE
Net interest income	18,265,412	3,400,673	(818,511)	5,491,111	47,979	4,030,892	30,417,556
Third Party Intersegment	(14,411,808)	(2,513,839)	12,319,965	4,606,109	(427)	-	-
Net Interest Income after Intersegment Transactions	3,853,604	886,834	11,501,455	10,097,220	47,550	4,030,892	30,417,556
Other Operating Income	2,073,006	785,623	1,020,333	(6,430,559)	(34,877)	1,217,234	(1,369,241)
Total Revenue	5,926,609	1,672,457	12,521,788	3,666,661	12,674	5,248,126	29,048,315
Other Operating expense	(1,276,286)	(1,368,737)	(6,175,673)	(2,046,101)	(807)	(3,228,043)	(14,095,648)
Income before Provisions and Taxes	4,650,323	303,721	6,346,114	1,620,560	11,867	2,020,083	14,952,667
Provision for Impairment and Credit Losses	142,973	(141,254)	(245,885)	26,272	805	(520,102)	(737,192)
Income before Income Tax	4,793,297	162,467	6,100,229	1,646,832	12,670	1,499,980	14,215,475
Provision for Income Tax	(421,866)	126,555	(536,892)	(1,768,916)	1	(173,226)	(2,774,345)
Net Income	**4,371,430**	**289,022**	**5,563,337**	**(122,084)**	**12,671**	**1,326,754**	**11,441,130**
Total Assets	**561,137,425**	**91,513,011**	**644,233,233**	**543,584,109**	**(475,244,019)**	**179,706,909**	**1,544,930,668**
Total Liabilities	**915,085**	**1,330,048**	**631,419,821**	**892,296,569**	**(290,976,465)**	**158,032,818**	**1,393,017,876**
Depreciation & Amortization	**59,138**	**120,136**	**690,962**	**38,596**	**0**	**265,456**	**1,174,288**
Capital Expenditures	**8,824**	**15,986**	**58,511**	**6,453**	**605,069**	**166,423**	**861,266**

ANNEX VIII

Financial Soundness Indicators

PROFITABILITY (%)	***Jan – Jun 2024***	*Jan – Jun 2023*
Return on Average Equity	**15.15**	15.86
Return on Average Assets	**1.51**	1.60
Net Interest Margin	**4.44**	4.20
Cost-to-Income Ratio	**49**	50
LIQUIDITY (%)	***Jun 2024***	*Dec 2023*
Liquid Assets to Total Assets	**45**	45
Loans to Deposit Ratio	**62**	65
ASSET QUALITY (%)	***Jun 2024***	*Dec 2023*
Gross Non-Performing Loans Ratio	**1.9**	2.5
Non-performing Loan (NPL) Cover	**141**	104
SOLVENCY (x)	***Jun 2024***	*Dec 2023*
Debt to Equity Ratio	**9.2**	8.8
Asset to Equity Ratio	**10.2**	9.8
Interest Coverage Ratio	**2.0**	2.0*
CAPITAL ADEQUACY (%)	***Jun 2024***	*Dec 2023*
CET 1 / Tier 1 Ratio	**14.47**	15.25
Total Capital Adequacy Ratio (CAR)	**15.33**	16.14

**for Jan-Jun 2023*

Definition of Ratios

Profitability Ratios:

Return on Average Equity	-	$\dfrac{\text{Net Income after Income Tax}}{\text{Average Total Equity}}$
Return on Average Assets	-	$\dfrac{\text{Net Income after Income Tax}}{\text{Average Total Assets}}$
Net Interest Margin	-	$\dfrac{\text{Net Interest Income}}{\text{Average Interest Earning Assets}}$
Cost-to-Income Ratio	-	$\dfrac{\text{Operating Expenses excl Provision for Impairment \& Credit Losses}}{\text{Total Operating Income}}$

Liquidity Ratios:

