



2017 Annual Financial
and Sustainability Report



ABOUT THE REPORT

102-50, 102-51 102-52, 102-54, 102-55

China Bank embarks on another milestone as we produce our first Annual Financial and Sustainability Report. Our goal is to provide a holistic understanding of how we embed sustainability into our operations to deliver strong results while creating value for society.

This report covers our financial and non-financial performance from January 1, 2017 to December 31, 2017. We aligned the narrative to our contributions to the 17 Sustainable Development Goals (SDGs) of the United Nations through the products and services we provide. We took a systematic reporting approach in embedding sustainability into our operations, including developing a sustainability strategy that reflects our commitment to contribute more to the achievement of the SDGs.

This report has been prepared in accordance with the Global Reporting Initiatives (GRI) Standards: Core option. In the process, we have successfully completed the GRI Materiality Disclosures services, which verifies that the General Standard Disclosures 102-40 to 102-49 were correctly located in both the GRI Content Index (pages 237-240) and in the text of this report.

CONTENTS

About this Report	IFC
About China Bank, Vision, Mission, and Core Values	1
Journey to 100 Years	2
Financial Highlights	4
Non-Financial Highlights	6
Foundations for Sustainable Growth	8
Message to Our Stakeholders	10
Business Review	18
Driving Sustainable Economic Progress	18
Growing and Preserving Assets	28
Fostering Financial Inclusion	34
Environmental, Social, and Governance	44
Board of Directors	82
Management Committee	86
Senior Officers	88
Management Directory	90
Awards and Distinctions	91
Financial Statements	92
China Bank Branches	212
China Bank Savings Branches	221
China Bank Off-Branch ATMs	226
Business Offices	231
Subsidiaries and Affiliate	232
Product and Services	235
Investor Information	236
GRI Index	237



ABOUT THE COVER

For nearly a century, China Bank's unique place in Philippine economic history and the banking industry has been characterized by its rich heritage, timeless values, enduring partnerships, principled banking, service excellence, and value creation. The solid foundation underlies the story of continued growth, network expansion, technology and innovation, and business diversification as we pursue our goal of becoming a more effective enabler of our customers' success, and continue to be the best bank for them. The year 2017, with its record of performance, transition and preparation for future growth, marks another milestone in that continuing story—quietly symbolized by a simple scroll sealed with the auspicious symbol of the Lu, denoting prosperity and good fortune.



ABOUT CHINA BANK

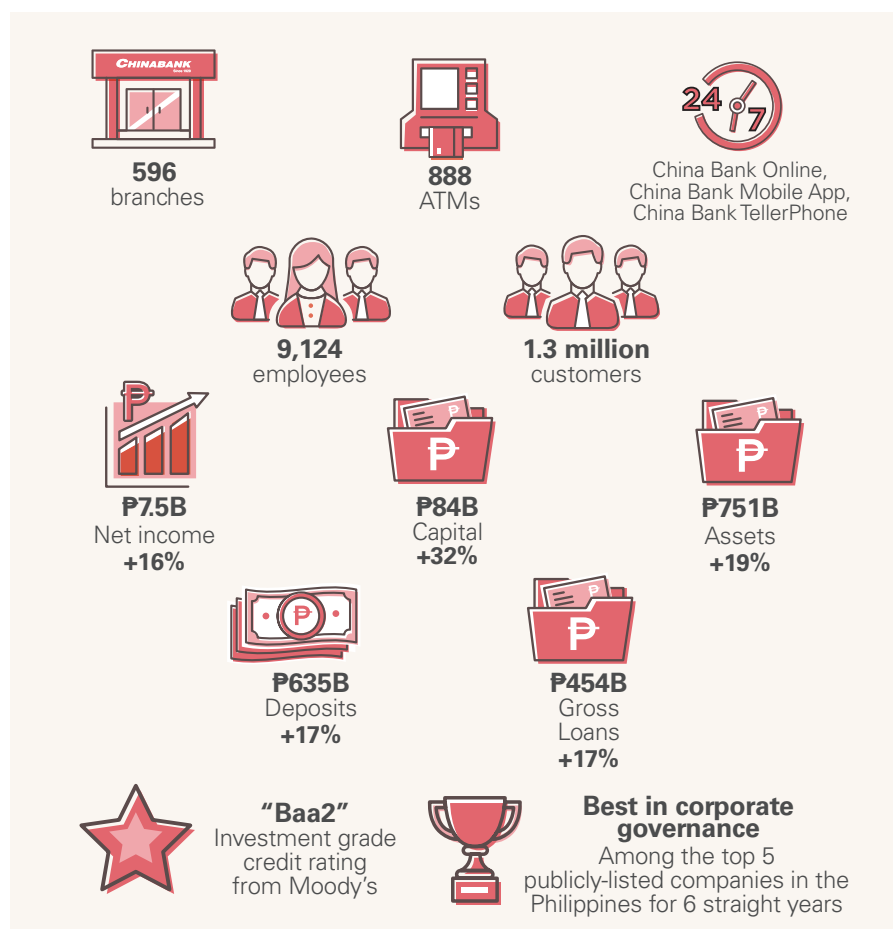
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China Banking Corporation (China Bank) is one of the leading private universal banks in the Philippines. We offer a full range of banking products and services to institutional (corporate, middle market/commercial, SMEs) and individual (retail, mass affluent, high net worth) customers, as well as thrift banking, investment banking, insurance brokerage, and bancassurance through our subsidiaries China Bank Savings, China Bank Capital, China Bank Securities, China Bank Insurance Brokerage, and affiliate Manulife China Bank Life Assurance.

Established in 1920 as the first privately-owned local commercial bank, China Bank has an in-depth understanding of the way entrepreneurs and businessmen do business. While maintaining very close multi-generational relationships with the Chinese-Filipino community, we have since expanded the scope of our products and services to cover all market segments as we pursue ways to create greater value for the future.

The China Bank stock (PSE: CHIB) is listed on the Philippine Stock Exchange (PSE). We are a member of the SM Group, one of the largest conglomerates in the Philippines.

Headquarters: China Bank Building, 8745 Paseo de Roxas corner Villar St., Makati City 1226 Philippines



VISION

102-16

Drawing strength from our rich history, we will be the best, most admired, and innovative financial services institution, partnering with our customers, employees, and shareholders in wealth and value creation.

MISSION

We will be a leading provider of quality services consistently delivered to institutions, entrepreneurs, and individuals here and abroad, to meet their financial needs and exceed their rising expectations. We will be a primary catalyst in the creation of wealth for our customers, driven by a desire to help them succeed, through a highly engaged team of competent and empowered professionals, guided by in-depth knowledge of their needs and supported by leading-edge technology. We will maintain the highest ethical standards, sense of responsibility, and fairness with respect to our customers, employees, shareholders, and the communities we serve.

CORE VALUES

- Integrity
- High Performance Standards
- Commitment to Quality
- Customer Service Focus
- Concern for People
- Efficiency
- Resourcefulness / Initiative



JOURNEY TO 100 YEARS



1920

Opens for business on August 16, 1920
Founders:
Dee C. Chuan,
Don Albino Sycip,
and a group
of top Chinese
businessmen

1931

The Great Depression hits the Philippine banking sector; hit by runs, a rival bank goes under, but China Bank weathers the crisis unshaken

1945

Reopens in July;
lends to key
industries for post-war reconstruction



1968

Becomes the first bank in Southeast Asia to process accounts online

1990

Head office officially transfers to Makati



1927

Is listed on the Manila Stock Exchange



1935

P21.5M in resources and one of the country's biggest banks

1948

Opens first branch in Cebu



1942

The Japanese military shuts down China Bank in April, liquidates its assets, and arrests Don Albino and George Dee Se Kiat

1988

Introduces TellerPhone, the first phone banking service in the country



2007

- Acquires Manila Banking Corp. and operates it as a savings bank arm, China Bank Savings (CBS)
- Signs bancassurance joint venture with Manulife



1997

Best capitalized bank during the Asian Financial Crisis, after a 2 for every 3 shares stock rights offering

2015

- Launches investment house subsidiary, China Bank Capital
- Launches credit card business



2017

- Celebrates 90th listing anniversary
- Gets investment grade credit rating from Moody's
- Raises P15B from stock rights offer



2006

Completes first international US\$53M secondary share offering

2014

- Acquires Planters Development Bank
- Raises P8B from stock rights offer



2016

China Bank Capital acquires stock brokerage house ATC Securities, renamed China Bank Securities



1996

Accesses the offshore capital markets with US\$50M floating rate certificates of deposit (and US\$75M in 1997)



FINANCIAL HIGHLIGHTS

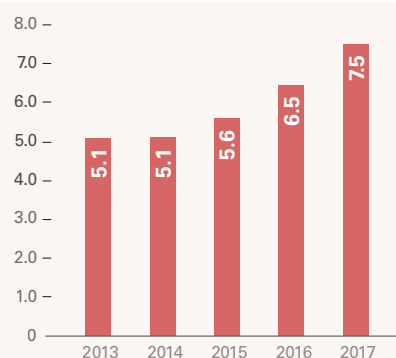
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	2015	2016	2017
FOR THE YEAR (IN THOUSAND PESOS)			
Net Interest Income	15,085,184	16,694,195	19,626,403
Non-Interest Income	4,487,142	5,094,746	6,101,694
Operating Income	19,572,326	21,788,941	25,728,097
Provision for Impairment & Credit Losses	966,574	850,546	754,171
Operating Expenses	12,193,207	13,350,873	15,961,818
Net Income Attributable to Equity Holders of the Parent Bank	5,606,666	6,458,296	7,513,972
AT YEAR END (IN THOUSAND PESOS)			
Total Resources	526,826,963	633,198,011	751,447,510
Loan Portfolio (Net)	309,761,777	386,827,300	448,970,942
Investment Securities	71,209,973	98,982,422	127,970,546
Total Deposits	439,265,686	541,583,018	635,093,393
Stockholders' Equity	59,170,904	63,386,204	83,655,497
Number of Branches	517	541	596
Number of ATMs	740	805	888
Number of Employees	7,540	8,124	9,124
KEY PERFORMANCE INDICATORS (IN %)			
Profitability			
Return on Average Equity	9.62	10.42	10.01
Return on Average Assets	1.17	1.16	1.12
Net Interest Margin	3.37	3.20	3.11
Cost to Income Ratio	62.30	61.27	62.04
Liquidity			
Liquid Assets to Total Assets	36.09	34.39	36.40
Loans (net) to Deposit Ratio	70.52	71.43	70.69
Asset Quality			
Gross Non-Performing Loans Ratio	2.53	1.86	1.41
NPL Cover	87.33	91.00	99.02
Capitalization			
Capital Adequacy Ratio (CET 1/Tier 1)	12.58	11.30	13.47
Capital Adequacy Ratio (Total CAR)	13.50	12.21	14.22
SHAREHOLDER INFORMATION			
Market Value			
Market Price Per Share (In Pesos)	30.38 ^{1/}	33.51 ^{1/}	33.30
Market Capitalization (In Thousand Pesos)	68,958,700	76,077,058	89,402,898
Valuation			
Earnings Per Share (In Pesos)	2.50 ^{1/}	2.88 ^{1/}	2.91
Book Value Per Share (In Pesos)	26.07 ^{1/}	27.92 ^{1/}	31.16
Price to Book Ratio (x)	1.17	1.20	1.07
Price to Earnings Ratio	12.15	11.64	11.44
Dividends			
Cash Dividends Paid (In Thousand Pesos)	1,716,414	1,853,728	1,988,719
Cash Dividends Per Share (In Pesos)	1.00	1.00	0.80
Cash Payout Ratio (In %)	33.54	33.06	30.79
Cash Dividend Yield (In %)	2.91%	3.09%	2.36%
Stock Dividends Paid (In Pesos)	1,373,142	1,482,993	1,988,729
Stock Dividends Per Share (in %)	8.00	8.00	8.00

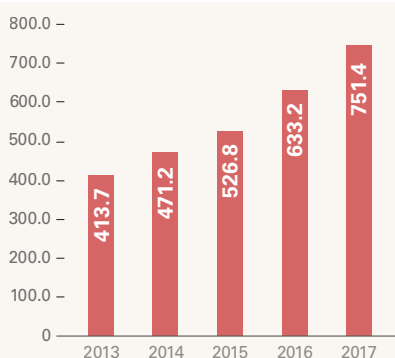
1/ Restated to show the cumulative effects of stock dividends & stock rights

**NET INCOME**

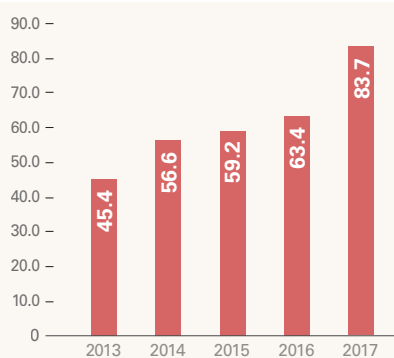
In Billion Pesos

**TOTAL RESOURCES**

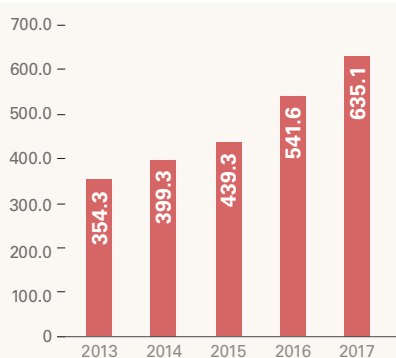
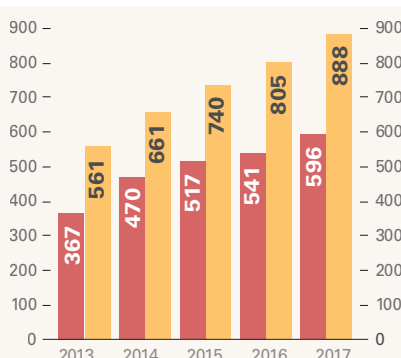
In Billion Pesos

