COVER SHEET

4	4	3							

SEC Registration Number

CHINA BANKING CORPORATION AND SUBSIDIARIES

(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)

06 **30**
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)

1,836
Total No. of Stockholders

Total Amount of Borrowings

Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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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, 2023**

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	**2,691,288,212**	

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, 2023

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, 2023 and for the six-month periods ended June 30, 2023 and 2022 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 financial statements as of December 31, 2022 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 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:

	June 30, 2023	December 31, 2022	Increase (Decrease)
Assets			
Cash and Other Cash Items	11,718,420	13,689,421	(1,971,001)
Interbank Loans Receivable and Securities Purchased under Resale Agreements	18,172,244	43,564,970	(25,392,726)
Financial Assets at Fair Value through Profit or Loss	16,191,973	4,727,580	11,464,393
Derivative Contracts Designated as Hedges	5,514,754	6,203,379	(688,625)
Financial Assets at Fair Value through Other Comprehensive Income	77,375,466	43,316,757	34,058,709
Investments in Associates	1,232,264	983,242	249,022
Other Assets	7,503,080	6,738,462	764,618
Liabilities			
Bonds Payable	19,960,447	28,312,870	(8,352,423)
Manager's Checks	2,197,762	1,550,669	647,094
Accrued Interest and Other Expenses	7,106,485	6,115,889	990,596
Derivative Liabilities	1,202,405	1,549,561	(347,156)
Derivative Contracts Designated as Hedges	4,671,592	4,156,612	514,980
Other Liabilities	13,363,440	16,068,964	(2,705,524)

	June 30, 2023	June 30, 2022	Increase (Decrease)
Income			
Interest on Loans and receivables	24,635,221	18,542,689	6,092,532
Interest on Investment securities at amortized cost and at FVOCI	10,929,947	6,480,404	4,449,543
Interest on Financial Assets at FVPL	345,532	237,035	108,498
Interest on Due from BSP and other banks and SPURA	1,953,931	607,565	1,346,366
Service charges, fees and commissions	1,809,428	1,506,458	302,971
Trading, securities, and foreign exchange gains (losses) - net	(1,614,290)	445,133	(2,059,423)
Trust fee income	282,236	223,776	58,460
Gain on asset foreclosure and dacion transactions	221,671	15,628	206,043
Share in net income of associates	238,370	122,856	115,514
Miscellaneous	482,817	668,225	(185,408)

Expense			
Interest expense on Deposit Liabilities	10,379,261	2,638,960	7,740,301
Interest expense on Bills payable and other borrowings	1,840,208	1,151,638	688,571
Interest expense on Lease Payable	97,843	85,442	12,401
Compensation and fringe benefits	4,569,436	3,446,263	1,123,173
Taxes and licenses	2,788,682	1,712,720	1,075,961
Insurance	1,411,948	1,084,948	326,999
Provision for impairment and credit losses	877,914	1,656,636	(778,722)
Professional fees, marketing and other related services	441,402	334,640	106,762
Repairs and maintenance	100,551	77,777	22,773
Miscellaneous	1,712,007	2,054,048	(342,041)
Provision for income tax	1,933,104	2,349,251	(416,147)

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

e. **Issuances, Repurchases, and Repayments of Debt and Equity Securities.**
Pretermination of $150 Million Bonds Payable During the quarter, the Parent Company pre-terminated its $150 million bonds payable, resulting in a loss of ₱18 million. At the same time, the Parent Company pre-terminated the IRS, which was designated as a hedging instrument to the $150 million bonds payable. The pre-termination of the IRS resulted in the discontinuance of the cash flow hedge and resulted to a realized gain amounting to ₱468 million.

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 19, 2023, the Board of Directors (BOD) approved the declaration of ₱1.00 per share regular dividend and an additional ₱0.90 per share special dividend, sets May 5, 2023 as the date of record. Cash dividends were paid on May 18, 2023.

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 losses as a result of these transactions.

j. **Material Contingencies and Any Other Events.**
Cash Dividends from China Bank Insurance Brokers, Inc. (CIBI) On March 2, 2023, the Bank received ₱60 million cash dividends from China Bank Insurance Brokers, Inc. (CIBI).

Cash Dividends from Manulife China Bank Life Assurance Corp. (MCBL) On June 30, 2023, the Bank received ₱160 million cash dividends from Manulife China Bank Life Assurance Corp. (MCBL).

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 authority and responsibility for implementing risk management processes including the development of various risk strategies and principles, risk control guidelines, risk management policies and procedures, the implementation of risk measurement tools, the monitoring of key risk indicators, and the imposition of risk limits. The ROC is composed of three 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 BOD. 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 directly 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 at least annually. 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 Management Committee (ManCom), 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 and ManCom.

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 and interest rate risk exposures are measured and monitored through the Maximum Cumulative Outflow and Earnings-at-Risk reports from the Asset and Liability

Management (ALM) system. It was implemented in 2013 and was upgraded in 2018 to a new version which includes modules for calculating Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The system also has a Funds Transfer Pricing module used by the Treasury Group and Corporate Planning Group.

For the measurement of market risk exposures, the Parent Company uses Historical Simulation VaR approach for all treasury traded instruments, including fixed income bonds, foreign exchange swaps and forwards, IRS and equity securities. Market risk exposures are measured and monitored through reports from the Market Risk Management System which has been implemented in 2018 to enhance risk measurement and automate daily reporting.

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 March 15, 2023, the Joint Excom / ROC approved the 2023 ICAAP document for submission to the BSP. This was confirmed and ratified by the BOD on April 5, 2023. The Parent Company submitted its annually-updated ICAAP document, in compliance with BSP requirements on March 31, 2023.

For this submission, except for the change in the Priority Risks, Capital Management Action Trigger (MAT), and the capital ratios used as starting point for the Integrated Stress Test (IST), the Bank retained the methodology used in the previous submissions. Modifications, however, were made on certain assumptions to take into account the going concern exposures in pursuit of growth and profit, and the current economic condition. This includes, among others, the change in the macroeconomic scenarios simulated for IST.

The Parent Company retained the Pillar 1 Plus approach using 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 to the quantification based on the results of the 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.

I. **Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the period**.

Capital infusion of China Bank Savings, Inc. (CBSI) On August 2, 2023, the BOD of the Parent Company took up and approved, confirmed, and/or ratified the capital infusion amounting to ₱2 billion to China Bank Savings, Inc. (CBSI), in order to support CBSI's sustained loan expansion and enhance its ability to cover and serve more segments of the banking and unbanked population.

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 ₱34 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.