Liquid Assets to Total Assets	-	$\dfrac{\text{Total Liquid Assets}}{\text{Total Assets}}$
Loans to Deposit Ratio	-	$\dfrac{\text{Loans (Net)}}{\text{Deposit Liabilities}}$

Asset Quality Ratios:

Gross NPL Ratio	-	$\dfrac{\text{Gross Non-Performing Loans}}{\text{Gross Loans}}$
NPL Cover	-	$\dfrac{\text{Total Allowance for Impairment \& Credit Losses on Receivables from Customers plus Retained Earnings Appropriated for Gen. Loan Loss Provision}}{\text{Gross Non-Performing Loans}}$

Solvency Ratios:

Debt to Equity Ratio	-	$\dfrac{\text{Total Liabilities}}{\text{Total Equity}}$
Asset to Equity Ratio	-	$\dfrac{\text{Total Assets}}{\text{Total Equity}}$
Interest Coverage Ratio	-	$\dfrac{\text{Net Income Before Tax and Interest Expense}}{\text{Interest Expense}}$

Capital Adequacy Ratio:

Capital to Risk Assets Ratio	-	BSP prescribed formula:
CET 1 CAR	-	$\dfrac{\text{CET 1 Capital}}{\text{Total Risk Weighted Assets}}$
Tier 1 CAR	-	$\dfrac{\text{Tier 1 Capital}}{\text{Total Risk Weighted Assets}}$
Total CAR	-	$\dfrac{\text{Total Qualifying Capital}}{\text{Total Risk Weighted Assets}}$

ANNEX IX

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation (Including Subsidiaries)

Financial Highlights (Consolidated)

In Billion Pesos	***Jun 2024***	*Dec 2023*	*Variance*	*%*
Total Resources	**1,545**	1,478	67	4.5%
Loan Portfolio (Net)	**797**	772	25	3.3%
Total Deposits	**1,283**	1,187	97	8.1%
Equity	**152**	150	2	1.1%

In Million Pesos	***Jan – Jun 2024***	*Jan – Jun 2023*	*Variance*	*%*
Gross Revenues	**43,333**	39,361	3,972	10.1%
Gross Expenses	**31,892**	28,520	3,372	11.8%
Net Income	**11,441**	10,841	601	5.5%

**Due to rounding, numbers presented in the tables may not add up precisely to the totals provided*

Key Performance Indicators

PROFITABILITY (%)	***Jan – Jun 2024***	*Jan – Jun 2023*
Return on Average Equity	**15.15**	15.86
Return on Average Assets	**1.51**	1.60
Net Interest Margin	**4.44**	4.20
Cost-to-Income Ratio	**49**	50
LIQUIDITY (%)	***Jun 2024***	*Dec 2023*
Liquid Assets to Total Assets	**45**	45
Loans to Deposit Ratio	**62**	65
ASSET QUALITY (%)	***Jun 2024***	*Dec 2023*
Gross NPL Ratio	**1.9**	2.5
NPL Cover	**141**	104
SOLVENCY (x)	***Jun 2024***	*Dec 2023*
Debt to Equity Ratio	**9.2**	8.8
Asset to Equity Ratio	**10.2**	9.8
Interest Coverage Ratio	**2.0**	2.0*
CAPITAL ADEQUACY (%)	***Jun 2024***	*Dec 2023*
CET 1 / Tier 1 Ratio	**14.47**	15.25
Total CAR	**15.33**	16.14

**for Jan-Jun 2023*

Economic Environment

US GDP growth surpassed market expectations in 2Q as it expanded by 2.8% vis-à-vis the preceding quarter, driven by the robust increases in consumer spending and private inventory investment. Although inflation cooled down to 2.6% in 2Q from 1Q's 3.4%, the US Federal Reserve decided to keep the funds rate at 5.25%-5.50%, given the solid expansion in economic activity and sustained job gains.