**STOCKHOLDERS' EQUITY**

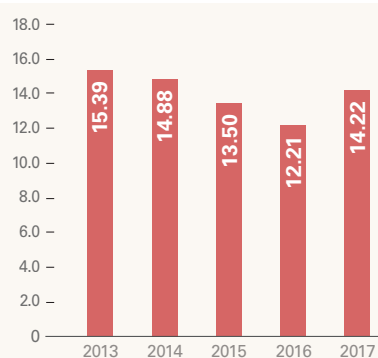
In Billion Pesos

**DEPOSITS**

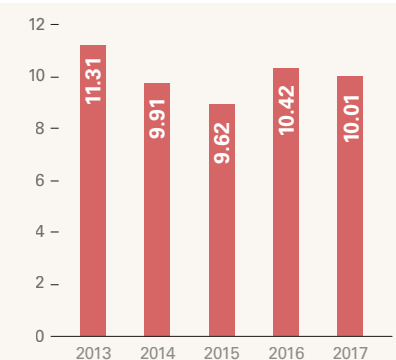
In Billion Pesos

**BRANCHES****ATM****TOTAL CAR**

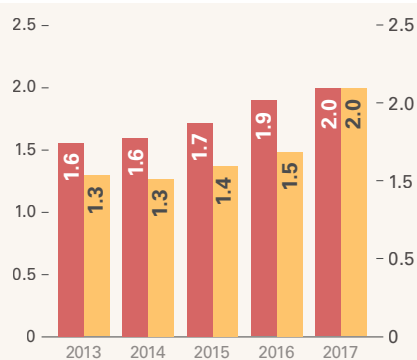
In Percent

**RETURN ON EQUITY**

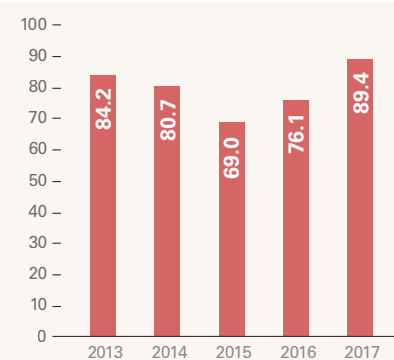
In Percent

**DIVIDENDS PAID**

In Billion Pesos

CASH**STOCK****MARKET CAPITALIZATION**

In Billion Pesos

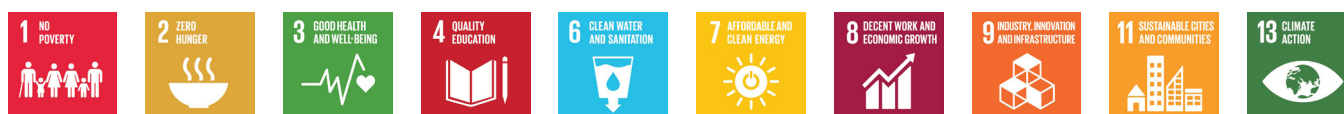




NON-FINANCIAL HIGHLIGHTS

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P796 Billion
Total Fund Mobilized for SDGs



P141 Billion
Total Disbursed through Direct Loans

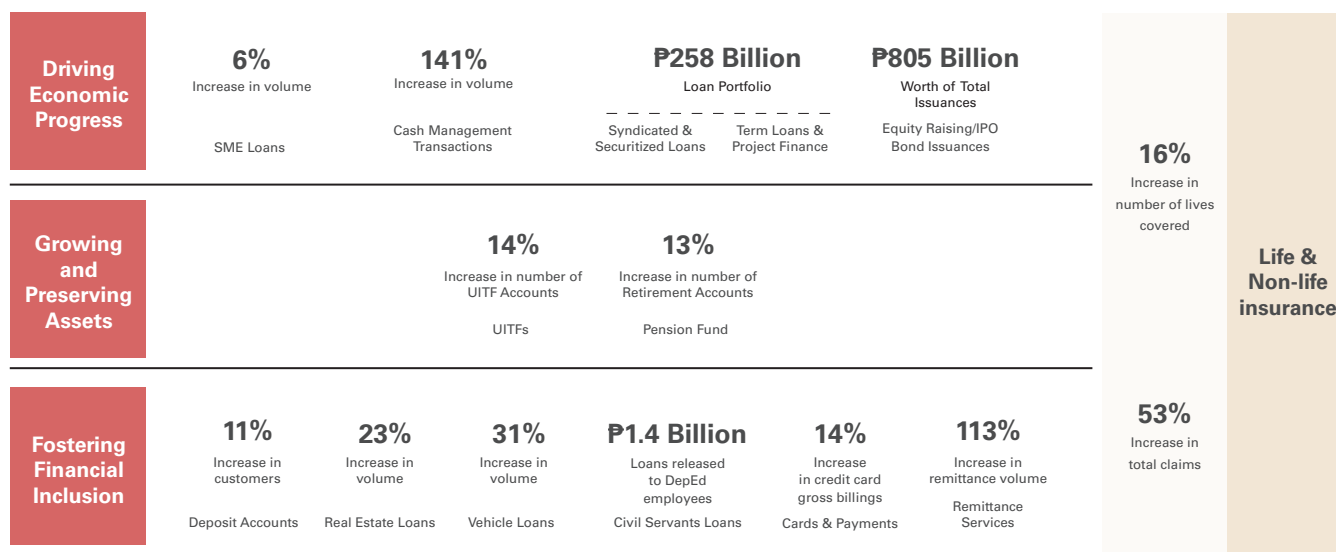
28% Power Generation	24% Sustainable Communities	20% Infrastructure Development
9% Food and Agriculture	7% Sustainable Energy	12% Others*

P655 Billion
Total Funds and Capital Raised for Clients

78% Infrastructure	22% Power Generation
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Note: DepEd and Real Estate not included in the total disbursed amount

*Water and Sanitations Systems, Education, Sustainable Mobility, Nutrition, Health and Wellness, Micro & Small Business Loan, Climate and Disaster Resilience





Revised ESG Scorecard:

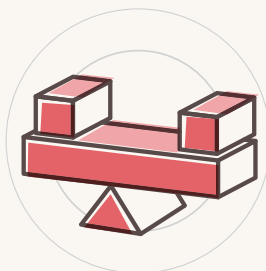
ASPECT	2017 PERFORMANCE
Economic	
Value Generated (in billion pesos)	32.64
Value Distributed (in billion pesos)	29.09
Value Retained (in billion pesos)	3.55
Environment	
GHG Emissions (Tonnes CO ₂ e)	
Scope 2	3,425
Scope 3	645
GHG Intensity (Tonnes CO ₂ e/in billion pesos revenue)	124.68
Average Electricity Consumption/Branch	3.42% reduction
Savings/Branch (in pesos/branch)	1,000
Total Water Consumption (m ³) <i>*Main facilities</i>	66,089
Total Water Intensity (m ³ /in billion pesos revenue)	18,643
Governance	
No. of Employees Trained in Anti-corruption	5,209
Among the top 5 publicly-listed companies in corporate governance for 6 straight years	
Appointed Roberto F. Kuan as the lead independent director and Margarita L. San Juan as an independent director (only female member of the Board)	
All material topics are adequately disclosed in accordance to SEC and PSE policies	

ASPECT	2017 PERFORMANCE
Social	
Total Employees	9,124
By Gender	
Male	2,917
Female	6,207
By Rank	
Rank and File	5,982
Junior Officers	2,835
Senior Officers	307
Attrition Rate	
Officer (%)	10.42
Rank and File (%)	14.57
Overall (%)	13.15
Employee Covered by CBA (%)*	61
Total No. of employees covered by CBA*	3,993
<i>*Parent bank only</i>	
Total No. of Rank and File (V to VII) promoted	1,074
Average Training Hours per Employee	11.14
No. of Internal Engagement Programs	4
Total No. of Participants	2,127
Third Month Questionnaire	
Officer - Satisfaction Rating (out of 10)	8.05
Rank and File - Satisfaction Rating (out of 10)	8.68
% of employees who said they will recommend China Bank as a workplace (based on 2017 exit interview)	97%



FOUNDATIONS FOR SUSTAINABLE GROWTH

102-7



Proven Reliability and Stability

Committed to the highest standards of corporate governance, business integrity, and professionalism, China Bank continues to be a reliable and stable institution. We are constantly improving our performance, products, and processes in step with the changing times, rising customer expectations, and international best practices to fulfill our fiduciary duties and deliver on our commitments to our stakeholders.

¥84 billion
CAPITAL

CET 1/Tier 1 CAR: 13.5%;
Total CAR: 14.2%

“Baa2”
INVESTMENT
GRADE CREDIT RATING
From Moody's



Enduring Client Relationships

As a leading universal bank operating for 97 years, China Bank is a trusted partner of generations of clients. We build and nurture strong customer relationships, guided by our mission to be a primary catalyst in wealth creation. With a customer-centric approach of always considering what's best for our clients, we develop relevant products and services, roll out various improvements and innovations, and simplify our processes to enhance customer experience across all our touch points.

1.3 million
CLIENTS

16% have been banking
with China Bank for more
than 10 years



Quality Talent Capital

Our workforce drives China Bank's relentless move forward. A key strategy to our success all these years is attracting, developing, and retaining high caliber employees to effectively support our expanding operations. We are adopting the best practices in human resources management to create a positive working environment where people are motivated and energized to do their best work and to provide excellent customer service all the time.

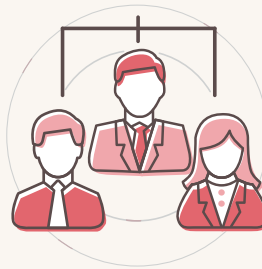
9,124
EMPLOYEES



Efficient Operations

With a balanced approach to operational efficiency, we ensure that China Bank's revenue streams are growing faster than overhead costs. Focused on increasing productivity and achieving long-term efficiency, we continue to make the necessary investments to enhance our market coverage, improve competitiveness, provide better and more responsive service, and generate long-term value for all stakeholders.

2.31%
COST-TO-AVERAGE
ASSETS RATIO



Robust IT Infrastructure

China Bank's business activities are ably supported by robust IT infrastructure that can scale with demand. With our up-to-date technology—from our core banking system to our various front-to-end operations systems—well-thought out business processes, and comprehensive policy frameworks, we are organized to provide excellent service to our internal and external customers, manage our risks, and achieve our organizational goals.

**NEW CORE BANKING
SYSTEM**
Rolled out in 2015



Wide Reach

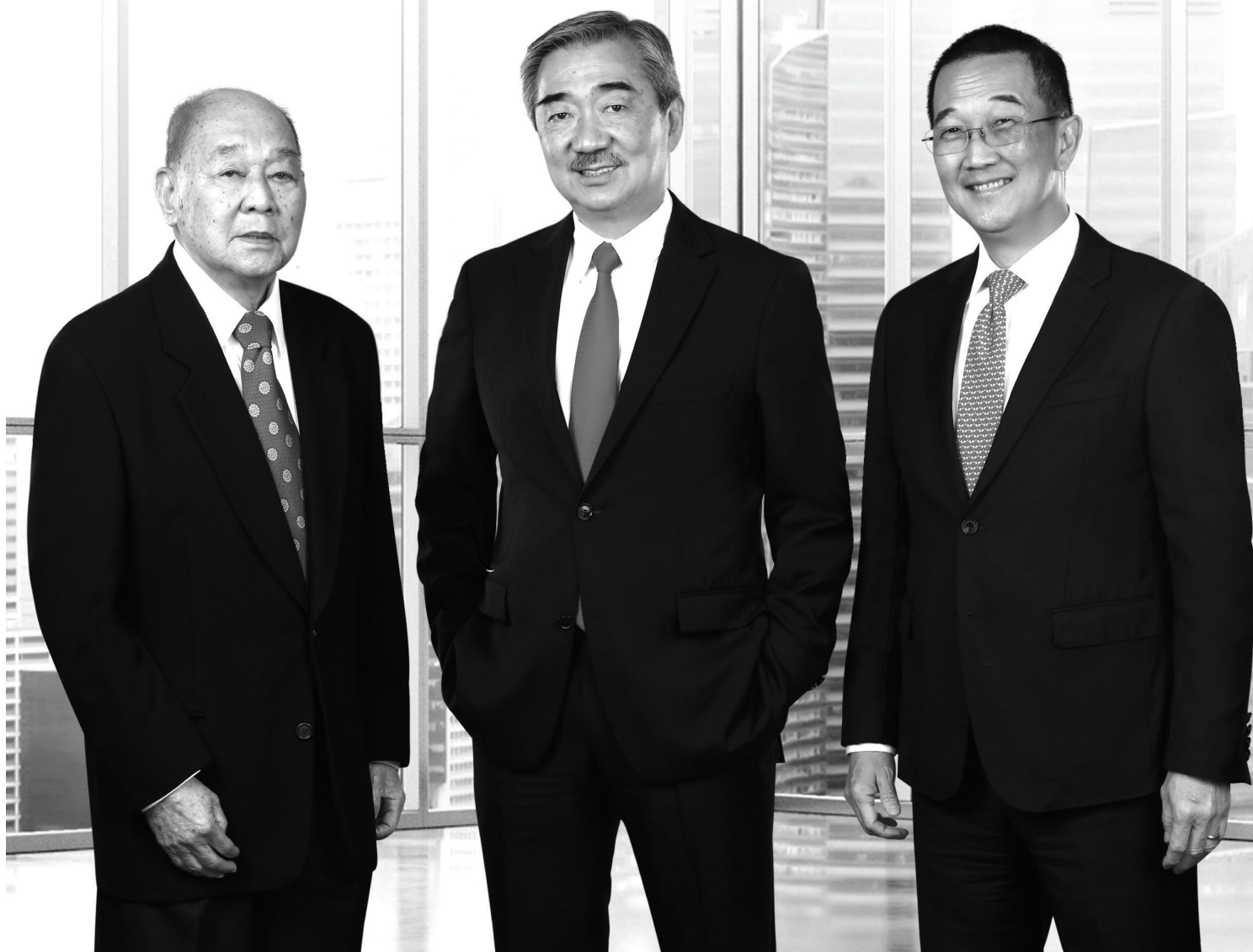
We put a lot of infrastructure and technology to provide the best combination of value, accessibility, and convenience for our customers. Driven to be within easy reach anywhere and anytime, we continue to expand our nationwide footprint and enhance our electronic banking channels. Our wide physical and digital distribution network makes our products and services accessible to more customers and enables them to choose how, when, and where they want to bank with us.