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

n. **Fair Value Measurement**. The Group has assets and liabilities in the Group and Parent Company 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 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 – Quoted market prices are not readily available for these liabilities. These are reported at cost and are not significant in relation to the Group's total portfolio.

As of June 30, 2023 and December 31, 2022, 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, 2023		**December 31, 2022 (Audited)**	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Financial Assets at Amortized Cost				
Government bonds	**₱252,046,716**	**₱247,573,197**	₱229,958,237	₱221,875,352
Private bonds	**125,234,463**	**106,481,294**	128,027,689	118,225,116
Loans and receivables				
Corporate and commercial lending	**557,316,329**	**524,025,218**	538,008,002	529,819,391
Consumer lending	**157,996,794**	**154,220,425**	144,021,855	144,355,710
Trade-related lending	**10,483,325**	**10,598,241**	17,452,061	17,500,762
Others	**125,369**	**120,917**	112,871	119,095
Sales contracts receivable	**1,400,695**	**1,532,766**	1,406,217	1,529,793
Financial Liabilities				
Time deposit liabilities	**568,365,503**	**544,767,111**	492,474,358	467,484,286
Bills payable	**75,232,170**	**75,206,149**	70,375,267	68,992,828
Bonds payable	**19,960,447**	**19,960,447**	28,312,870	27,560,343

As of June 30, 2023 and December 31, 2022, the fair value hierarchy of the Group's assets and liabilities are presented below:

	June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at FVPL				
Held-for-trading				
Government bonds	**₱1,320,790**	**₱179,351**	**₱–**	**₱1,500,141**
Treasury notes	**–**	**3,011,945**	**–**	**3,011,945**
Treasury bills	**–**	**8,226,021**	**–**	**8,226,021**
Private bonds	**1,378,692**	**–**	**–**	**1,378,692**
Quoted equity shares	**700,684**	**–**	**–**	**700,684**
Financial Assets designated at FVTPL	**–**	**157,647**	**–**	**157,647**
Derivatives with Positive Fair Value Held for Trading	**–**	**1,216,844**	**–**	**1,216,844**
Derivatives with Positive Fair Value Held for Hedging	**–**	**5,514,754**	**–**	**5,514,754**
Financial Assets at FVOCI				
Government bonds	**17,592,728**	**40,412,615**	**–**	**58,005,343**
Quoted private bonds	**18,490,777**	**–**	**–**	**18,490,777**
Quoted equity shares	**851,410**	**–**	**–**	**851,410**
	₱40,335,081	**₱58,719,177**	**₱–**	**₱99,054,258**
Financial liabilities at FVPL				
Derivative liabilities	**₱–**	**₱1,202,405**	**₱–**	**₱1,202,405**
Derivative contracts designated as hedges	**–**	**4,671,592**	**–**	**4,671,592**
	₱–	**₱5,873,997**	**₱–**	**₱5,873,997**
Fair values of assets carried at amortized cost/cost				
Investment securities at amortized cost				
Government bonds	**₱247,573,197**	**₱–**	**₱–**	**₱247,573,197**
Private bonds	**64,347,470**	**–**	**42,133,824**	**106,481,294**
Loans and receivables				
Corporate and commercial lending	**–**	**–**	**524,025,218**	**524,025,218**
Consumer lending	**–**	**–**	**154,220,425**	**154,220,425**
Trade-related lending	**–**	**–**	**10,598,241**	**10,598,241**
Others	**–**	**–**	**120,917**	**120,917**
Sales contracts receivable	**–**	**–**	**1,532,766**	**1,532,766**
Investment properties				
Land	**–**	**–**	**7,309,224**	**7,309,224**
Buildings and improvements	**–**	**–**	**2,588,642**	**2,588,642**
	₱311,920,667	**₱–**	**₱742,529,257**	**₱1,054,449,924**

	June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	**₱–**	**₱–**	**₱544,767,111**	**₱544,767,111**
Bills payable			**75,206,149**	**75,206,149**
Bonds payable	**–**	**–**	**19,960,447**	**19,960,447**
	₱–	**₱–**	**₱639,933,707**	**₱639,933,707**

	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱202,348	₱180,513	₱–	₱382,861
Treasury notes	–	563,548	–	563,548
Treasury bills		201,779	–	
papers	–			201,779
Private bonds	760,600	–	–	760,600
Quoted equity shares	700,112	–	–	700,112
Financial Assets designated at FVTPL	949,032	153,986	–	1,103,018
Derivatives with Positive Fair Value Held for			–	
Trading	–	1,015,662		1,015,662
Derivative contract designated as hedge	–	6,203,379	–	6,203,379
FVOCI financial assets				
Government bonds	9,189,227	18,258,420	–	27,447,647
Quoted private bonds	15,236,902	–	–	15,236,902
Quoted equity shares	603,898	–	–	603,898
	₱27,642,119	₱26,577,287	₱–	₱54,219,406
Financial liabilities at FVPL				
Derivative liabilities	₱–	₱1,549,561	₱–	₱1,549,561
Derivative contracts designated as hedges	–	4,156,612	–	4,156,612
	₱–	₱5,706,173	₱–	₱5,706,173
Fair values of assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱221,875,352	₱–	₱–	₱221,875,352
Private bonds	67,100,457	–	51,124,658	118,225,116
Loans and receivables				
Corporate and commercial loans	–	–	529,819,391	529,819,391
Consumer loans	–	–	144,355,710	144,355,710
Trade-related loans	–	–	17,500,762	17,500,762
Others	–	–	119,095	119,095
Sales contracts receivable	–	–	1,529,793	1,529,793
Investment properties				
Land	–	–	7,015,136	7,015,136
Buildings and improvements	–	–	2,448,238	2,448,238
	₱288,975,809	₱–	₱753,917,055	₱1,042,892,864
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱467,484,286	₱467,484,286
Bills payable	–	–	68,992,828	68,992,828
Bonds payable	–	–	27,560,343	27,560,343
	₱–	₱–	₱564,037,457	₱564,037,457

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.

<u>Transactions with Retirement Plans</u>

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 ₱24.25 million and ₱26.27 million for the six-month periods ended June 30, 2023 and 2022, 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) of the Parent Company. The members of the TIC are directors and key management personnel of the Parent Company.