Meanwhile, the Philippine economy expanded by 6.3% year-on-year in 2Q, above market expectations. On the expenditure side, the increase was fueled by sustained household consumption, higher gross capital formation spending and higher government spending. Household consumption was mainly driven by higher spending on miscellaneous goods and services, transportation and housing water, electricity, gas & other fuels. The increase in gross capital formation spending, on the other hand, was due to higher construction expenditures. The growth was partly offset by the slowdown in net exports. On the production side, the industry and service sectors posted year-on-year growth of 7.7% and 6.8%, respectively, while the agriculture sector recorded a 2.3% decline.

Domestic inflation settled below 4% from January to June 2024, but July inflation accelerated to 4.4%, bringing the year-to-date average inflation to 3.7%, within the BSP's target range. In its June meeting, the BSP decided to keep its policy rate unchanged at 6.50%.

As of June 2024, the combined assets of the UK/B & TB industries expanded 12.3% year-on-year to P25.7 trillion. Deposits grew 9.4% to P19.1 trillion, while loans increased 10.0% to P13.0 trillion. Gross NPL ratio slightly went up to 3.7% from 3.5% while NPL cover declined to 96% from 103%.

Results of Operation

Analysis of Consolidated Statements of Income (unaudited)
For the period ended June 30, 2024 and June 30, 2023

In Million Pesos	**Jan-Jun 2024 Unaudited**	Jan-Jun 2023 Unaudited	Variance	%
Interest Income	**44,702**	37,865	6,837	18.1%
Interest Expense	**14,284**	12,317	1,967	16.0%
Net Interest Income	**30,418**	25,547	4,870	19.1%
Non-Interest Income	**(1,369)**	1,496	(2,865)	(191.5%)
Provision for Impairment & Credit Losses	**737**	878	(141)	(16.0%)
Operating Expenses	**14,096**	13,392	704	5.3%
Net Income	**11,441**	10,841	601	5.5%

**Due to rounding, numbers presented in the tables may not add up precisely to the totals provided*

Chinabank reported a 5.5% growth in consolidated **net income** to a first-half record of P11.4 billion, from the P10.8 billion earned in the same period last year. The income growth was supported by stronger core lending and deposit-taking activities, well-managed cost growth and healthy asset quality. The resulting return on equity and return on assets continued to be among the best in the industry at 15.1% and 1.5%, respectively.

Total interest income increased by 18.1% to P44.7 billion from P37.9 billion with the growth in earning assets and better yields. **Interest income from loans and receivables** was up by 16.5% to P28.7 billion due to bigger loan portfolio and higher yields year-on-year. Likewise, **interest income from investment securities at amortized cost and at FVOCI** recorded a 26.8% increase to P13.9 billion mainly arising from higher securities volume and better yields year-on-year. **Interest income from financial assets at FVPL also** increased by 85.9% to P642.3 million mainly arising from higher volume and better yields of FVPL securities portfolio. **Interest income from due from BSP and other banks and SPURA** dropped 22.9% to P1.5 billion from lower placements with correspondent banks.

Total interest expense was at P14.3 billion, up 16.0% versus P12.3 billion in the same period last year as higher volume and funding cost pushed up **interest expense on deposits** by 19.1% to P12.4 billion. **Interest expense** on **lease payable** increased by 44.3% to P141.2 million due to additional leases that are capitalized this 2024.

Net interest income jumped 19.1% to P30.4 billion, bolstered by the strong growth in top line revenues. The bank's **net interest margin** improved by 25 basis points year-on-year to 4.44%.

The Bank set aside lower **provisions for impairment and credit losses** in the first semester at P737.2 million, versus P877.9 million in the same period last year.