596
BRANCHES
Complemented by 888 ATMs,
China Bank Online,
China Bank Mobile Banking App,
China Bank TellerPhone



MESSAGE TO OUR STAKEHOLDERS

102-14, 102-15



We overcame challenges and took full advantage of opportunities, using our capabilities, footprint, and scale to meet our customers' financial needs and create sustained value for all our stakeholders. We are continuing to invest in the future while delivering results for today.



To Our Fellow Stakeholders,

The year 2017 was a significant period of change and progress for China Bank, marking a new chapter in our storied history. We achieved good business and financial results as we sustained our growth momentum, successfully completed a stock rights offer to bolster our capacity to pursue further business growth, highlighted by an investment grade credit rating.

We overcame challenges and took full advantage of opportunities, using our capabilities, footprint, and scale to meet our customers' financial needs and create sustained value for all our stakeholders. We are continuing to invest in the future while delivering results for today. And as we prepare with anticipation for our 100th anniversary in 2020, a new leadership in the management team has been entrusted with carrying the Bank forward and upward. The new senior leadership is tasked to our vision of becoming the best, most admired, and innovative financial services institution.

What Happened in 2017

The Philippines remained one of the fastest growing among emerging economies in the region. Gross Domestic Product (GDP) grew 6.7% in 2017, still a healthy growth record compared to the 6.9% in 2016, as expansion in infrastructure-related and investment-related spending offset the expected slack from the previous year's election-related spending. The strong economic expansion extended the economy's run of 76 quarters of uninterrupted growth, as the initial phases of the government's "Build, Build, Build" program start to gain traction. The solid economic fundamentals provided the monetary authorities ample space to support the country's growth trajectory, and continue the program for broader market reforms under the new BSP Governor Nestor Espenilla Jr.

The government's long-term development plan of accelerating economic development through 2040 was jump started with a critical piece, as Congress enacted the first phase of tax reforms popularly known as TRAIN 1 (RA 10963 or Tax Reform Acceleration & Inclusion Act), which would partly fund the government's ambitious "Build, Build, Build" program. Phase 2 of the tax reforms program is expected to be revenue neutral, but the reduction of the Corporate Income Tax to align with our ASEAN peers and modernize the fiscal incentives system are among the significant initiatives expected to broaden the tax base, improve tax efficiency while continuing to encourage foreign investments and exports and improve labor productivity.

The acceleration in the government's infrastructure spending was reflected in the slight increase in the country's fiscal deficit to P350.6 billion, still below the government's target of P482.1 billion or about 3% of GDP. The government's plan to usher in a golden era of infrastructure spending is considered sustainable, as the country's debt to GDP ratio of less than 35% can very well accommodate additional spending, complemented by funding from ODA and PPP. Similarly, the acceleration in infrastructure-related imports coupled with higher costs of fuel brought the current account deficit up to US\$100 million in 2017. As a result, the peso shed 5.8% of its value against the dollar, averaging P50.40: US\$1 in 2017 from P47.49: US\$1 in 2016. Due to the positive investor sentiment, the PSEi closed 25% higher at 8,558 from 6,841 in 2016.

The Philippine banking industry was both a beneficiary and a crucial catalyst in helping sustain this sustainable pace of growth of our economy. Industry assets expanded by 12% or P1.5 trillion to P14.8 trillion, 81% of which came from loans growth. Bank lending continued to expand by 19% and went mostly to productive sectors.



HENRY SY, SR.
Honorary Chairman
and Advisor to the Board



**Our thrift banking arm
China Bank Savings
tripled its net income,
sustaining the momentum
of its turnaround to full
profitability in 2016.**

How We Performed

In 2017, our Bank generated a record net income of P7.5 billion, up 16% on the back of sustained growth in core and fee-based businesses. This translates to a return on equity (ROE) of 10.01% and return on assets (ROA) of 1.12%.

Our net interest income rose 18% year-on-year to P19.6 billion, driven by the 17% growth in loan portfolio and stable net interest margin of 3.11%.

Total assets expanded 19% to P751.4 billion. Gross loans grew 16% by P65 billion to P454 billion due to strong demand across all segments, particularly consumer loans, which jumped 25%, and corporate loans, which rose 19%.

Even as the expansion in our loan portfolio continued apace, stronger focus on credit underwriting standards and disciplined collection efforts led to a milestone reduction



in our NPL ratio to 1.4% – lower than industry levels – as non-performing loans (NPL) dropped P900 million or 12.3%. Continued provisioning improved the loan loss coverage ratio (LLR) to 99% from 91% (consolidated level) and to 175% from 153% (parent bank).

The growth in loans and asset base exceeded P100 billion in the last two years, supported by the growth in funding base. Total deposits rose 17% to P635.1 billion, boosted by 24% growth in low-cost funds, resulting to healthy CASA (checking & savings accounts) ratio of 54%, while the loans-to-deposit ratio was steady at 71%.

We generated this growth by focusing on our customers' need and making China Bank more accessible. We sustained our network expansion efforts, opening 55 new branches to grow our nationwide footprint to 596 branches, complemented by 888 ATMs and our secure and convenient electronic banking channels. With a wider reach and more ways to reach us, we are able to serve more customers anytime and virtually anywhere.

Our thrift banking arm China Bank Savings tripled its net income, sustaining the momentum of its turnaround to full profitability in 2016. At 160 branches as of year-end 2017, CBS has more branches than China Bank in 2006 before the start of our expansion phase triggered by the acquisition of Manila Bank.

In the capital markets, the China Bank Group continued to make its presence felt as a major player. Our investment house subsidiary China Bank Capital sustained its market leadership in the local bond market, and with a very active participation in major underwriting deals. It reported a 25% earnings growth, even as it completed its capital markets capability with the launching of China Bank Securities (from the acquisition of ATC Securities).

Major Developments

The year marked a significant change at the management leadership level, with William C. Whang becoming President effective November 1, 2017. William joined the Bank in 2011 as head of our Institutional Banking Group, and was Chief Operating Officer before his designation as President.

Taking over as Chief Operating Officer is Executive Vice President Romeo "Romy" D. Uyan, Jr. who previously oversaw the Financial Markets segment while serving as Treasurer and Head of Treasury Group, while also serving as President of China Bank Capital.

Patrick D. Cheng was designated Chief Finance Officer. Patrick joined the bank in 2013 as Trust Officer and Head of Trust and Asset Management Group.

The senior management team is further bolstered by Rosemarie C. Gan as Head of Retail Banking, and Alberto Emilio V. Ramos as President of China Bank Savings – both key units engaging the retail, SME, and commercial segments.

Meanwhile, capable successors were designated for key functions – Benedict L. Chan succeeded Romy as Treasurer and Head of Treasury Group, while Lilian Yu replaced William as Head of Institutional Banking Group. Ryan Martin L. Tapia was designated President of China Bank Capital, with Marisol M. Teodoro appointed as President of China Bank Securities.

We take this opportunity to express our sincere thanks and deep appreciation to Ricardo "Ric" R. Chua, who stepped down as President and CEO on October 31, 2017. We are truly grateful to Ric for his dedicated service of 42 years—President and CEO from September 2014 to October 31, 2017 and previously as EVP and COO from 1995 to 2014. Ric had been instrumental to China Bank's success, and we are happy to note that we continue to benefit from his wise counsel as an advisor to the Board.



At the last stockholders' meeting, we welcomed Ms. Margarita L. San Juan to our Board as Independent Director, succeeding the late Dy Tiong. Margie also serves as an Independent Director of our subsidiaries China Bank Savings and China Bank Capital. We hope to secure shareholder and regulatory approval to increase the number of board directors to twelve, to accommodate the addition of a fourth independent director, as we continue our efforts to be aligned with best practice in corporate governance.

While our 2014 P8 billion stock rights offering provided the resources to pursue our growth and diversification strategies post-Plantersbank acquisition, we returned to the capital markets in May 2017 with another oversubscribed P15-billion stock rights offering. This SRO bolstered our capital strength to sustain our growth momentum across all segments, while we prepare for greater competition and a more complex regulatory scenario Basel 3 and related rules taking effect. Our common equity tier 1 (CET 1) and total capital adequacy ratios as of end-December 2017 stood at 13.47% and 14.22%, respectively.

The capital raising was complemented by a rationalization of the liability funding mix with the issuance of LTNCDS amounting to P15.9 billion – P9.6 billion in November 2016 and P6.3 billion in June 2017. Apart from leveraging the stronger capital base with longer-term funding to match our long term asset deployment, the proceeds were used to support our strategic initiatives and business expansion.

In a development reflective of our balance sheet strength and our ample liquidity situation, we paid off – one year ahead of schedule – the 3-year US\$158 million Syndicated Loan due in June 2018. Robust growth of our foreign currency deposits at favorable rates enabled us to repay the loan sooner.

A significant highlight of the year was the INVESTMENT GRADE credit rating of Baa2 given by Moody's Investors Service in its very first credit rating report issued for China

Bank, citing the Bank's strong capital base and stable asset quality. This investment grade credit rating is at par with the Philippine sovereign rating and the best rated banks in the country. This investment grade rating followed a rating upgrade from Capital Intelligence to "BBB" from "BBB-"; and a similar affirmation by Fitch Ratings of China Bank's "BB+" Long Term Issuer Default Ratings.

Good corporate governance is the cornerstone of our business. It has been crucial in our success in the last 97 years. We are pleased to note that our commitment and efforts in this field was recognized both here and abroad.

At the annual Philippine Stock Exchange (PSE) Bell Awards for excellence in corporate governance, China Bank was given a special citation as the only publicly listed company to have won the Bell Award for 5 consecutive years from 2012 to 2016, and continued to be among the top five in corporate governance in 2017 – and the only bank to be so recognized in each of those 6 years. We were recognized hailed by the Global Banking & Finance Review as the Best Bank for Corporate Governance Philippines 2017 and Best Investor Relations Bank Philippines 2017.

We marked another milestone as we celebrated the 90th anniversary of the listing of our shares in 1927 at the Manila Stock Exchange (a forerunner of the Philippine Stock Exchange).

How We Create Shared Value

For 97 years, we have been combining financial success with ethical practice and socially responsible action. We are driven to create sustainable value for our stakeholders while being mindful of our broader impact on society and the environment. We take seriously our responsibility for making a positive difference in our stakeholders' lives, for protecting the environment, and for enabling societal and



economic progress. And while we are proud of the strides we have made in sustainability, we know there is more work to be done.

This year, for the first time, references can be found in various sections of this report to the United Nations Sustainable Development Goals (SDGs) which are most significant to our business.

Our Plans

With another great year 2017 to build on, and with a new management team at the helm, we are prepared to face the challenges presented by an environment characterized by globalization, fragmentation, and disruption. As we look forward to celebrating our 100th anniversary in 2020, our objective is to sharpen our focus on four wildly important goals —business growth, operational excellence, customer centricity, and employee engagement.

As our journey continues, we are even more excited for what the future holds. We are preparing to embrace the myriad opportunities of the next century by staying relevant to our customers in an increasingly digital world, where the rules of competition and business models are being redefined and even disrupted across many industries. We will pursue our digital banking transformation, with our innovations in platforms, products, and services aimed at creating and enhancing value for our customers and partners — our road map to becoming the best Bank for our customers and stakeholders.

On behalf of the board of directors, management, and staff of China Bank, we thank our customers for your continued support and partnership. We especially thank our stockholders for your continued trust in your Board and Management to continue our journey of strength, growth, and shareholder value.

As we look forward to celebrating our 100th anniversary in 2020, our objective is to sharpen our focus on four wildly important goals—business growth, operational excellence, customer centricity, and employee engagement.

HANST. SY
Chairman of the Board &
the Executive Committee

GILBERT U. DEE
Vice Chairman

WILLIAM C. WHANG
President



SUSTAINABLE VALUE FOR ALL

102-9

As a leading universal bank operating for almost a century, China Bank believes in creating value for stakeholders. We are a trustworthy and responsive bank to our customers and shareholders, a fair and caring employer to our employees, and a responsible and proactive ally to society.

Using our resources and expertise, we help our business and individual customers achieve their financial objectives and prosper, which redounds to more jobs, better quality of life, and vibrant communities.

Through our core products and services, we create value in three key ways: driving economic progress, growing and preserving assets, and fostering financial inclusion.