Transactions with related party retirement plan follow:

	June 30, 2023	December 31, 2022 (Audited)
Balance Sheet		
Deposit in banks	**₱5,238**	₱5,287
Financial assets at FVTPL	**1,637,377**	1,498,200
Total market value	**1,637,377**	1,498,200
Number of shares held	**54,579**	54,579

	Six Months Ended June 30	
	2023	2022
Income Statement		
Dividend income	**₱103,700**	₱81,869
Interest income	**55**	9

<u>Other Related Party Transactions</u>

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

	June 30, 2023		
Category	**Amount / Volume**	**Outstanding Balance**	**Terms and Conditions**
Significant Investor			
Loans and receivables		**₱8,330,250**	Secured with shares of stocks of other banks, with interest ranging from 4% to 4.18% and residual maturity ranging from 1.20 to 5.39 years. General loan loss provision of ₱4.27 million.
Issuances	**–**		
Repayments	**(2,000)**		
Associates			
Deposit Liabilities		**1,866**	These are checking accounts with annual average rate ranging from 0.13% to 1.00%.
Deposit	**175**		
Withdrawals	**(1,279)**		
Key Management Personnel			
Loans		**4,169**	Unsecured officer's credit card accounts with interest of 2% maturing within 1 year. Peso loan accounts with average 5% rate and average term of 8 years.
Issuance	**1,373**		
Repayments	**(369)**		
Deposit Liabilities		**122,617**	These are checking, savings and time deposit account with annual average interest rates ranging from 0.13% to 1.00%
Deposits	**151,669**		
Withdrawals	**(150,209)**		
Other Related Parties			
Loans		**56,437,758**	Secured and Unsecured Loans with interest rate ranging from 2.25 % to 9.69% and with residual maturity ranging from 0.01 to 12.51 years. Allowance for credit losses amounting to ₱96.9 million and general loan loss provision of ₱407 million.
Issuances	**8,788,134**		
Repayments	**(3,274,159)**		
Deposit Liabilities		**447,286**	These are checking accounts with annual average rate ranging from 0.13% to 1.00%.
Deposit	**297,399**		
Withdrawals	**(250,544)**		

Category	Amount / Volume	Outstanding Balance	Terms and Conditions
	December 31, 2022 (Audited)		
Significant Investor			
Loans		₱8,332,250	Secured with shares of stocks, with interest rate ranging from 4% to 4.18%; with remaining term to maturity between 1.17 years to 5.89 years; and with allowance for probable losses of ₱4.51 million.
Issuances	–		
Repayments	(8,350)		
Deposit Liabilities		2,970	These are checking accounts with annual average rate of 0.13%.
Deposit	600		
Withdrawals	(3,077)		
Associates			
Deposit Liabilities		2,970	These are checking accounts with annual average rate of 0.13%.
Deposit	3,941		
Withdrawals	(257,558)		
Key Management Personnel			
Loans		3,164	Unsecured officer's credit card accounts with interest of 2% and loan accounts with average 5% rate.
Issuances	–		
Repayments	(1,387)		
Deposit Liabilities		121,157	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposit	563,345		
Withdrawals	(471,820)		
Other Related Parties			
Loans		50,923,783	Secured and unsecured loans with interest rates ranging from 2.25 % to 9.69%; with remaining term to maturity between .017 years to 9.87 years; with allowance for probable losses of ₱318.04 million.
Issuances	7,870,487		
Repayments	(4,561,478)		
Deposit Liabilities		400,431	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposit	2,069,677		
Withdrawals	(1,830,110)		

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, 2023 and June 30, 2022 are presented below

	Significant Investor		**Associate**	
	June 30			
	2023	2022	**2023**	2022
Interest income	**₱170,201**	₱170,372	**₱–**	₱–
Interest expense	**–**	2	**1**	702

	Key Management Personnel		**Other Related Parties**	
	June 30			
	2023	2022	**2023**	2022
Interest income	**₱101**	₱93	**₱1,397,482**	₱1,153,131
Interest expense	**2,272**	13	**537**	172

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		
	June 30, 2023	December 31, 2022	**Nature, Terms and Conditions**
Balance Sheet			
Accounts receivable	**₱28,892**	₱3,845	This pertains to various expenses advanced by CBC in behalf of various subsidiaries
Security deposits	**10,420**	10,420	This pertains to the rental deposits with CBSI and CBCC for office space leased out to the Parent Company

	Subsidiaries		
	June 30, 2023	June 30, 2022	**Nature, Terms and Conditions**
Income Statement			
Trust fee income	**₱438**	₱606	Trust Fee earned by Parent Company from CBCC
Interest Income	**435**	432	Interest earned from cash in bank and short-term investment of CBCC
Rent income	**1,390**	1,589	Rent Income from CBCC
Other Income	**14,356**	5,418	Unrealized gain on money market funds of CBCC
Miscellaneous income	**1,875**	1,425	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	**19,297**	18,363	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**	3,631	Arranger fees paid by the Parent Company to CBCC for the issuance of its fixed rate bonds
Information technology	**161,929**	131,703	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements.
Miscellaneous expense	**1,543**	785	Commission for brokerage

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

		June 2023 Unaudited		December 2022 Audited
ASSETS				
Cash and Other Cash Items	₱	**11,718,420**	₱	13,689,421
Due from Bangko Sentral ng Pilipinas		**96,858,761**		107,100,295
Due from Other banks		**13,866,984**		13,614,609
Interbank Loans Receivable and Securities Purchased under Resale Agreements		**18,172,244**		43,564,970
Financial Assets at Fair Value through Profit or Loss		**16,191,973**		4,727,580
Derivative Contracts Designated as Hedges		**5,514,754**		6,203,379
Financial Assets at Fair Value through Other Comprehensive Income		**77,375,466**		43,316,757
Investment Securities at Amortized Cost		**377,281,178**		357,985,926
Loans and Receivables - net		**725,921,817**		699,594,789
Accrued Interest Receivable		**10,115,302**		9,781,803
Investments in Associates		**1,232,264**		983,242
Bank Premises, Furniture, Fixtures and Equipment - net		**9,486,077**		9,337,260
Investment Properties		**4,046,952**		3,914,891
Deferred Tax Assets		**4,914,579**		4,552,692
Intangible Assets		**3,812,204**		3,783,643
Goodwill		**839,748**		839,748
Other Assets		**7,503,080**		6,738,462
	₱	**1,384,851,803**	₱	1,329,729,465
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities				
Demand		**272,178,508**		272,109,739
Savings		**280,841,398**		301,330,580
Time		**568,365,503**		492,474,358
		1,121,385,409		1,065,914,677
Bills Payable		**75,232,170**		70,375,267
Bonds Payable		**19,960,447**		28,312,870
Manager's Checks		**2,197,762**		1,550,669
Income Tax Payable		**330,980**		311,915
Accrued Interest and Other Expenses		**7,106,485**		6,115,889
Derivative Liabilities		**1,202,405**		1,549,561
Derivative Liabilities Designated as Hedges		**4,671,592**		4,156,612
Deferred Tax Liabilities		**792,796**		794,432
Other Liabilities		**13,363,440**		16,068,964
		1,246,243,486		1,195,150,856
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital Stock				
Common Stock - P10 par value				
Authorized - 3,300,000,000 shares				
Issued - 2,691,288,212 shares		**26,912,882**		26,912,882
Capital paid in excess of par value		**17,200,758**		17,200,758
Surplus Reserves		**4,043,395**		4,429,606
Surplus		**90,675,317**		84,577,170
Net Unrealized Gains (Losses) on Financial Assets at FVOCI		**(3,303,205)**		(4,293,952)
Remeasurement Gain on Defined Benefit Asset		**73,433**		77,760
Remeasurement on Life Insurance Reserve of Associate		**132,096**		96,387
Cumulative translation adjustment		**9,352**		27,469
Cash Flow Hedge Reserve		**2,780,196**		5,481,992
		138,524,225		134,510,071
Non-controlling Interest		**84,091**		68,539
		138,608,316		134,578,609
	₱	**1,384,851,803**	₱	1,329,729,465