Total **non-interest income** was recorded at (P1.4) billion as the improvements in core fees were offset by the P6.5 billion net loss in **trading, securities, and foreign exchange** arising from treasury-related activities. **Service charges, fees, and commissions** decreased by 5.4% to P1.6 billion from the lower investment banking fees. **Trust fee income** was 12.5% higher at P317.5 million because of volume-related growth year-on-year. The sales upturn of foreclosed assets resulted in a 5.1% increase in **gain on sale of investment properties** to P256.0 million. Meanwhile, movements in the fair value of investment properties resulted in the significant drop in **gain on asset foreclosure and dacion transactions** to P189.1 million. **Share in net income of associates** jumped to P288.7 million from higher net income of the bancassurance joint venture, Manulife China Bank Life Assurance Corporation (MCBLife). **Miscellaneous income** increased to P2.5 billion, primarily due to a one-off gain during the first quarter of the year.

Total **operating expenses** (excluding provision for impairment and credit losses) was effectively managed, modestly growing by P5.3% to P14.1 billion, which translated to a better consolidated **cost-to-income ratio of 49%. Compensation and fringe benefits** was at P4.8 billion, up by 4.9% year-on-year. **Occupancy costs** were down 12.2% to P987.4 million due to PFRS-16 related adjustments. **Taxes and licenses** were up 11.8% to P3.1 billion mainly from higher revenue- and volume-related taxes. **Insurance**, which includes PDIC premium payments, increased by 6.7% to P1.5 billion with the bigger deposit balances. Furthermore, **depreciation and amortization** increased by 33.4% to P1.2 billion from technology-related upgrades and acquisitions. **Transportation and travelling** increased 24.8% to P258.7 million due to higher marketing-related costs for the period. **Professional fees, marketing & other related services, stationery, supplies & postage and repairs and maintenance** rose by 27.5%, 13.5% and 14.1%, respectively, mainly driven by higher repairs and upgrades in our distribution channel, information technology, and business development. **Miscellaneous expenses** decreased by 18.9% to P1.3 billion from lower other expenses.

Financial Condition

Analysis of Consolidated Statement of Financial Condition
As of June 30, 2024 (unaudited) and December 31, 2023 (audited)

In Billion Pesos	Jun 30, 2024 Unaudited	Dec 31, 2023 Audited	Variance	%
Assets	**1,545**	**1,478**	67	4.5%
Investment Securities	**572**	**505**	68	13.4%
Loans (Net)	**797**	**772**	25	3.3%
Total Deposits	**1,283**	**1,187**	97	8.1%
Equity	**152**	**150**	2	1.1%

**Due to rounding, numbers presented in the tables may not add up precisely to the totals provided*

Chinabank's consolidated **assets** stood at P1.5 trillion as of June 2024, 4.5% higher than year-end 2023.

Cash and other cash items fell 24.1% to P12.1 billion due to the leveling-off of cash-in-vault from its usual year-end build-up. **Due from BSP** decreased by P5.4 billion or 6.4% to P79.2 billion due to the drop in placements with the BSP, while **due from other banks** decreased by P7.3 billion or 36.5% to P12.7 billion from lower deposits with correspondent banks. **Interbank loans receivable and securities purchased under resale agreements** decreased by 41.9% to P20.2 billion due to lower volume of overnight placements with the BSP.

Financial assets at fair value through profit or loss (FVPL) grew by P11.3 billion to P24.9 billion with the growth in fixed income assets. **Derivative contracts designated as hedges** amounting to P5.5 billion pertains to the fair value of interest rate swap (IRS) contracts used as hedging instruments against time deposits. **Financial assets at fair value through other comprehensive income (FVOCI) and Investment Securities at Amortized Cost** posted increases of 28.6% and 6.4% to P137.0 billion and P404.7 billion, respectively, due to higher securities volume. The Bank's total securities portfolio accounted for 37.0% of consolidated resources.

Gross loans grew by P25.7 billion to P816.7 billion, supported by the sustained growth in business and consumer lending. **Net loans** increased 3.3% to P797.2 billion.