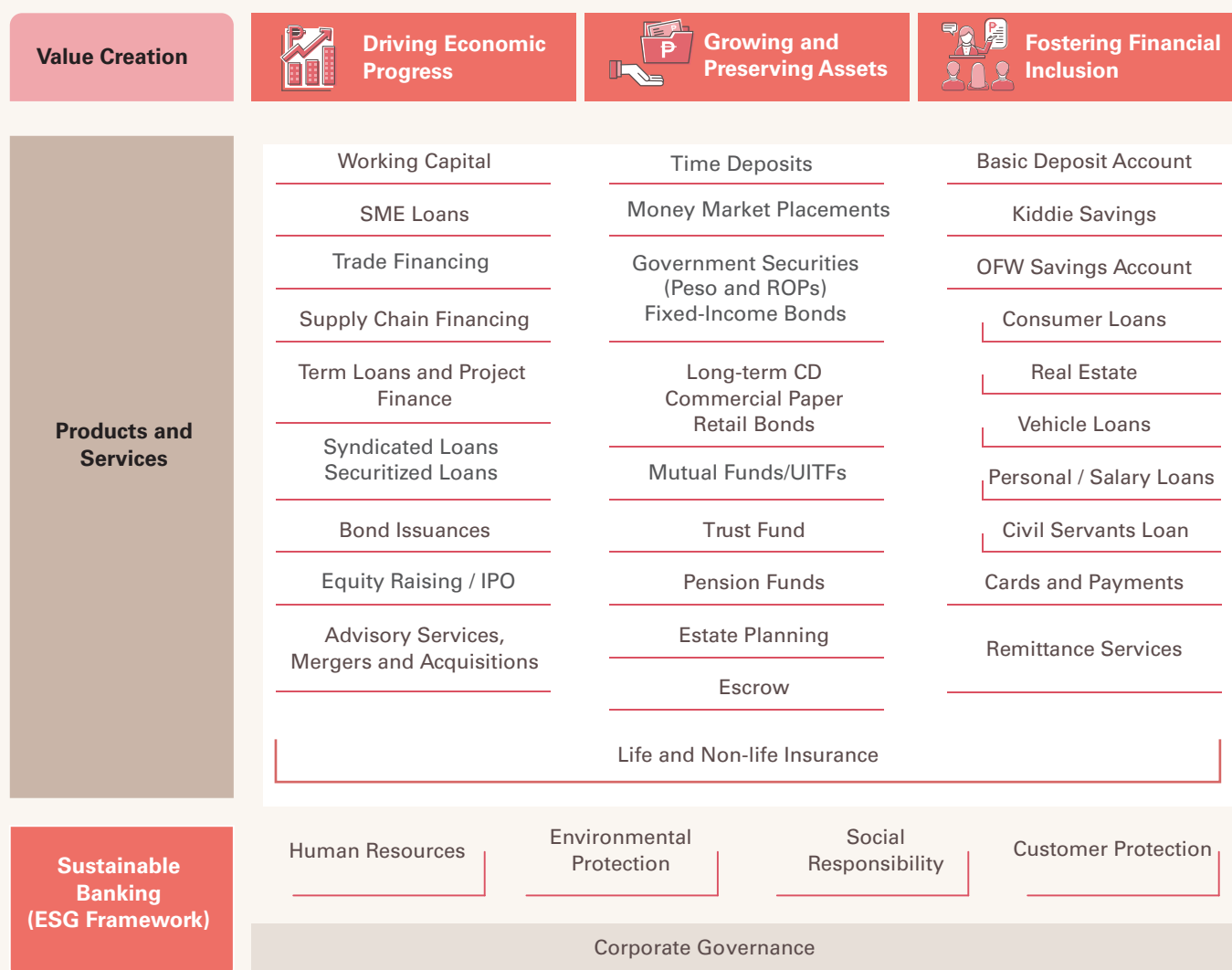
We drive economic progress by supporting businesses wherever they are in their growth journey. We provide a complete range of credit facilities, financial solutions, and advisory services to businesses of all sizes. We proactively finance businesses and projects that directly deliver on the sustainable development goals, including education, infrastructure, energy, and sustainable communities.

We help grow and preserve our customers' assets with an array of deposit and investment products and services. No matter what stage in life they are in, we have the solutions best suited to their lifestyle, ambitions, and preferences, and offer sound financial advice to help them make the right choices.

We foster financial inclusion by offering accessible banking products and services, making China Bank accessible to more people, and developing programs that encourage the un-banked and underserved segments to save and access banking products and services.

For all our customer segments, we have life and non-life products and services to enable them to manage risks, bounce back from losses, and enjoy peace of mind and financial security.

Our value creation through our core products and services is underpinned by our robust Environmental, Social, and Governance (ESG) framework that drives us to conduct our business in an ethical and responsible manner. We have a full complement of highly qualified employees and comprehensive employee development programs. We have policies in place to keep our environmental impact managed and ensure meaningful support for various advocacies. We have a consumer protection framework and efficient mechanisms for handling customer concerns. And we have a strong risk management, governance, and compliance culture—a hallmark of our success all these years.



A man in a dark suit and striped tie stands with his arms crossed, looking out a large window at a city skyline. The window reflects the city and shows a red industrial structure in the foreground. A red semi-transparent banner is at the bottom of the image.

Driving Sustainable Economic Progress





As one of the biggest universal banks in the Philippines, China Bank is intrinsically an enabler of economic progress. We embrace this role and go to great lengths to be the best bank for our business customers and facilitate business growth and economic development in a way that is sustainable and likewise beneficial to society and the environment.



FINANCING SUSTAINABLE DEVELOPMENT

203-2

China Bank, built by entrepreneurs, is the local businessmen's bank. We provide a wide range of loan and credit facilities and trading and advisory services to our corporate and commercial customers through our Institutional Banking Group (IBG). In 2017, IBG focused not just on helping our customers scale up their businesses but also on scaling up our financing for businesses and projects that contribute to the Sustainable Development Goals (SDGs).



P258 billion
IBG's loan portfolio
Up 17%

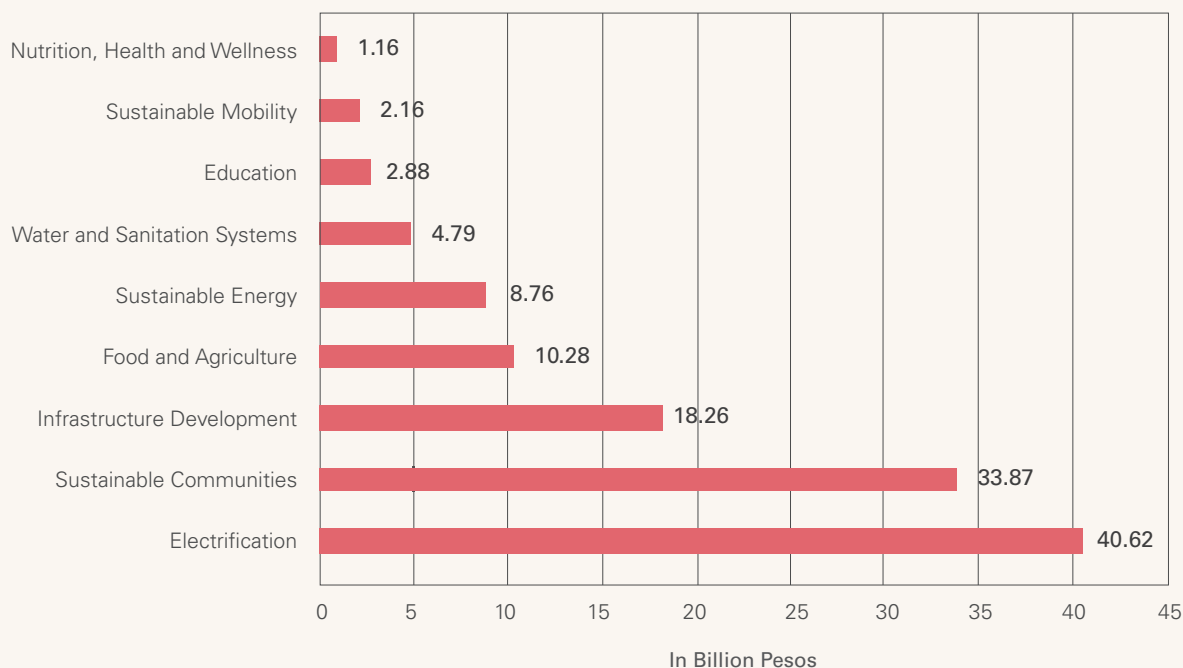


48%
of the portfolio is aligned
with the SDGs



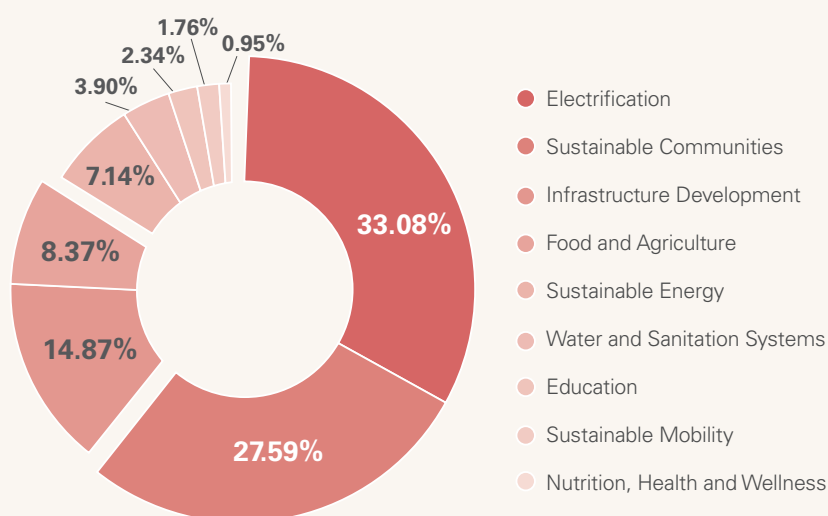
Close to P100 billion
in loans for electrification, building
sustainable communities, and
infrastructure development

DISBURSED LOANS CONTRIBUTING TO SUSTAINABLE DEVELOPMENT GOALS





DISBURSED LOANS CONTRIBUTING TO SUSTAINABLE DEVELOPMENT GOALS



More power to the nation

In 2017, we extended to SMC Consolidated Power Corporation a P6.68 billion peso loan-part of a 12-year loan facility that partially financed the construction of the 4 x

150 MW greenfield coal-fired thermal power plant located in Limay, Bataan. This plant utilizes the circulating fluidized bed (CFB) technology which transforms coal into a fuel source that is relatively low in pollutant emissions.



Photo from www.smcglobalpower.com.ph

Great places to live, work, and play

We helped enable the establishment of sustainable communities through a P3 billion loan to Sta. Lucia Land Inc. (SLI). One of the country's prime real estate developers, SLI develops properties that spur progress and add value to the communities in which they are located. These include a network of thriving residential communities and retail, tourism, and leisure developments nationwide.

Wireless connections, digital innovations

We helped fund Smart Communications' network improvements to bring faster and more responsive telecommunications services across the country with a P9.9 billion loan. Smart is the country's leading mobile network. Its LTE and 3G expansion program which initially covered Boracay, Metro Davao, Metro Cebu, Rizal, and Metro Manila last year, has been brought to other parts of the country to boost network speed, coverage, and capacity to make the best digital experience more accessible to more customers.

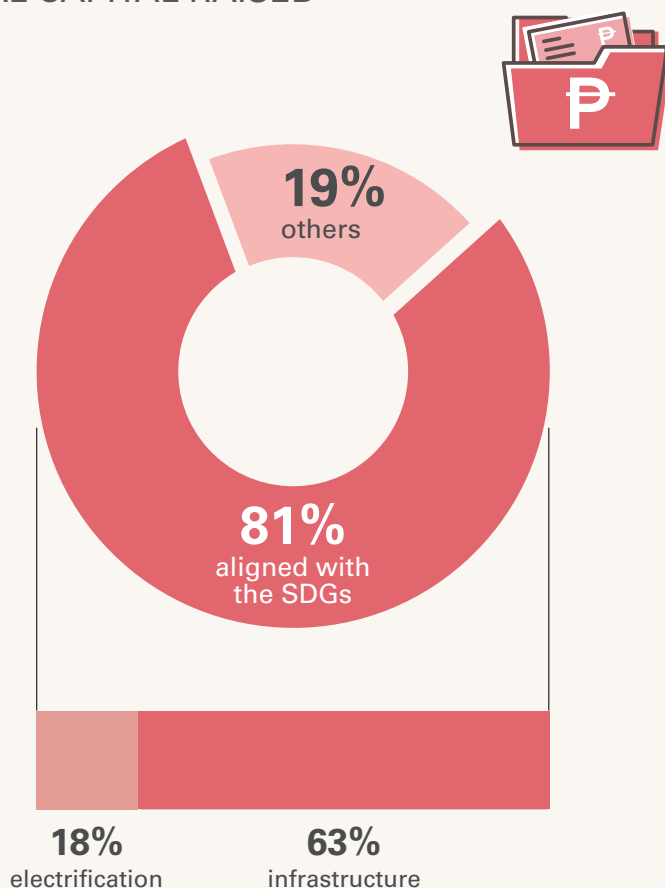


BROADENING ACCESS TO FINANCING VIA THE CAPITAL MARKETS

203-2

We provide businesses access to a range of financing options to improve their funding structure and capacity to grow and expand. Aside from traditional bank lending, we offer debt or equity financing arrangements through China Bank Capital, our investment house subsidiary, and its stock brokerage arm, China Bank Securities. We help both the private and government sectors raise funds through the capital markets to finance expansion projects and infrastructure developments that enhance the production capacity of the nation.

TOTAL CAPITAL RAISED



Investment Banking Division
Started in 2011

China Bank Capital
Established in 2015



No. 1

in peso retail bond issues



No. 1

in peso preferred shares issues



Participated in

41

debt & equity transactions of

30

companies that belong to the top
1,000 Philippine corporations



P805 billion

worth of issuances, including two
Retail Treasury Bond issuances of the
Philippine Government amounting to
P436 billion

China Bank Securities
(formerly ATC Securities)
Acquired in 2017



No. 3

in IPO volume



Supporting infrastructure

China Bank Capital was one of the joint issue managers and joint lead underwriters of Eagle Cement's Initial Public Offering. The proceeds went to the construction of a cement plant in Cebu and distribution centers and marine terminals in Southern Luzon, Visayas and Mindanao, in preparation for the aggressive infrastructure program of the government as well as the continued boom in the real estate market and the expanding tourism sector.



China Bank Capital was the issue manager, underwriter, and bookrunner of Vista Land and Lifescapes' Fixed Rate Retail Bonds issuance. The bond proceeds directly financed the development, construction, and completion of the Evia Lifestyle Center Expansion and Vistamall Malolos, as well as for general corporate purposes.