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

		June 2023		December 2022
		Unaudited		**Audited**
CONTINGENT ACCOUNTS				
Unused commercial letters of credit	₱	**16,235,150**	₱	17,158,800
Committed Credit Lines		**1,360,782**		1,906,400
Outstanding guarantees Issued		**1,321,998**		2,971,605
Inward bills for collection		**3,569,475**		2,697,770
Outward bills for collection		**42,858**		21,378
IRS receivable		**98,905,920**		90,289,612
Spot exchange bought		**7,767,943**		3,407,837
Spot exchange sold		**4,858,348**		2,792,488
Forward exchange bought		**217,797,309**		138,040,375
Forward exchange sold		**60,659,876**		33,914,815
Trust department accounts		**259,349,671**		222,474,444
Credit card Lines		**20,299,247**		18,625,491
Late deposits/payments received		**227,490**		309,488
Deficiency claims receivable		**280,195**		280,195
Standby credit commitment		**4,484,322**		3,550,516
Others		**15,556**		35,237
	₱	**697,176,139**	₱	538,476,452

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

	For the Semester Ended June 30		For the Quarter Ended June 30	
	2023	**2022**	**2023**	**2022**
INTEREST INCOME				
Loans and receivables	₱ **24,635,221**	₱ 18,542,689	₱ **12,591,213**	₱ 9,393,129
Investment securities at amortized cost and at FVOCI	**10,929,947**	6,480,404	**5,710,966**	3,414,265
Financial Assets at FVPL	**345,532**	237,035	**199,911**	106,443
Due from BSP and other banks and SPURA	**1,953,931**	607,565	**952,845**	320,187
	37,864,632	25,867,693	**19,454,935**	13,234,024
INTEREST EXPENSES				
Deposit liabilities	**10,379,261**	2,638,960	**5,545,505**	1,399,292
Bills payable and other borrowings	**1,840,208**	1,151,638	**978,206**	563,850
Lease Payable	**97,843**	85,442	**48,602**	41,693
	12,317,312	3,876,040	**6,572,313**	2,004,835
NET INTEREST INCOME	**25,547,319**	21,991,653	**12,882,622**	11,229,189
Service charges, fees and commissions	**1,809,428**	1,506,458	**1,059,417**	816,662
Trading, securities and foreign exchange gains (losses) - net	**(1,614,290)**	445,133	**986,590**	257,875
Gain on sale of investment properties	**243,627**	237,283	**134,957**	110,006
Trust fee income	**282,236**	223,776	**154,954**	111,502
Gain on asset foreclosure and dacion transactions	**221,671**	15,628	**(11,182)**	(57)
Share in net income of associates	**238,370**	122,856	**239,019**	122,856
Miscellaneous	**482,817**	668,225	**287,704**	327,166
TOTAL OPERATING INCOME	**27,211,179**	25,211,011	**14,061,036**	12,736,630
Compensation and fringe benefits	**4,569,436**	3,446,263	**2,294,837**	1,585,709
Occupancy cost	**1,124,899**	1,035,650	**564,072**	564,625
Taxes and licenses	**2,788,682**	1,712,720	**1,420,993**	864,128
Insurance	**1,411,948**	1,084,948	**756,009**	541,143
Depreciation and amortization	**880,495**	843,362	**438,573**	418,564
Provision for impairment and credit losses	**877,914**	1,656,636	**437,447**	876,938
Transportation and traveling	**207,266**	191,891	**119,951**	114,408
Professional fees, marketing and other related services	**441,402**	334,640	**289,667**	197,953
Entertainment, amusement and recreation	**208,560**	219,798	**124,491**	149,242
Stationery, supplies and postage	**114,362**	106,924	**54,914**	53,387
Repairs and maintenance	**100,551**	77,777	**58,474**	43,774
Miscellaneous	**1,712,007**	2,054,048	**638,026**	866,161
TOTAL OPERATING EXPENSES	**14,437,522**	12,764,659	**7,197,456**	6,276,033
INCOME BEFORE INCOME TAX	**12,773,658**	12,446,352	**6,863,580**	6,460,596
PROVISION FOR INCOME TAX	**1,933,104**	2,349,251	**1,044,535**	1,258,704
NET INCOME	₱ **10,840,553**	₱ 10,097,101	₱ **5,819,044**	₱ 5,201,891
Attributable to:				
Equity holders of the parent	**10,825,384**	10,082,480	5,811,504	5,194,612
Non-controlling Interest	**15,169**	14,621	7,541	7,280
	₱ **10,840,553**	₱ 10,097,101	₱ **5,819,044**	₱ **5,201,891**
Earnings Per Share				
a. Basic	**4.02**	3.75	2.16	1.93
b. Diluted *	**4.02**	3.75	2.16	1.93
Net Income	**10,825,384**	10,082,480	5,811,504	5,194,612
Weighted Ave. Number of Common Shares Outstanding	**2,691,288**	2,691,288	2,691,288	2,691,288
* Same as basic earnings per share. No preferred shares, convertible bonds and stock warrants issued.	**2,691,288**	2,691,288		

CHINA BANKING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands)