Accrued interest receivable increased by 11.6% to P12.8 billion from P11.5 billion due to larger receivables from investment securities and growth in loans. **Investments in associates** increased by 14.7% to P1.6 billion due to the income contribution from the Bank's affiliate, MCBLife. **Deferred tax asset (DTA)** increased by 8.7% to P7.1 billion due to the recognition of DTA on certain deductible temporary differences. **Intangible assets** increased by 12.5% from additional technology-related investments. **Other assets** increased by 29.4% to P10.6 billion from higher balance of accounts receivables, prepaid expenses and other miscellaneous receivables.

On the liabilities side, **total deposits** was recorded at P1.3 trillion, up 8.1% mainly from the increase in the Bank's term deposits. Meanwhile, the combined demand and savings deposits stood at P568.6 billion, accounting for 44% of total deposits. **Bills payable** decreased by 6.9% to P78.9 billion from lower interbank loans and deposit substitutes. **Manager's checks** decreased by 5.3% to P2.0 billion as the volume of outstanding checks for negotiation declined year-to-date. **Income tax payable** increased 3.8x to P501.9 billion due to additional regular corporate income tax payable for the period. **Accrued interest and other expenses** decreased by 9.25% to P7.8 billion because of lower interest payable accruals. **Derivative liabilities** increased 2.8x to P2.6 billion as a result of the mark-to-market of the derivatives. **Derivative liabilities designated as hedges** decreased by 65.3% to P2.8 billion arising from the change in the mark-to-market rates. **Other liabilities** dropped to P14.3 billion mainly from lower acceptances payable, cash letters of credit and finance lease payable.

Total equity reached P151.9 billion, higher than year-end's P150.3 billion mainly from the P5.4 billion or 5.4% increase in **surplus**. **Net unrealized losses on financial assets at FVOCI** was recorded at (P3.3) billion arising from the mark-to-market revaluation of the Bank's FVOCI securities. **Remeasurement on life insurance reserve of an associate** saw a P10.6 million decrease to P81.5 million due to the revaluation of legal policy reserves of the Bank's affiliate, MCBLife. **Cumulative translation adjustment** was 10.5% higher at P210.4 million due to exchange rate difference arising from the conversion of income and expenses related to foreign currency-denominated positions from functional to presentation currency, while **cash flow hedge reserve** decreased to (P803.5) million due to mark-to-market movements of the hedging instruments.

The Bank's Common Equity Tier 1 (CET 1/ Tier 1) ratio and total CAR were computed at 14.47% and 15.33%, respectively, and remain comfortably above minimum regulatory levels.

Total Comprehensive Income

The Bank recorded **total comprehensive income** of P7.5 billion during the first semester of the year, 17.6% or P1.6 billion lower than the P9.1 billion recorded in same period last year mainly due to the movement in fair value of financial assets on FVOCI.

Key Performance Indicators

Profitability

Chinabank posted a 5.5% increase in net income year-on-year to P11.4 billion in the first semester of 2024 on the back of stronger core lending and deposit-taking activities. The income performance translated to a ROE of 15.15% and ROA of 1.51%. Cost-to-income ratio slightly improved to 49% from 50%, while net interest margin was higher at 4.44% from 4.20% same period last year.

Liquidity

The Bank's liquidity ratio remained at 45%.

Asset Quality

Gross non-performing loans (NPL) ratio improved significantly to 1.9%, better than industry average. Meanwhile, NPL cover was more than sufficient at 141% with Parent bank providing a more substantial buffer at 158%.

Solvency Ratios

For the period ending June 30, 2024
Debt-to-equity and asset-to-equity ratios for the first semester was recorded at 9.2 and 10.2, respectively. Interest coverage ratio for the period was at 2.0.

Capitalization

Chinabank's capital base stood at P151.9 billion. CET 1 / Tier 1 CAR and Total CAR ratios were registered at 14.47% and 15.33%, respectively, both well above the minimum regulatory requirements. The Bank's capital is largely comprised of CET 1/ Tier 1 (core) capital.