Supporting electrification

China Bank Capital was one of the joint lead arrangers for SMC Consolidated Power Corporation syndicated term loan which financed the acquisition of an existing 2x150 MW Circulating Fluidized Bed (CFB) coal-fired power plant and financing of development and construction activities for a new 2x150 MW CFB coal-fired power plant in Limay, Bataan.

Supporting education

China Bank Capital acted as one of the joint issue managers and joint lead underwriters of STI Education Services Group's Fixed Rate Retail Bonds offer which financed investments that deliver access to quality education, namely campus expansion projects. Other portions of the bond proceeds were used for land acquisition, future expansion, and general corporate purposes.





EMPOWERING SMEs

203-2

Small and medium scale enterprises (SMEs), which account for 95% of business establishments in the Philippines, are crucial for the country's economic growth and competitiveness. Through China Bank Savings (CBS), we are enabling SMEs by providing them with the financial products, services, and advice they need to start and succeed. CBS' SME lending continued to rise in 2017, reflective of our commitment to help SMEs meet their business challenges and realize their full potential.



P31 billion
SME loans up 6%

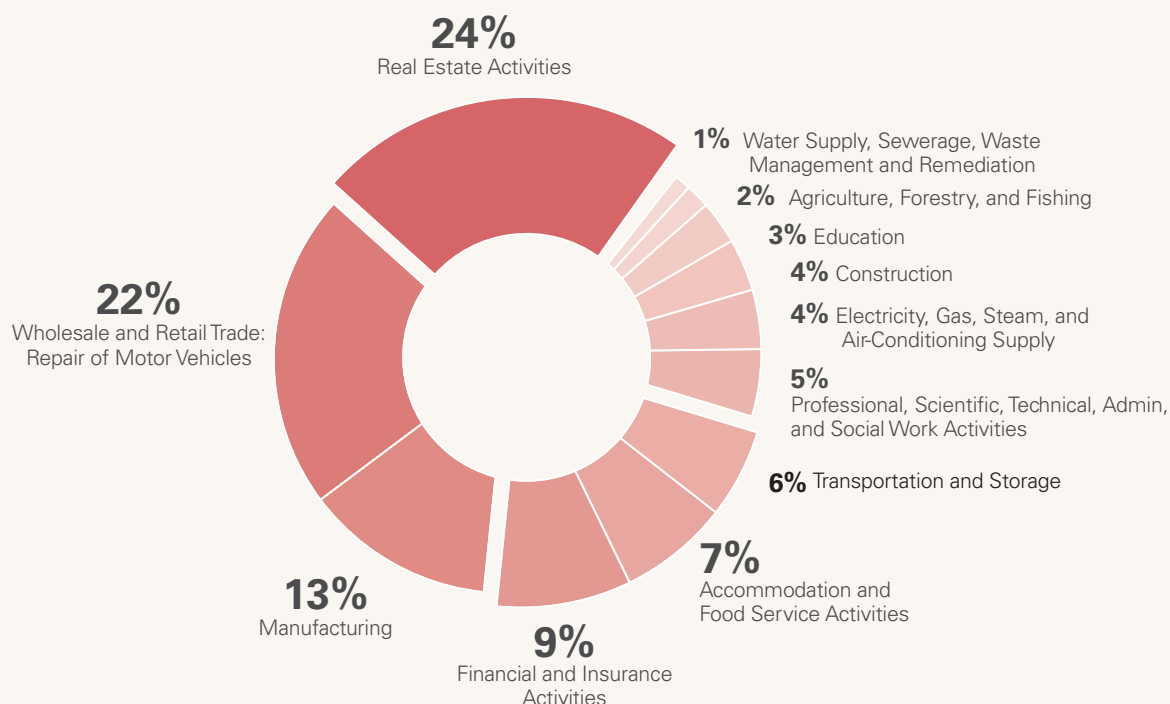


1,812
SME borrowers in 2017



P17 million
average loan amount

2017 SME LOANS



**Dedicated to SMEs**

CBS has specialized lending divisions that cater to the specific needs of SMEs, particularly in acquiring real estate and vehicles to start and grow their businesses. The Real Estate Lending Division, formed in 2015, is focused on serving horizontal sub-urban developers to help them build affordable housing and enable more Filipinos to acquire their first homes. The Bus and Truck Lending Division, which started in the middle of 2017, supports bus companies in Metro Manila that are looking to phase out their old models and procure more efficient units, in response to the re-fleeting program of the government. In just half a year, CBS has supported 50% of the market.



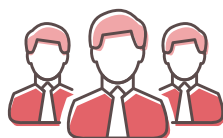


BOOSTING BUSINESS EFFICIENCY

Managing working capital and cash flow can be a complex endeavor. We help businesses of all sizes optimize funds, accelerate collections, manage the payment cycle, and streamline and automate processes with our comprehensive suite of cash management solutions designed for better liquidity, receivables, and disbursements management. In 2017, the number of cash management transactions more than doubled, which likewise translated to increased efficiency and reduced expenses for the companies we serve.



5,000
corporate customers,
13,000
user accounts



31%
increase
in new corporate
customers



141%
increase in cash management
transaction count to
13.2 million



50%
increase in receivables
management transactions

26%
increase in payables
management transactions

25%
increase in government
payment transactions

25%
increase in retail POS
transactions



Convenient cash withdrawals at the point of sale

China Bank partnered with Universal Storefront Services Corp. (USSC) to enable customers to withdraw cash from point-of-sale (POS) terminals in USSC branches. The POS Cash Out service is available at 95 of USSC outlets nationwide. Customers can save time by making POS withdrawals as they can combine purchasing and withdrawal transactions. Meanwhile, this facility enables USSC to attract additional customers who visit their branches because they need cash. USSC runs one of the country's largest networks of one-stop service shops specializing in money transfer, transport ticketing, and payment collection, among others. China Bank plans to expand this facility to more partners in the near future to further enhance its service to all Bancnet-member Bank customers.

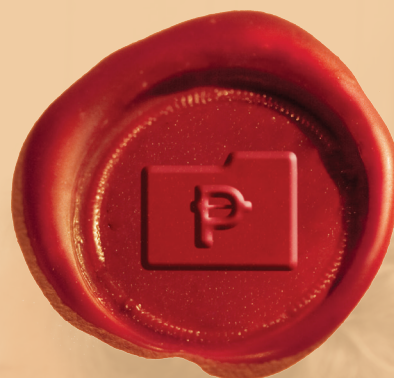
More robust China Bank Online-Corporate

China Bank Online-Corporate was enhanced in 2017 to meet the increasingly sophisticated needs of our corporate customers. The new and improved online banking facility has multi-factor authentication for greater security, a user-friendlier account management dashboard capable of displaying account balances, including those in third party banks, for a 360-degree view of cash position, and a mobile approval function for added convenience and flexibility.



A photograph of an elderly man and a younger woman sitting at a dining table. The man, with white hair and wearing a light blue polo shirt, is looking down at the table. The woman, with dark hair and wearing a grey and white striped sweater, is looking towards him. The table is set with a white plate of food, a glass of red wine, a glass of orange juice, and a plate of roasted meat. The background is a bright, white wall with a window.

Growing and Preserving Assets



With a mission to be a catalyst of wealth creation, China Bank is committed to help customers save and invest at any life stage and secure their financial future. We endeavor to understand our customers' financial situation and ambitions in order to offer them the best possible advice and services and help them navigate the challenges of creating wealth, seeing it grow over time, and preserving and passing it down to the next generation.



BUILDING WEALTH ON A FOUNDATION OF TRUST

For us, banking is a matter of trust. We place great importance on earning and maintaining our customers' trust and giving them peace of mind that the money they entrusted to us is always safe. Aside from basic deposit products and services, we provide customers with a wide range of treasury, trust, wealth management, bancassurance products and services, and sound financial advice to help them grow and preserve their wealth. Our team of seasoned trust officers and relationship managers ensure our clients make well-informed decisions—aligned with their investment objectives, time horizon, and risk tolerance.

TREASURY INVESTMENTS

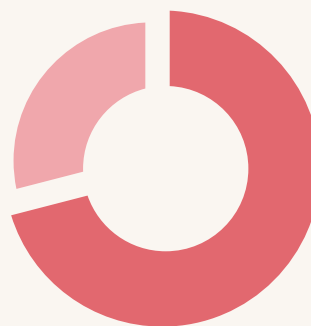
We provide customers with a range of investment options as they enjoy affordable investment amounts, no management fees, and attractive returns. China Bank is a Government Securities Eligible Dealer (GSED), a registered broker-dealer of fixed income securities with the Securities and Exchange Commission, and a brokering participant in the Fixed Income Trading Platform of the Philippine Dealing and Exchange Corporation. We offer access to direct investments in government securities issued by the Bureau of Treasury and to highly-rated bonds of various maturities issued by prime Philippine corporations.



**Among the Top 10
Best-Performing
GSEDs**

TRUST BANKING ASSETS UNDER MANAGEMENT (AUM)

29%
UITF



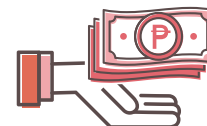
71%
non-UITF

TRUST BANKING

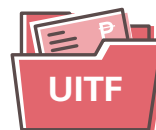
China Bank is one of the leading institutions in trust banking. Through our Trust and Asset Management Group, we offer unit investment trust funds (UITF), personal management fund, investment management, escrow, and corporate trust services to meet our customers' unique financial needs. In 2017, our Assets Under Management (AUM) grew 28% to P132 billion, placing China Bank among the top 5 in terms of AUM among privately-owned local banks.



P132 billion
AUM
Up 28%



23%
increase in
Investment
Management
Account



14%
increase in number
of UITF accounts



13%
increase in
Pension Fund



DELIVERING BEST RETURNS FOR INVESTORS

Rank	UITF	2017 (year-on-year) returns
No. 1	China Bank Balanced Fund	14.62%
No. 1	China Bank Intermediate Fixed-Income Fund	2.13%
No. 1	China Bank Short-Term Fund	2.10%
No. 3	China Bank High Dividend Equity Fund	21.63%
No. 5	China Bank Institutional Money Market Fund	1.74%

Source: www.uitf.com.ph



Best Managed Fund

For the second year in a row, the Chartered Financial Analyst (CFA) Society Philippines named China Bank Dollar Bond Fund as the “Best Managed Fund of the Year” in the Dollar Long-Term Bond category. CFA Society Philippines President Cristina Arceo handed the award to China Bank CFO Patrick Cheng (former Trust and Asset Management Group Head) at the 2017 Charter Awards Ceremony.

Insights from experts

China Bank conducts learning sessions and market outlook forums year-round to help customers better understand financial and estate planning, and the market developments that have an impact on investments. In 2017, we had 34 pocket events attended by more than 200 customers.





BUILDING WEALTH ON A FOUNDATION OF TRUST

WEALTH MANAGEMENT

We are committed to managing, growing, and protecting our clients' wealth for generations. Through our Wealth Management Group, we serve the specialized needs of the high net worth segment. Our open architecture platform enables us to optimize our clients' portfolios with the best-in-class solutions—our proprietary products as well as those of other financial institutions. Our highly skilled relationship managers provide dedicated, on-call service to conduct our clients' banking needs expertly, swiftly, and in total confidence. In 2017, we sustained our momentum as preferred Wealth Managers.



P84.7 billion
AUM
Up 7%



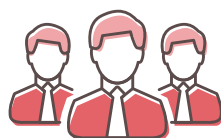
15%
increase in number
of Private Banking accounts



P406 million
net income
Up 34%

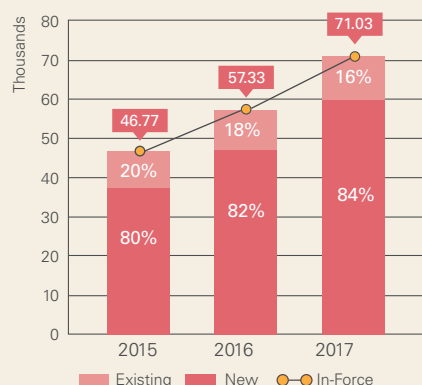


71,027
policies in force



16%
increase in
lives covered

NUMBER OF LIVES COVERED



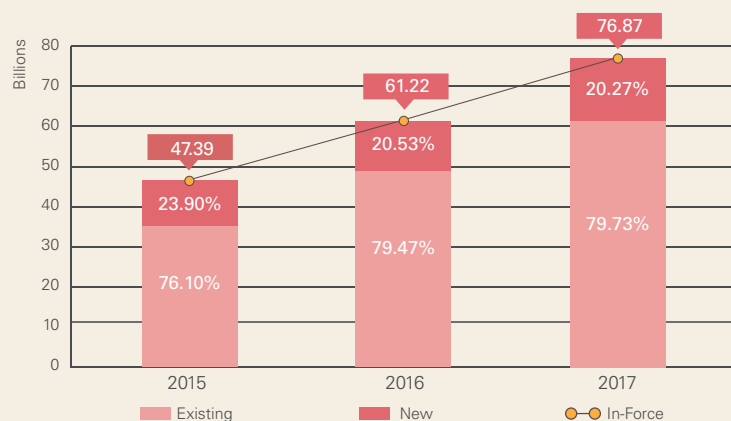
BANCASSURANCE

Planning for financial security must always account for the unexpected. Through Manulife China Bank Life Assurance Corporation (MCBL), our bancassurance joint venture with one of the largest insurers in the world, Manulife, we offer a full range of innovative insurance products to help our customers prepare for life's eventualities. And when they do happen, customers are assured that claims will be handled promptly and efficiently. In 2017, MCBL's 10th year, we reaffirmed our commitment to provide the best insurance protection for our customers, with each policy underpinned by our strong claims-paying ability.