	For the Semester Ended June 30		For the Quarter Ended June 30	
	2023	2022	2023	2022
Net Income	₱ **10,840,553**	₱ 10,097,101	₱ **5,819,044**	₱ 5,201,891
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	**1,013,801**	(2,063,697)	**(513,701)**	(732,588)
Gains taken to profit or loss	**(313,790)**	(1,732)	**(313,790)**	(287)
Share in other comprehensive income of associate:	**-**	-		
Net unrealized gain (loss) on financial assets at FVOCI	**43,630**	(142,424)	**62,750**	(142,424)
Gain (loss) on hedges	**(2,701,796)**	4,017,656	**(801,646)**	1,388,851
Cumulative translation adjustment	**(18,143)**	186,624	**4,519**	183,364
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	**247,513**	11,005	**261,236**	(23,637)
Share in other comprehensive income of associate:	**-**	-	**-**	-
Remeasurement gain (loss) on defined benefit assset or liability, net of tax	**(73,537)**	4,693	**-**	4,693
Remeasurement gain on life insurance reserves	**35,709**	32,972	**31,128**	32,972
Remeasurement gain (loss) on defined benefit asset or liability	**69,211**	497	**255**	1,869
Other Comprehensive Income (Loss) for the year	**(1,697,402)**	2,045,593	**(1,269,249)**	712,811
Total Comprehensive Income for the year	₱ **9,143,151**	₱ 12,142,694	₱ **4,549,795**	₱ 5,914,702
Total comprehensive income attributable to:				
Equity holders of the Parent Company	₱ **9,127,601**	₱ 12,129,870	₱ **4,541,991**	₱ 5,908,159
Non-controlling Interest	**15,551**	12,824	**7,805**	6,544
	₱ **9,143,151**	₱ 12,142,694	₱ **4,549,795**	₱ 5,914,702

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, 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**	**68,540**	**134,578,612**
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**	**84,090**	**138,608,316**

	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, 2021	26,912,882	17,200,758	3,730,687	70,205,517	81,200	(30,490)	(14,028)	976,835	17,604	119,080,965	41,858	119,122,823
Total comprehensive income for the year	-	-	-	10,082,480	(2,194,774)	5,192	32,972	4,017,656	186,344	12,129,870	12,824	12,142,694
Retained Earnings, appropriated			267,838	(267,838)						-		-
Cash Dividends - P1.50 per share				(4,036,932)						(4,036,932)		(4,036,932)
Balance at June 30, 2022	26,912,882	17,200,758	3,998,525	75,983,227	(2,113,574)	(25,298)	18,944	4,994,491	203,948	127,173,902	54,683	127,228,585

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

		JUNE 2023		JUNE 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱	**12,773,658**	₱	12,446,352
Adjustment to reconcile income before income tax to net cash provided operations:				
Provision for impairment and credit losses		**877,914**		1,656,636
Depreciation and amortization		**880,495**		843,362
Amortization of transaction costs on bonds payable		**11,003**		72,472
Realized gain (loss) on financial assets at FVOCI and investment securities at amortized cost		**(313,790)**		(1,732)
Share in net loss (income) of an associate		**(238,370)**		(122,856)
Gain on sale of investment properties		**(243,627)**		(237,283)
Gain on asset foreclosures and dacion transactions		**(221,671)**		(15,628)
Operating income before changes in operating assets and liabilities		**13,525,611**		14,641,323
Changes in operating assets and liabilities:				
Decrease (increase) in the amounts of:				
Financial assets at FVPL		**(10,775,768)**		(5,072,377)
Loans and receivables		**(26,783,957)**		(47,867,828)
Other assets		**(4,710,061)**		225,036
Increase (decrease) in the amounts of:				
Deposit liabilities		**55,470,732**		82,421,770
Manager's checks		**647,093**		264,896
Accrued interest and other expenses		**990,596**		705,428
Other liabilities		**(2,811,726)**		9,462,952
Net cash provided by operations		**25,552,521**		54,781,199
Income taxes paid		**(2,276,095)**		(1,803,604)
Net cash provided by operating activities		**23,276,426**		52,977,595
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of/Additions to:				
Net additions to bank premises, furniture, fixtures and equipment		**(2,570,491)**		(232,404)
Equity investments		**160,000**		
Dividends from equity investments		**-**		-
Investment securities at amortized cost		**(52,347,344)**		(50,865,645)
Financial assets at fair value through other comprehensive income		**(38,321,224)**		(4,827,161)
Proceeds from sale of:				
Investment securities at amortized cost		**-**		
Financial assets at fair value through other comprehensive income		**5,427,783**		519,998
Investment properties		**129,757**		163,403
Bank premises, furniture, fixtures and equipment		**1,814,895**		203,170
Proceeds from maturity of:				
Investment securities at amortized cost		**33,120,557**		745,135
Net cash provided by (used in) investing activities		**(52,586,068)**		(54,293,505)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availments of bills payable		**275,807,680**		191,701,486
Payments of bills payable		**(270,250,243)**		(204,752,627)
Pre-termination of bonds payable		**(8,280,000)**		
Payments of cash dividends		**(5,113,448)**		(4,036,932)
Payments of principal portion lease liabilities		**(207,232)**		(333,005)
Net cash provided by financing activities		**(8,043,243)**		(17,421,079)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(37,352,884)**		(18,736,989)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and other cash items		**13,689,421**		16,024,863
Due from Bangko Sentral ng Pilipinas		**107,100,295**		124,283,115
Due from Other banks		**13,614,609**		10,694,312
Interbank loans receivable and securities purchased under resale agreements		**43,564,970**		36,559,224
		177,969,295		187,561,514
CASH AND CASH EQUIVALENTS AT END OF YEAR				
Cash and other cash items		**11,718,420**		13,901,617
Due from Bangko Sentral ng Pilipinas		**96,858,761**		106,988,500
Due from Other banks		**13,866,984**		12,373,667
Interbank loans receivable and securities purchased under resale agreements		**18,172,244**		35,560,741
	₱	**140,616,410**	₱	168,824,525

China Banking Corporation and Subsidiaries
Aging of Loans and Receivables
June 30, 2023

ANNEX VI

	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	**743,139,480**	722,005,506	5,636,051	1,270,835	7,946,093	5,890,153	**20,743,132**	390,842
Less: Allow for Probable Losses & Unamotized Discount	17,217,663							
Net Loans and Receivables	**725,921,817**							
Accounts Receivables	**3,221,109**	**2,504,511**	14,100	55,120	32,233	100,191	**201,645**	514,954
Less:Allowance for Probable Losses	718,016							
Net Accounts Receivables	**2,503,093**							
Accrued Interest Receivables	**11,098,630**	11,098,630						
Less:Allowance for Probable Losses	983,328							
Net Accrued Interest Receivables	**10,115,302**							

ANNEX VII

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 and credit cards for individual and/or corporate customers.