Corporate Developments

At the 2024 Asian Banking and Finance (ABF) Retail Banking Awards, Chinabank was named as the *Domestic Retail Bank of the Year – Philippines*, for its strong performance in 2023, achieving record-high earnings and shareholder returns. Apart from its solid financial performance, ABF also noted the Bank's digital transformation initiatives aimed at further enhancing customer journeys. In the same event, Chinabank and Chinabank Capital were also recognized for successfully handling the following deals: P25 billion project finance facility with Suntrust Resort Holdings, Inc. as *Debt Deal of the Year* and Repower Energy Development Corporation's (REDC) IPO as *IPO Deal of the Year*.

Chinabank was also included in Fortune's inaugural ranking of the top 500 corporations in Southeast Asia, which features the region's largest companies in terms of total revenue. *The Fortune Southeast Asia 500* list includes 38 firms from the Philippines, among them are three SM Group companies: Chinabank, BDO, and SMIC, which reported revenues of $1.4 billion, $5.8 billion, and $10.3 billion, respectively. The Bank's inclusion in this prestigious list is a testament to its sustained financial strength and resilience amid challenges and its reputation as one of the leading financial institutions in the region.

Chinabank changed its ticker symbol on the Philippine Stock Exchange (PSE) to "CBC" from "CHIB" effective June 19, 2024. The move aims to strengthen the brand recognition of the bank and create a more cohesive and unified representation in the stock market. The bell-ringing ceremony, which was led by Chinabank Chairman Hans T. Sy and President & CEO Romeo D. Uyan, Jr. along with Chinabank and PSE directors and key executives, marked the start of trading under the new stock symbol.

Chinabank launched a brand refresh program and digital initiative to evolve the 103-year old bank's brand and image, making it more resonant and engaging to a new generation of customers. In line with this initiative, the Bank has been updating the signages of its main office and various branches. It also released new advertisements featuring its first ever brand ambassador, Miss Universe Philippines 2023 Michelle Dee, a third-generation member of Chinabank's founding family. Its digital campaign and new jingle uses the bank's new tagline "Focused on You" that reflects the bank's firm commitment to serving its customers and putting their best interests in mind.

Chinabank renewed its agreement with LinkedIn for enterprise learning and hiring solutions. Under the renewed agreement, Chinabank employees will have unlimited access to LinkedIn Learning, for another three years, or until 2027.

Chinabank Dollar Fund was named the *Best Managed Fund of the Year* in the Dollar Long Term Bond (FVPL Category) by the CFA Society Philippines for the eighth consecutive year. The CFA Society Philippines recognizes high-performing funds that are available to the public to raise awareness among retail investors and promote investor education and excellence in the industry. This year, only 13, including Chinabank Dollar Fixed Income Fund, were distinguished as the best managed funds out of the 136 qualified funds from 17 investment houses and trust institutions evaluated.

Subsidiaries

The Bank's subsidiaries include China Bank Insurance Brokers, Inc., CBC Properties and Computer Center, Inc., China Bank Savings, Inc., and China Bank Capital Corporation. These subsidiaries comprised about 11% of the total consolidated resources.

- **China Bank Insurance Brokers, Inc.**

(In Mn Pesos)	**Jan-Jun '24**	Jan-Dec '23*	Jan-Jun '23
Net Income	49	113	50
Total Assets	580	588	527

- **CBC Properties & Computer Center, Inc.**

(In Mn Pesos)	**Jan-Jun '24**	Jan-Dec '23*	Jan-Jun '23
Net Income	8	27	8
Total Assets	101	109	120

- **China Bank Savings, Inc. (CBS)**

(In Mn Pesos)	**Jan-Jun '24**	Jan-Dec '23*	Jan-Jun '23
Net Income	1,001	1,828	875
Total Assets	174,034	157,438	138,660

- **China Bank Capital Corporation**

(In Mn Pesos)	**Jan-Jun '24**	Jan-Dec '23*	Jan-Jun '23
Net Income	149	551	300
Total Assets	3,953	3,748	4,419

**based on Audited Financial Statements*