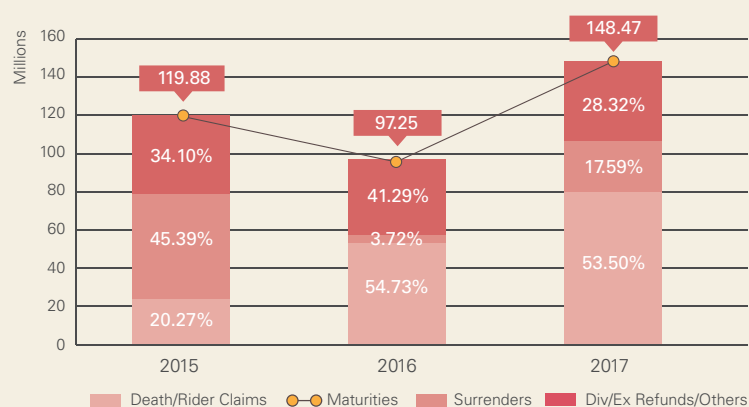
₱77 billion
total insurance
coverage amount
Up 20%

INSURANCE Total Exposure / Face Amount



₱148 million
in claims disbursed
Up 53%

INSURANCE - Total Claim Proceeds



Peso Smart Financial Literacy Program

Manulife Philippines partnered with volunteer organization Hands On Manila (HOM) to launch Peso Smart, a series of financial literacy classes designed to teach public school students the basics of saving and investing. Manulife employees designed the curriculum with Hands On Manila's partner educators and served as mentors during the weekly Peso Smart sessions with 30 grade 6 pupils from pilot schools Nueve de Febrero, Pembo, and Plainview.



YOUR SUCCESS IS OUR BUSINESS

Fostering Financial Inclusion



China Bank is well positioned to help consumers manage their money and secure their financial future. Cognizant of the negative impact of lack of financial knowledge and access to financial services to people's lives, their future, and even the country's economic growth, we mobilize our resources and expertise to make banking more inclusive and to promote financial literacy. We provide financial information through a variety of accessible channels, we expand our nationwide footprint and develop products and services to reach the underserved markets, and deploy digital platforms to make banking easy and convenient anytime, anywhere.



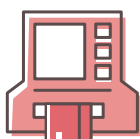
PROVIDING MORE CONVENIENT ACCESS

Banking is a people business at heart. Our relationship with our customers starts in our branches and we stay connected with them through our electronic banking channels, effectively combining technological advances with the time-tested advantages of face-to-face interactions. In 2017, we continued to expand and enhance our physical and digital distribution network to provide customers with even more convenient, secure, and easy access to our products and services.



596

Branches



888

ATMs



EMV

All ATMs
& ATM Cards



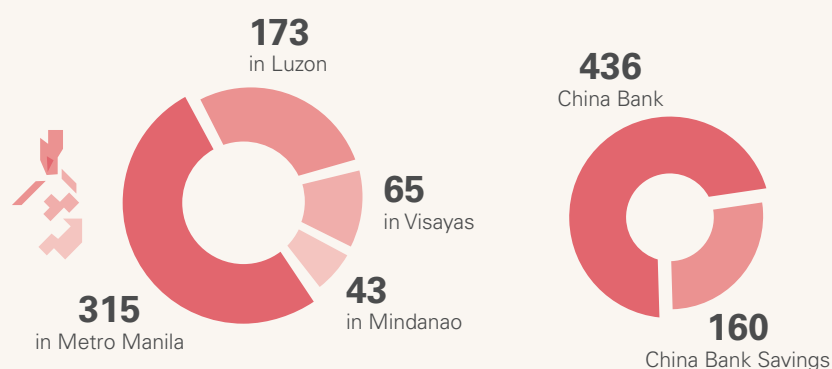
24/7

China Bank Online
China Bank Mobile App
China Bank TellerPhone

BRANCH BANKING

We believe that there is no technological substitute to meeting the people you are entrusting with your money. Our network of branches, manned by competent, honest, and friendly banking professionals, is still our main distribution channel. Even in the digital age, our branches remain crucial for acquiring new customers and growing relationship with the existing ones. Transactions such as opening an account, getting financial advice, or taking out a mortgage are exclusively done in our branches.

596 BRANCHES NATIONWIDE



55

branches
opened in 2017



11%

increase
in customers



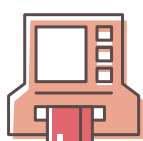
₱3.7 billion

Net income of the
Retail Banking Business



E-BANKING

We serve our customers offline and online—from our branches to our ATMs, China Bank Online, China Bank Mobile Banking App, and China Bank TellerPhone. We recognize that today's customers are mobile and demand the convenience and flexibility of managing their finances anywhere, anytime, on any device. Thus, we continue to invest in up-to-date technology and efficient and secure systems not only to be available to our customers 24/7, virtually anywhere, but to provide them with a seamless and consistent experience across all channels.



83

ATMs deployed in 2017

**888 ATMS NATIONWIDE,
ONE OF THE FIRST TO BE
EMV-COMPLIANT**

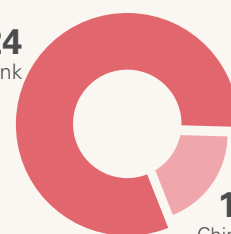


589
on-branch



299
off-branch

724
China Bank



164
China Bank
savings

**TRANSACTIONS ARE SHIFTING
TO ELECTRONIC CHANNELS**

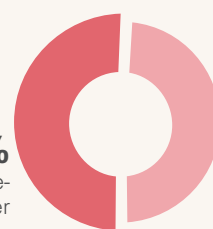
61%
over-the-
counter



2016

39%
electronic

51%
over-the-
counter



2017

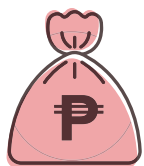
49%
electronic





ENCOURAGING SAVINGS

We offer various types of deposit accounts with low or zero initial deposit and low maintaining balance to make it easy for customers to manage their household budget or business finances, set aside money for emergencies, and build their funds for future needs. By opening more branches in the last ten years, especially in the provinces, we are able to reach out to our previously un-served communities and offer them a better and more secure option than just stashing away money at home or in an informal system of saving and lending money. All China Bank deposits are insured up to P500,000 by the Philippine Deposit Insurance Corporation.



P635 billion
in total deposits in 2017
up 17%

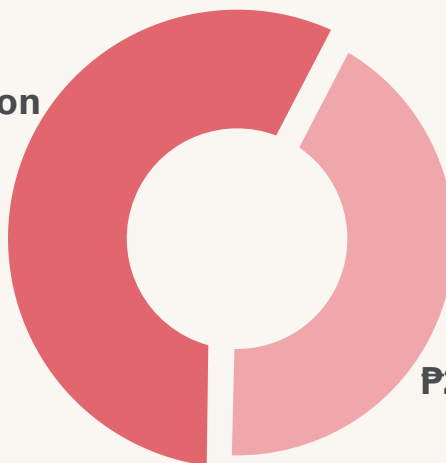


24%
increase in Current & Savings
accounts (CASA)



11%
increase in the number
of new savings and
checking accounts

P343 billion
CASA



P292 billion
time deposits





BRIDGING FAMILIES

Working abroad, enduring home sickness is a price a lot of Filipinos are willing to pay to provide for their loved ones. Through China Bank On-Time Remittance and Overseas Kababayan Services, we help overseas Filipino workers (OFWs) make the most of their hard-earned money. Combined with our vast network of international remittance partners, domestic pay-out partners, and various modes of remittance, sending and receiving money through China Bank is fast, secure, and affordable. In 2017, we processed 2.9 million remittance transactions. Our remittance volume more than doubled to US\$2.87 billion, accounting for 10% of the total OFW remittances sent through banks last year.

29
Domestic and International
remittance partners with
branches worldwide



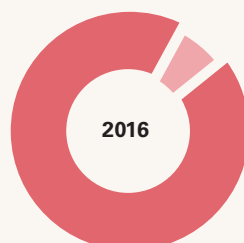
5
domestic payout partners
with over
8,000
branches and outlets all over
the Philippines

Empowering OFWs with money management skills

China Bank conducts financial literacy lectures for OFWs as part of the Pre-Deployment Orientation Seminar (PDOS). A mandatory requirement for all OFWs, the PDOS aims to make them aware of the realities of working in a foreign country. At the China Bank PDOS Center in Ermita, Manila, our remittance officers share practical tips and information on budgeting, saving, and investing to help OFWs secure their family's future. In 2017, we conducted 18 financial literacy lectures attended by a total of 7,550 OFWs bound for Asia and the Middle East.

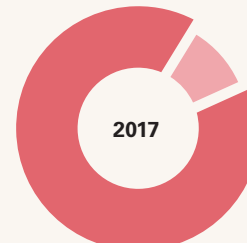
IMPROVED MARKET SHARE FROM 5% IN 2016 TO 10% IN 2017

US\$1.35 billion
OFW remittances sent
through China Bank



US\$26.09 Billion
Total OFW remittances
sent through banks

US\$2.87 billion
OFW remittances sent
through China Bank



US\$28.06 Billion
Total OFW remittances
sent through banks





MAKING DREAMS COME TRUE

People dream of having their own home, acquiring their own vehicle for business/livelihood, or traveling to their dream destination. Helping our customers achieve their dreams is one of the most significant things we can do for them. In 2017, our consumer loans increased 25% to P63 billion, translating to more dreams realized.

REAL ESTATE LOANS

203-2

Our low interest rates and flexible payment terms make it easy and affordable for customers to buy or build a home, renovate their homes, refinance an existing housing loan, or reimburse a recent purchase or construction of a residential or commercial property. Our consolidated real estate loans increased 24% to P40 billion in 2017. Residential loans accounted for 89% of our outstanding retail real estate loans, reflective of our commitment to help Filipino families have their very own homes.



P40 billion
in outstanding
real estate loans in 2017
up 24%



4,559
real estate loans
up 18%



P11.6 billion
loan volume
up 25%



89%
residential



11%
commercial





VEHICLE LOANS

203-2

As we support our customer's dreams of buying their own vehicle for personal use, we place great importance on helping them acquire vehicles such as trucks and vans that supports their livelihood and enterprises. We also continue to look for opportunities to finance mass transport solutions that help alleviate traffic congestion. In 2017, our consolidated vehicle loans reached P18.9 billion in 2017, up 31% compared to 2016. New loans for the purchase of buses, trucks / equipment and light commercial vehicles increased 37% in 2017. This accounted for 23% of the new loans in 2017.



P19 billion
in outstanding
vehicle loans in 2017
up 31%



12,236
new vehicle loans
up 26%



P11.1 billion
loan volume
up 34%

77%
for personal
use



23%
for mass transit
and business/livelihood
use





MAKING DREAMS COME TRUE

DepEd LOANS 203-2

Like any consumer, teachers sometimes have problems with cash shortage. Through China Bank Savings (CBS), we are helping the Department of Education's public school teachers and non-teaching employees with their cash flow problems and keeping them from borrowing from loan sharks and being trapped in debt. CBS offers Easi-APDS Loan, an affordable, non-collateral loan for the teaching and non-teaching personnel of the Department of Education (DepEd). Since the launch of Easi-APDS Loan in 2015, CBS has lent almost P2 billion to help over 16,000 DepEd teachers and employees with their financial emergencies, home repairs, education, and business needs.

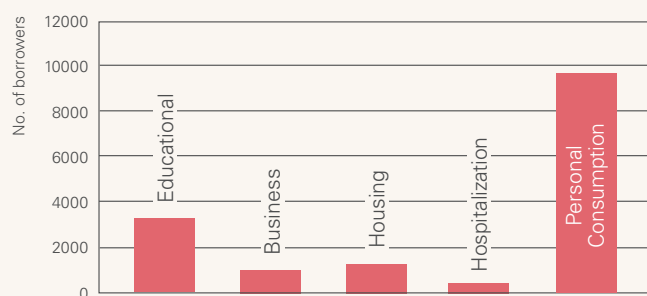


P1.4 billion
loan released
in 2017

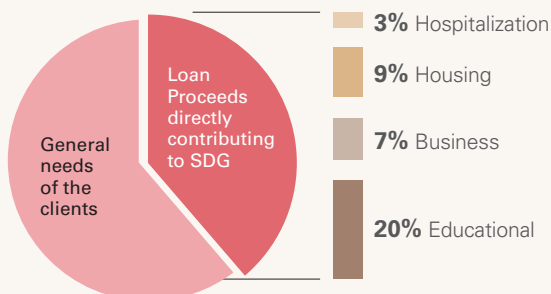


11,432
new loan
accounts in 2017

NUMBER OF BORROWERS PER PROCEED TYPE



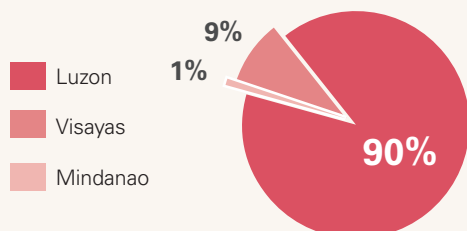
DISTRIBUTION OF AMOUNT OF LOAN DISBURSED BASED ON PURPOSE



Teaching the teachers financial empowerment

CBS helps teachers become more financially empowered through "China Bank Savings DepEd Venture: Alay sa mga Guro". The program was launched during the National Teachers' Month and World Teachers' Day on October 6, 2017 wherein CBS gathered 600 public school teachers and DepEd employees from 59 participating schools for a day of leisure and learning activities, including a financial wellness seminar conducted by business coach and motivational speaker Rex Mendoza. Discussed during the seminar was the value of investing and regularly setting aside a portion of their income for savings no matter how little they earn, and using credit wisely, such as allocating borrowed funds to gainful purposes like investing in property or business or to cover their family's health and education needs.