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 and remittance transactions;

e) **Other Business & Support** - 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, cash management services 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, 2023:

CHINABANK

PROFITABILITY REPORT BY BUSINESS SEGMENT
FOR THE PERIOD ENDING JUNE 30, 2023
CONSOLIDATED

(Amounts in thousands of Pesos)

	INSTITUTIONAL BANKING	CONSUMER BANKING	RETAIL BANKING BUSINESS	FINANCIAL MARKETS	OTHER BUSINESS & SUPPORT	SUBSIDIARIES	BANKWIDE
Net interest income	15,742,180	2,842,067	(285,480)	3,710,451	540	3,537,562	25,547,319
Third Party Intersegment	(11,933,397)	(1,733,636)	10,997,570	2,705,804	(36,341)	-	-
Net Interest Income after Intersegment Transactions	3,808,782	1,108,431	10,712,090	6,416,255	(35,801)	3,537,562	25,547,319
Other Operating Income	316,166	212,230	1,837,293	(2,114,116)	(43,702)	1,455,989	1,663,860
Total Revenue	4,124,948	1,320,661	12,549,383	4,302,139	(79,503)	4,993,551	27,211,179
Other Operating expense	(1,082,152)	(941,340)	(6,626,897)	(2,131,748)	(35,268)	(2,742,202)	(13,559,607)
Income before Provisions and Taxes	3,042,796	379,321	5,922,486	2,170,391	(114,771)	2,251,349	13,651,572
Provision for Impairment and Credit Losses	(523,961)	58,598	190,572	(16,021)	12	(587,115)	(877,914)
Income before Income Tax	2,518,835	437,920	6,113,058	2,154,370	(114,759)	1,664,234	12,773,658
Provision for Income Tax	(96,305)	95,439	(228,703)	(1,513,005)	0	(190,530)	(1,933,104)
Net Income	**2,422,530**	**533,358**	**5,884,355**	**641,365**	**(114,759)**	**1,473,704**	**10,840,553**
Total Assets	**511,699,861**	**74,770,748**	**631,231,003**	**476,793,878**	**(454,409,030)**	**144,765,343**	**1,384,851,803**
Total Liabilities	**1,062,927**	**1,149,718**	**633,593,332**	**634,468,109**	**(150,530,868)**	**126,500,268**	**1,246,243,486**
Depreciation & Amortization	**13,045**	**35,648**	**579,514**	**22,754**	**0**	**229,535**	**880,495**
Capital Expenditures	**5,054**	**13,973**	**115,386**	**7,213**	**217,133**	**26,090**	**384,849**

ANNEX VIII

Financial Soundness Indicators

PROFITABILITY (%)	***Jan – June 2023***	*Jan – June 2022*
Return on Average Equity	**15.86**	16.39
Return on Average Assets	**1.60**	1.75
Net Interest Margin	**4.20**	4.28
Cost to Income Ratio	**50**	44
LIQUIDITY (%)	***June 2023***	*Dec 2022*
Liquid Assets to Total Assets	**45**	44
Loans to Deposit Ratio	**65**	66
ASSET QUALITY (%)	***June 2023***	*Dec 2022*
Gross Non-Performing Loans Ratio	**2.2**	2.3
Non-performing Loan (NPL) Cover	**122**	123
SOLVENCY (x)	***June 2023***	*Dec 2022*
Debt to Equity Ratio	**9.0**	8.9
Asset to Equity Ratio	**10.0**	9.9
Interest Coverage Ratio	**2.0**	4.2*
CAPITAL ADEQUACY (%)	***June 2023***	*Dec 2022*
CET 1 / Tier 1 Ratio	**15.21**	15.07
Total Capital Adequacy Ratio (CAR)	**16.08**	15.92

**for Jan-June 2022*

Definition of Ratios

Profitability Ratios:

Return on Average Equity	-	Net Income after Income Tax / Average Total Equity
Return on Average Assets	-	Net Income after Income Tax / Average Total Assets
Net Interest Margin	-	Net Interest Income / Average Interest Earning Assets
Cost-to-Income Ratio	-	Operating Expenses excl Provision for Impairment & Credit Losses / Total Operating Income

Liquidity Ratios:

Liquid Assets to Total Assets	-	Total Liquid Assets / Total Assets
Loans to Deposit Ratio	-	Loans (Net) / Deposit Liabilities

Asset Quality Ratios:

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

Solvency Ratios:

Debt to Equity Ratio	-	Total Liabilities / Total Equity
Asset to Equity Ratio	-	Total Assets / Total Equity
Interest Coverage Ratio	-	Net Income Before Tax and Interest Expense / Interest Expense

Capital Adequacy Ratio:

Capital to Risk Assets Ratio	-	BSP prescribed formula:
CET 1 CAR	-	CET 1 Capital / Total Risk Weighted Assets
Tier 1 CAR	-	Tier 1 Capital / Total Risk Weighted Assets
Total CAR	-	Total Qualifying Capital / Total Risk Weighted Assets

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

Financial Highlights (Consolidated)

In Million Pesos	***Jan – June 2023***	*Jan – June 2022*
Gross Revenues	**39,528**	29,087
Gross Expenses	**28,688**	18,990
Net Income	**10,841**	10,097

In Million Pesos	***June 2023***	*Dec 2022*
Total Resources	**1,384,852**	1,329,729
Loan Portfolio (Net)	**725,922**	699,595
Total Deposits	**1,121,385**	1,065,915
Equity	**138,608**	134,579

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

Key Performance Indicators

PROFITABILITY (%)	***Jan – June 2023***	*Jan – June 2022*
Return on Average Equity	**15.86**	16.39
Return on Average Assets	**1.60**	1.75
Net Interest Margin	**4.20**	4.28
Cost-to-Income Ratio	**50**	44
LIQUIDITY (%)	***June 2023***	*Dec 2022*
Liquid Assets to Total Assets	**45**	44
Loans to Deposit Ratio	**65**	66
ASSET QUALITY (%)	***June 2023***	*Dec 2022*
Gross NPL Ratio	**2.2**	2.3
NPL Cover	**122**	123
SOLVENCY (x)	***June 2023***	*Dec 2022*
Debt to Equity Ratio	**9.0**	8.9
Asset to Equity Ratio	**10.0**	9.9
Interest Coverage Ratio	**2.0**	4.2*
CAPITAL ADEQUACY (%)	***June 2023***	*Dec 2022*
CET 1 / Tier 1 Ratio	**15.21**	15.07
Total CAR	**16.08**	15.92