DISTRIBUTION OF AMOUNT OF LOAN DISBURSED PER AREA





CREDIT CARDS

In today's economy, a credit card is an important part of life. Aside from being a more secure mode of payment for just about everything, a credit card is handy for emergencies. We offer three credit card variants that fit various consumer lifestyles and spending habits. In 2017, we had three big raffle promos and launched the “#LiveRewarded with China Bank Mastercard” campaign to make it even more rewarding for customers to use their China Bank MasterCard for gastronomic experiences (“#DineRewarded”), for discovering the world (“#TravelRewarded”), or for making occasional shopping splurges



China Bank Prime, China Bank Platinum, and China Bank World MasterCard Launched in 2015



44,792
cards in force



P5.2 billion
in gross billings in 2017
up 14%



P289 million
in installment billings

that they deserve (“#ShopRewarded”). Our merchant partnerships were also intensified so cardholders can enjoy more perks and discounts.

Big prizes and surprises

In February, we had the “Tokyo Holiday Treats Raffle Promo” and gave away an all-expense paid vacation prize package for 2 to Tokyo, Japan. This was followed in June with the “Splendid London Raffle Promo” that awarded a lucky cardholder with the experience of a lifetime in London. We capped off the year with the “12 Weeks of Christmas” campaign that truly brought the holiday cheer to 920 daily winners of P1,000 worth of SM Gift Pass, 12 weekly winners of P20,000 worth of SM Gift Pass, and 1 grand raffle winner of P100,000 worth of SM Gift Pass.

Delights for every occasion

We intensified our card usage programs with tie-ups with merchants like Giordano, Burgoo, and Gumbo and with tactical promotions like with Zalora for Chinese New Year, Island Rose for Mother's Day, and Techno Marine for Father's Day. We also established programs with hotels, travel, and leisure partners like Raffles & Fairmont Makati, Spectrum, Two Seasons, and The Oriental Hotels. Our ongoing partnership with Mastercard Priceless Experiences provided exciting cross-border offers in Macau, Japan, Korea, and Singapore. New partnerships with online merchants like Lazada, ShopBack and Jinio strengthened our online presence. The year ended with over 60 merchants in total, and still growing.



Environmental, Social, and Governance



We take our responsibility to our customers, employees, investors, and society very seriously. While serving our customers well is the core of our business strategy, we approach all of our stakeholders with the same sense of responsibility and commitment. We closely monitor the changing environment in which we operate to ensure that we remain relevant, responsive, and able to capture and manage our environmental, social, and governance (ESG) issues on an ongoing basis. We aim to manage the impact of our activities and balance our interests with those of our stakeholders to ensure our long-term profitability, drive economic progress, and generate sustainable value for all.

UNDERSTANDING WHAT MATTERS MOST

Addressing what's important to our stakeholders and our business is an opportunity for us to strengthen our Bank, improve the way we do businesses, and create sustainable value. In 2017, we conducted a materiality assessment for the first time to identify and prioritize material sustainability topics that are of significance to both the Bank's business and our stakeholders. We engaged an external consultant, Philippine Business for the Environment, to provide additional rigor and analysis to the process.

Materiality Process

102-42, 102-46, 102-47



BENCHMARKING

We researched competitors and peer companies to establish a baseline understanding of trends, best practices, and material topics in the banking industry.



IDENTIFICATION

We consulted our key stakeholder groups to identify an array of environmental, social, and governance topics. To gain broader perspective on these topics of interest, we also reviewed various stakeholder reports, investor briefing materials, results of our customer satisfaction surveys, and other sources.



PRIORITIZATION

We conducted working sessions, face-to-face interviews, and phone/email consultations with our senior management and various business groups and select external stakeholders. We asked the respondents to select issues that present significant risk, leadership opportunities, or long-term effects on our business.



VALIDATION

We consolidated their feedback, confirmed with the various business groups that all significant aspects and impacts have been considered, and presented the materiality results to senior management.

Material Topics

102-47

Resulting from the materiality process are key topics that are highly significant to our stakeholders and to building a more sustainable company. These topics will serve as our points for review in the succeeding reporting periods.

Category	Material Topics	How we measure our performance	Boundary
Governance	Efficiency in dispensing of fiduciary duties Adherence to our core values Transparency Trustworthiness	Alignment with BSP, SEC and PSE rules, and with international best practices GRI 102 Governance GRI 205 Anti-corruption	Internal
Economic	Financial performance Pricing of products and services Managing risks	GRI 201 Economic Performance GRI 203 Indirect Economic Impacts	Internal and External
Environment	Resource Management	GRI 302 Energy GRI 303 Water GRI 305 Emissions	Internal
People	Employee retention and talent management Healthy workplace Client relationship Local community development	GRI 401 Employment GRI 404 Training and Education GRI 403 Occupational Health and Safety GRI 405 Diversity and Equal Opportunity GRI 413 Local Communities GRI 418 Customer Privacy	Internal
Value Creation	Impact of our financial products on sustainable development	Financial contribution to SDG Investment Areas	Internal and External

Engaging our stakeholders

102-40, 102-43, 102-44

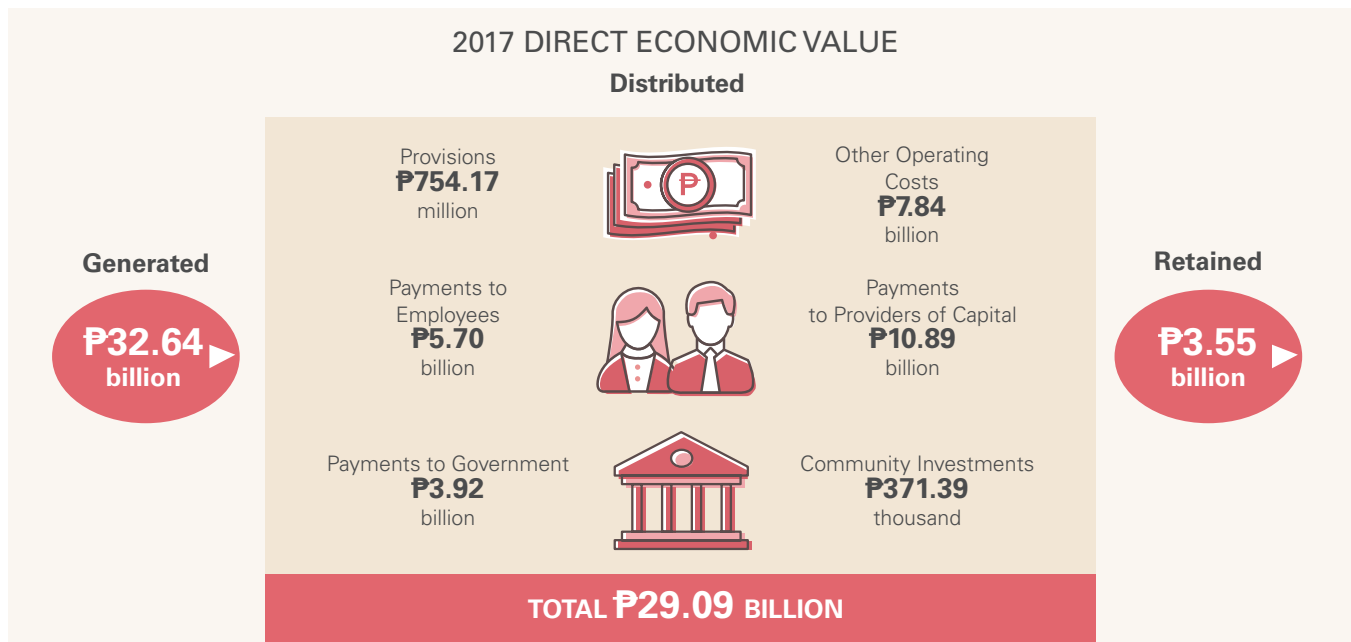
Engaging with our stakeholders is essential to building trust and strong relationships. By understanding their needs, concerns, and expectations, and more importantly, embedding their feedback into our strategy and our daily business, we are able to develop long term-solutions, make responsible business decisions, and perform better. We will continue to engage with our stakeholders on a regular basis to keep a pulse on their rising expectations and the changing sustainability landscape.

Our stakeholders	How we engage them and how often	What matters to them	What we are doing
Customers	<ul style="list-style-type: none"> Daily customer interactions: face-to-face with personnel at branches; via e-mail, telephone, and social media channels Annual customer satisfaction surveys Regular visits to select customers Year-round events: market outlook briefings, wealth forums, etc. 	<ul style="list-style-type: none"> Service quality Availability and accessibility of electronic banking channels Easy account opening and loan application requirements and processes Sound financial advice Capable personnel to address concerns 	<ul style="list-style-type: none"> Continuous service, process, and technology improvements On-going capacity building: hiring people with the right qualifications, competencies, and attitude and further developing their skills through training
Investors	<ul style="list-style-type: none"> Regular investor meetings Periodic roadshows of Investor Relations Annual stockholders' meeting 	<ul style="list-style-type: none"> Shareholder returns Financial performance Continued growth, well-managed risks 	<ul style="list-style-type: none"> Timely and transparent updates and disclosures
Employees	<ul style="list-style-type: none"> Regular face-to-face meetings, trainings, and digital interactions through email, Intranet, and e-Learning Portal Monthly area meetings Annual National Convention Annual performance evaluation 	<ul style="list-style-type: none"> Career development Work-life balance Understanding of organizational goals 	<ul style="list-style-type: none"> Continuous implementation and enhancement of employee development and employee volunteerism programs Cascade of Wildly Important Goals (WIGs)
Regulators	<ul style="list-style-type: none"> Regular correspondence via letters and email Regular audits Annual BSP examination 	<ul style="list-style-type: none"> Transparency and accountability Compliance with relevant Philippine laws, rules, and regulations Updates on the performance of the Bank Responsible lending Ethics and compliance 	<ul style="list-style-type: none"> Prompt response to inquiries and requests for explanation on certain matters Timely and transparent disclosures and regulatory compliance reports Annual conduct of internal and external audits
Analysts	<ul style="list-style-type: none"> Regular correspondence via letters and email Periodic roadshows of Investor Relations Periodic one-on-one dialogues 	<ul style="list-style-type: none"> Shareholder returns Financial performance Continued growth, well-managed risks 	<ul style="list-style-type: none"> Prompt response to inquiries Timely and transparent updates and disclosures Complete, self-explanatory disclosures
Suppliers and contractors	<ul style="list-style-type: none"> Accreditation Regular correspondence via letters and email Regular dialogues during FRP process 	<ul style="list-style-type: none"> Procurement policies 	<ul style="list-style-type: none"> Cascade of policies and regular updates
Industry groups	<ul style="list-style-type: none"> Membership Periodic general membership meetings, working committee meetings, conferences, and fellowship activities 	<ul style="list-style-type: none"> Continuing membership Discussion of industry trends, updates, and common concerns Adoption of new rules and regulations Collaboration Participation in socio-civic projects 	<ul style="list-style-type: none"> Active membership Attendance in meetings, conferences, and fellowship activities Participation in meetings with key policy decision makers
NGOs and charitable institutions	<ul style="list-style-type: none"> Regular correspondence via letters and email Periodic partnerships or sponsorships Post-event feedback 	<ul style="list-style-type: none"> Support for projects and initiatives Collaboration Feedback on activities conducted 	<ul style="list-style-type: none"> Participation in and support of worthy causes Continuous enhancement of community relations

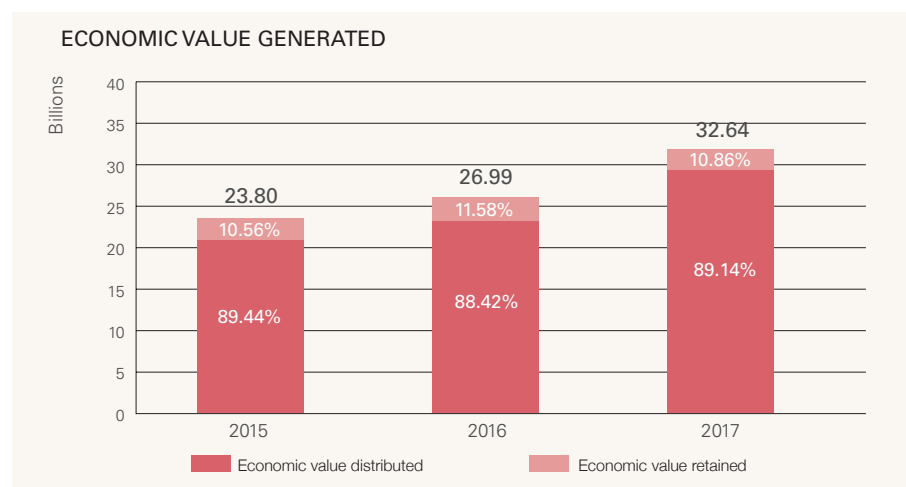
GENERATING AND DISTRIBUTING VALUE

201-1

Our strong financial performance makes it possible for us to achieve our long-term growth objectives and deliver sustainable value to our stakeholders. With solid earnings, we are able to invest in technologies, branches, systems, and processes for delivering excellent customer service, provide fair wages and benefits to our employees, distribute dividends to our shareholders, and contribute to government revenues and to community development. We are driven to succeed knowing that our success ripples through the economy and benefits the people and the communities where we operate.



As the revenue we generate progressively increases over the years, economic value distributed to our stakeholders also grew. In 2015, we distributed P21.29 billion in economic value, which increased 12% to P23.86 billion in 2016. Last year, we distributed P29.09 billion in economic value, 22% higher compared to 2016.



MANAGING OUR ENVIRONMENTAL IMPACT

102-11

We are committed to managing our operations responsibly and running our business in a way that supports the protection of the environment. We recognize that our stakeholders increasingly view environmental performance as an essential part of business performance and thus strive to reduce our carbon footprint while we grow our business. Through the years, we have been digitizing customer services and communications, investing in energy-efficient technology in our offices and branches, and promoting the practice of reducing, reusing, and recycling bank-wide through our Going Green Campaign. We are seeking ways to become more eco-efficient in the coming years to further reduce our environmental impact.