**for Jan-June 2022*

Economic Environment

US GDP grew 2.4% vis-à-vis the preceding quarter, driven by the growth in consumer spending, non-residential fixed investments, government spending and inventory. Inflation decelerated for the second consecutive month to 3.0% in June 2023, but it remained above the US Fed's 2% target. Given these, the US Fed raised its federal funds rate by 25 bps in July 2023, ending at 5.25% to 5.50%, a 22-year high. Meanwhile, Fitch Ratings downgraded the US' long-term foreign currency issuer default rating to AA+ from AAA, citing eroding confidence in the government's fiscal management and potential 'mild' recession at the latter part of 2023 due to tightening credit conditions, weakening business investment and slowdown in consumption spending. Flagging funding risks and weaker profits in a high-interest rate environment, Moody's also downgraded the credit ratings of several mid-sized US banks and placed a number of major banks under review for potential downgrade including Bank of New York Mellon, US Bancorp, Truist Financial, State Street Corporation and Northern Trust Corporation.

On the domestic front, 2Q 2023 GDP growth significantly decelerated to 4.3%, below market expectations and slower than 1Q 2023's 6.4% and 2Q 2022's 7.5%. On the expenditure side, household consumption growth continued to trend downwards from the 10.0% registered in 1Q 2022, settling at 5.5% in 2Q 2023 mainly pulled down by lower spending on Clothing and Footwear, Alcoholic Beverages & Tobacco and Furnishings, Household Equipment & Routine Household maintenance. Government spending declined by 7.1% while gross capital formation flattened with the significant slowdown in Construction growth. Net imports slowed by 7.2%. Meanwhile, on the production side, all sectors recorded slower increases: services sector at 6.0%, industry at 2.1% and agriculture at 0.2%.

Inflation rate further decelerated to 4.7% in July 2023 driven by slower price increases of most food commodities and lower prices of meat, electricity, LPG, rent and transport. This brought the year-to-date average inflation to 6.8%. Recognizing the gradual return of inflation to its 2% to 4% target band, as well as the expected moderation in economic activity over the policy horizon, the BSP Monetary Board kept its policy rate steady at 6.25%, 75 bps higher than the US federal funds rate.

As of May 2023, the combined assets of the UK/B & TB industries expanded 8.9% year-on-year to P22.3 trillion. Deposits grew 7.9% to P17.2 trillion, while loans increased 10.0% to P11.7 trillion. Gross NPL ratio went down to 3.6% from 3.8% in May 2022, while NPL cover rose to 103% from 96%.

Results of Operation

Analysis of Consolidated Statements of Income (unaudited)
For the period ended June 30, 2023 and June 30, 2022

Chinabank posted a 7.4% growth in **net income** to P10.8 billion in the first semester of 2023, on the back of higher operating revenues and lower credit provisions. The income performance translated to a return on equity and return on assets at 15.86% and 1.60%, respectively.

Total interest income increased by 46.4% to P37.9 billion from P25.9 billion with the growth in earning assets and better yields. **Interest income from loans and receivables** was up by 32.9% to P24.6 billion due to higher loan portfolio and higher yields year-on-year. Likewise, **interest income from investment securities at amortized cost and at FVOCI** recorded a 68.7% increase to P10.9 billion mainly arising from the higher securities volume year-on-year. Furthermore, **interest income from financial assets at FVPL** increased by 45.8% to P345.5 million mainly from the higher volume of FVPL securities portfolio. **Interest income from due from BSP and other banks and SPURA** was significantly higher at P2.0 billion because of the higher placements with correspondent banks.

Total interest expense was at P12.3 billion, up 3.2 times versus P3.9 billion in the same period last year as higher funding cost pushed up **interest expense on deposits** and **interest expense on bills payable**

and other borrowings by 3.9 times and 59.8%, respectively. **Lease payable** increased by 14.5% to P97.8 million due to higher rental rates on lease renewals.

Despite the surge in interest expense, **net interest income** rose 16.2% to P25.5 billion with a net interest margin of 4.20%.

The Bank booked **provision for impairment and credit losses** of P877.9 million, lower by 47.0% from the same period last year as asset quality continues to stabilize.

Total **non-interest income** decreased by 48.3% to P1.7 billion as the improvements in core fees were offset by the P1.6 billion net loss in **trading, securities, and foreign exchange** arising from treasury-related activities. **Service charges, fees, and commissions** increased by 20.1% to P1.8 billion from the upswing in transactional fees. **Trust fee income** was 26.1% higher at P282.2 million because of volume-related growth year-on-year. Similarly, movements in the fair value of investment properties resulted in a significant increase in **gain on asset foreclosure and *dacion* transactions** to P221.7 million. **Share in net income of associates** increased by 94.0% to P238.4 million because of the improved profitability of the bancassurance joint venture, Manulife China Bank Life Assurance Corporation (MCBLife). **Miscellaneous income** totaled P482.8 million, down by 27.7% from P668.2 million due to lower recoveries and lower income from bancassurance during the period.

With the broad-based growth both core and business volume-related costs, **operating expenses** were up 22.1% to P13.6 billion. **Compensation and fringe benefits were** up 32.6% to P4.6 billion due to the increase in manpower complement. **Occupancy** was up 8.6% to P1.1 billion due to the increase in rent, utilities, and security-related expenses. **Taxes and licenses** were up 62.8% to P2.8 billion mainly from higher revenue- and volume-related taxes. **Insurance**, which includes PDIC premium payments, grew by 30.1% to P1.4 billion with the annual expansion in deposits. **Transportation and travelling** increased 8.0% to P207.3 million mainly from higher fuel costs. **Professional fees, marketing and other related services; stationery, supplies and postage; and repairs and maintenance** rose by 31.9%, 7.0%, and 29.3%, respectively, mainly driven by higher investments in our distribution channel, information technology, and business development. **Entertainment, amusement and recreation** dropped by 5.1% to P208.6 million due to lower marketing-related costs for the period. **Miscellaneous expenses** decreased by 16.7% to P1.7 billion from lower other expenses.

Consolidated **cost-to-income ratio** was registered at 50% from 44% in the same period last year.

Financial Condition

Analysis of Consolidated Statement of Financial Condition As of June 30, 2023 (unaudited) and December 31, 2022 (audited)

Chinabank's consolidated **assets** stood at P1.4 trillion as of June 2023, 4.1% higher than year-end 2022.

Cash and other cash items fell 14.4% to P11.7 billion due to the leveling-off of cash-in-vault from its usual year-end build-up. **Due from BSP** decreased by P10.2 billion or 9.6% due to the drop in placements with the BSP. **Interbank loans receivable and securities purchased under resale agreements** decreased by 58.3% to P18.2 billion due to lower volume of overnight placements with the BSP.

Financial assets at fair value through profit or loss (FVPL) grew by P11.5 billion to P16.2 billion with the growth in fixed income assets. **Financial assets at fair value through other comprehensive income (FVOCI)** increased by 78.6% to P77.4 billion due to higher securities volume. **Derivative contracts designated as hedges** dropped by 11.1% to P5.5 billion due to the termination of $150 million interest rate swap (IRS) used as hedging instrument for a floating rate bonds payable. The Bank's total securities portfolio accounted for 34% of consolidated resources.

Gross loans slightly increased to P744.6 billion, while **net loans** reached P725.9 billion.

Investments in associates increased by 25.3% to P1.2 billion due to the income contribution from the Bank's affiliate, MCBLife. **Deferred tax asset (DTA)** increased by 7.9% to P4.9 billion due to the recognition of DTA on certain deductible temporary differences. **Other assets** increased by 11.4% to P7.5 billion from higher balance prepaid expenses and other miscellaneous receivables.

On the liabilities side, **total deposits** was recorded at P1.1 trillion, up 5.2%. The combined demand and savings deposits decreased by 3.6% to P553.0 billion, accounting for 49% of total deposits. **Bills payable** increased by 6.9% to P75.2 billion with the growth in deposit substitutes. **Bonds payable** declined by 29.5% to P20.0 billion due to the pre-termination of $150 million bonds payable during the period. **Manager's checks** increased by 41.7% to P2.2 billion as the volume of outstanding checks for negotiation grew year-to-date. **Income tax payable** amounted to P331.0 million, 6.1% higher year-to-date due to additional regular corporate income tax payable for the period. **Accrued interest and other expenses** was 16.2% larger at P7.1 billion because of interest payable accruals. **Derivative liabilities** decreased by 22.4% to P1.2 billion due to lower currency swaps volume. **Derivative liabilities designated as hedges** increased by 12.4% to P4.7 billion arising from the change in the mark-to-market rates. **Other liabilities** dropped 16.8% to P13.4 billion.

Total equity reached to P138.6 billion, slightly higher than year-end's P134.6 billion mainly from the P6.1 billion or 7.2% 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 gain on life insurance reserve of associate** increased by 37% to P132.1 million from the revaluation of legal policy reserves of the Bank's affiliate. **Remeasurement gain on defined benefit asset** saw a 5.6% drop to P73.4 million due to changes in actuarial assumptions. Meanwhile, **cumulative translation adjustment** decreased to P9.4 million, while **cash flow hedge reserve** dropped by 49.3% to P2.8 billion due to exchange rate difference arising from the conversion of income and expenses related to foreign currency-denominated positions to base currency.

The Bank's Common Equity Tier 1 (CET 1/ Tier 1) ratio and total CAR were computed at 15.21% and 16.08%, respectively, and remain comfortably above minimum regulatory levels.

Total Comprehensive Income
For the period ended June 30, 2023 and June 30, 2022

The Bank recorded **total comprehensive income** of P9.1 billion during the first semester of the year, a 24.7% or P3.0 billion decrease from the P12.1 billion recorded in same period last year mainly due to the P2.7 billion loss on cash flow hedge.

Key Performance Indicators

Profitability

CHIB posted a 7.4% increase in net income to P10.8 billion in the first half of 2023 on the back of higher operating revenues and lower credit provisions. The income performance translated to a ROE of 15.86% and ROA of 1.60%. Cost-to-income ratio was higher at 50% from 44%, while net interest margin was lower at 4.20% from 4.28% last year.

Liquidity

The Bank's liquidity ratio inched up to 45%.

Asset Quality

Gross non-performing loans (NPL) ratio was slightly lower at 2.2%, better than industry average. Meanwhile, NPL cover remained sufficient and above industry at 122% with Parent bank providing a more substantial buffer at 130%.

Solvency Ratios
Debt-to-equity and asset-to-equity ratios for the first half was recorded at 9.0 and 10.0, respectively. Interest coverage ratio for the period was at 2.0.

Capitalization
Chinabank's capital base stood at P138.6 billion. CET 1 / Tier 1 CAR and Total CAR ratios were registered at 15.21% and 16.08%, respectively, both well above the minimum regulatory requirements. The Bank's capital is largely comprised of CET 1/ Tier 1 (core) capital.

Corporate Developments

Moody's Investor Service affirmed Chinabank's investment grade credit rating with a stable outlook. In its July 28, 2023 report, the international credit watchdog noted: "the Baa2 deposit and issuer ratings are driven by the bank's strong capitalization and profitability; as well as its modest deposit franchise, offset by its strong level of liquidity. The ratings also factor in a one-notch uplift to its baa3 Baseline Credit Assessment (BCA) to reflect the moderate probability of support from the Government of Philippines (Baa2 stable)."

Chinabank recently launched Digital Payments to make it easier for Chinabank Mobile users to pay for online purchases and bills straight from their account. Through its partnership with payment infrastructure Xendit, the Bank has expanded its payment service to selected Xendit and Dragonpay merchants. Customers enrolled in Chinabank Mobile can simply use their mobile banking credentials to authorize their payments.

At the *Infosys Finacle Innovation Awards 2023* held in Mumbai, India, Chinabank was recognized among the most innovative banks in the world. The Bank's Automatic Debit Arrangement (ADA) and Direct Debit Arrangement (DDA) cash management solutions won the Gold Award in the Product Innovation category.

Chinabank is celebrating its 103rd anniversary on August 16, 2023.

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 10% of the total consolidated resources.

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

(In Mn Pesos)	**Jan-Jun '23**	Jan-Dec '22*	Jan-Jun '22
Net Income	50	103	54
Total Assets	527	586	530

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

(In Mn Pesos)	**Jan-Jun '23**	Jan-Dec '22*	Jan-Jun '22
Net Income	8	4	11
Total Assets	120	107	136

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

(In Mn Pesos)	**Jan-Jun '23**	Jan-Dec '22	Jan-Jun '22
Net Income	849	1,577	771
Total Assets	138,660	123,987	110,281

- **China Bank Capital Corporation**

(In Mn Pesos)	**Jan-Jun '23**	Jan-Dec '22*	Jan-Jun '22
Net Income	300	313	179
Total Assets	4,418	3,086	4,250

**based on Audited Financial Statements*