Water Consumption

303-1

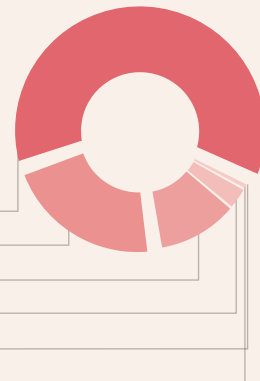
HEAD OFFICE AND OTHER OFFICES



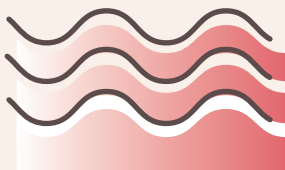
66,089 cubic meters

Water consumption in 2017

63%	Head Office
22%	Head Office Parking
11%	Binondo Business Center
3%	VGP, TMBC
0%	Shaw, Haig
1%	Valenzuela



BRANCHES



ANNUAL AVERAGE WATER
CONSUMPTION / YEAR / BRANCH
(China Bank only)

2017
₱25,280

391 branches*

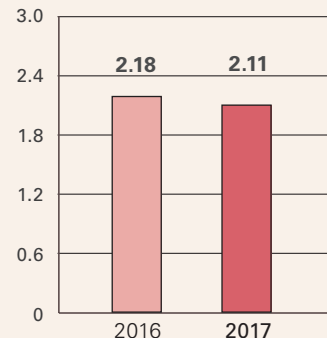
2016
₱26,180

352 branches*

* Excluding new branches opened during the year

We are currently monitoring our consumption to come up with a water conservation plan

AVERAGE WATER
CONSUMPTION IN BRANCHES
In thousand pesos per month



Energy Consumption and GHG Emissions

302-1, 302-2, 305-2, 305-3

HEAD OFFICE AND OTHER OFFICES

3,425 tonnes CO₂
of Scope 2 GHG emissions in 2017

5,679,000 kWh

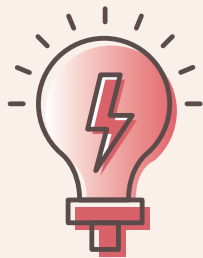
- 84% Head Office Building
- 1% Head Office Parking
- 12% Binondo Business Center
- 2% BDO Equi-Tower
- 1% VGP, TMBC
- 0% Shaw, Haig
- 0% Valenzuela



645 tonnes CO₂
of Scope 3 GHG emissions in 2017

- Admin - Motorpool (Diesel) 77%
- Canteen (LPG) 7%
- Admin - Motorpool (Gasoline) 16%

BRANCHES



3.42% reduction
in electricity consumption despite
opening 45 new branches

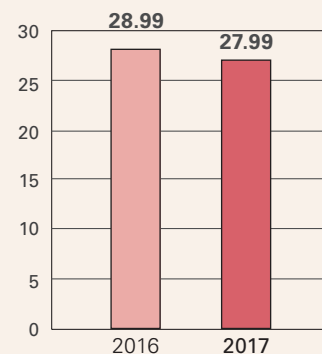
P1,000 savings
branch/month

ANNUAL AVERAGE ELECTRICITY
CONSUMPTION / YEAR / BRANCH
(China Bank only)

2017	2016
P335,920	P347,820
391 branches*	352 branches*

* Excluding new branches opened during the year

AVERAGE ELECTRICITY
CONSUMPTION IN BRANCHES
In thousand pesos per month



SUCCEEDING WITH A HIGHLY ENGAGED AND PRODUCTIVE TEAM

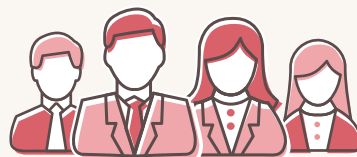
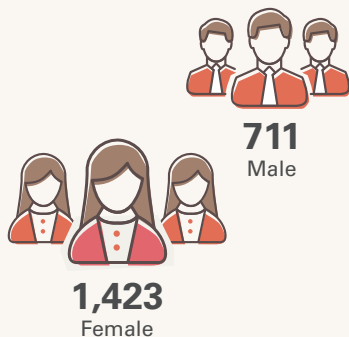
Our employees are vital to our ability to serve our customers well, run our business profitably, and achieve our goals for the Bank and society at large. We are committed to strengthen our high performance, close-knit family culture where everyone in the team is contributing, continuously learning, and communicating openly. In line with this, we welcome diversity, provide equal opportunities for employment, skills development, and career advancement, and foster a safe and engaging work environment.

Diversity and Inclusion

102-7, 102-8, 401-1, 405-1

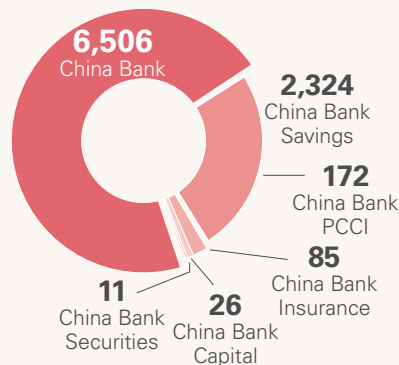
As a leading bank in the Philippines with nationwide operations, we believe that diversity in expertise, perspectives, age, gender, and culture in all our offices and branches makes us a smarter organization, leading to better decision-making and improved business performance. The more diverse we are, the greater insight we have of our customers and the better we can understand and serve their needs. Thus, in both recruitment and career advancement, we offer equal opportunities to all potential and current employees based on their qualifications and suitability, without discrimination.

2,134
new employees hired in 2017

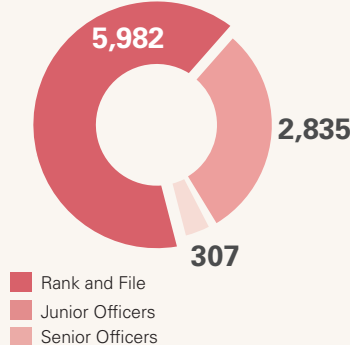


9,124
total employees in 2017

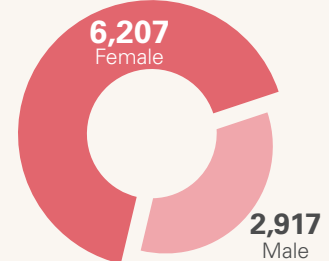
BY COMPANY



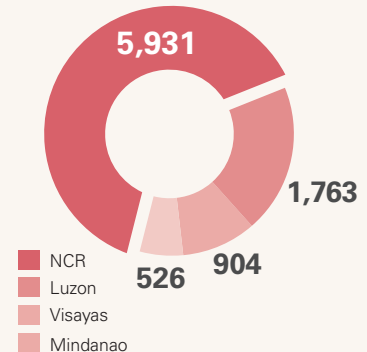
BY RANK



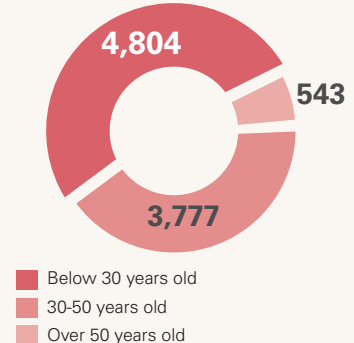
BY GENDER



BY REGION



BY AGE





Compensation and Benefits

102-41, 401-2

We value our employees and want them to enjoy a fulfilling career with us. We provide fair and competitive compensation, consistent with industry standards, and comprehensive benefits, including group accident insurance, term life insurance, comprehensive healthcare plan, retirement benefits, employee assistance plans (loans, car plan, tuition reimbursement, etc.), sick leave, vacation leave, and more. Our merit-based rewards system ensures that promotions, merit increases, profit sharing*, and performance bonuses are based on the individual employee performance rating and contributions to the Bank.

In 2017, we concluded a new collective bargaining agreement (CBA) with the CBC Employees' Association. The 2017-2020 CBA*, provides for wage increases, improvements in benefits like HMO dependents, medical allowance, teller allowance, rice subsidy, and sick leave benefits, accident insurance coverage for employees with regular field assignments, and a contract signing bonus for China Bank's rank and file employees nationwide.

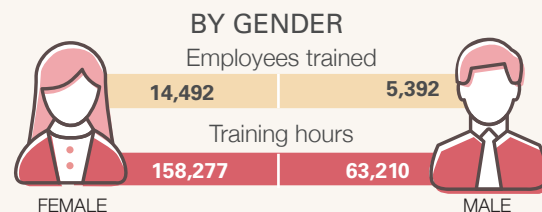
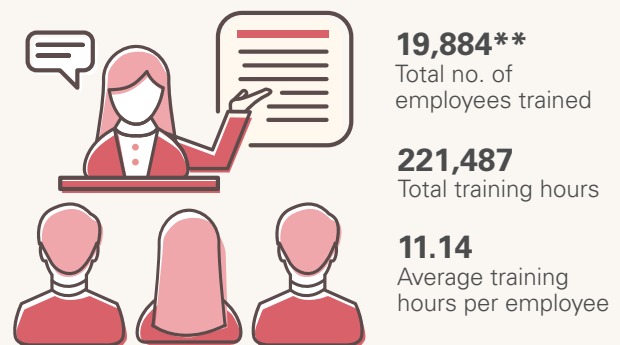
3,993
Total no. of employees covered by CBA*
61%
Percentage of employees covered by CBA*

* For parent bank only

Talent Development

404-1

We care deeply about our employees' growth and development and want to help them reach their full potential. Professional training and development programs are offered through both in-house and bank-sponsored external training courses to build our employees' operational, technical, marketing, service, communication, and leadership skills. In addition, we provide financial support to employees who pursue Master's degrees related to banking and investments through our Tuition Refund Program for Graduate Studies*.



BY EMPLOYEE CATEGORY

	EMPLOYEES TRAINED	TRAINING HOURS
Rank and file	14,317	174,977
Middle management	5,285	44,822
Senior management	282	1,688

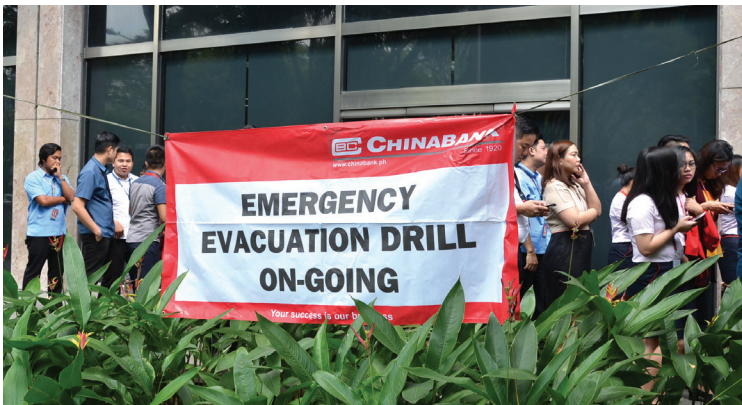
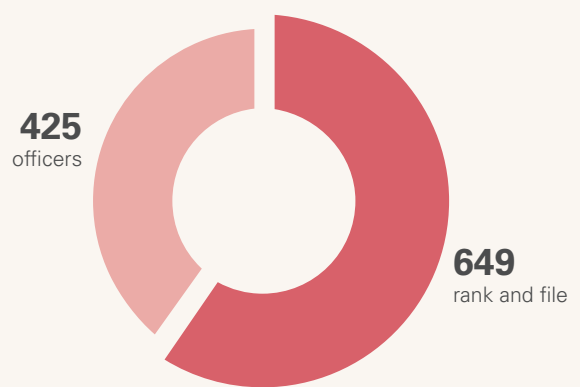
** Employees participated in several courses during the year

Career Advancement and Succession

404-2

We encourage our employees to constantly strive for excellence and empower them with the requisite tools, training, and support to succeed in their careers and contribute to the Bank's success. We have established clearly defined roles and expectations to ensure that each employee works purposely and productively, motivating them to pursue the many opportunities in the Bank for career advancement. Our Performance Management System ensures that promotions are based on meritorious performance. Meanwhile, our Succession Management Program ascertains that we have a pool of potential successors for our future leadership needs. We conduct periodic reviews of the talent pipeline and implement individual career development plans.

1,074 EMPLOYEES PROMOTED IN 2017



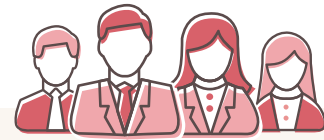
Health and Safety

We take a holistic approach to ensure our employees thrive at China Bank. We believe that productivity is tied to safe and healthy working conditions; thus, our human resources policies and programs are not only in line with occupational safety and health standards, but also support and promote overall wellness and active and balanced living. We hold annual earthquake and fire drills, release regular health and safety bulletins, and conduct annual physical check-ups and various wellness events and sports activities. We also have first aid kits at all branches and well-stocked clinics at our head office, VGP and Philcom offices, Binondo Business Center, and Cebu Business Center.

Engagement and Work-Life Balance

401-1

We constantly engage with our employees to motivate and energize them to do their best work everyday. With our open communication approach, various engagement and work-life integration programs (see page 56), and the inspiring leadership of our senior management, our people feel that they are doing work that matters, that we understand and respond to what matters to them, and that they should stay with China Bank because they truly matter to us. The progressive drop in our attrition rates reflects the increasing satisfaction of our employees with their jobs and the Bank.



ATTRITION

	Officers	Rank and File	Total
2016	11.50%	19.13%	16.56%
2017	10.42%	14.57%	13.15%

EMPLOYEE TURN-OVER

	Officers	Rank and File	Total
2016	305	996	1,301
2017	308	826	1,134

Engagement Programs*

Our employees' thoughts, opinions, and suggestions are important to us. We have programs in place to gauge genuine employee sentiment and honest feedback at any point of their employment with us. The feedback and insights gained are analyzed and used to improve existing processes, policies, and programs and to develop new ones to boost employee engagement, productivity, and loyalty. We likewise have mechanisms in place to ensure that employees feel free to voice out their concerns without fear of reproach.

SharePoint Café

An idea-sharing program that utilizes the World Café method to facilitate collaborative dialogue with bank officers to gain insights on their concerns, ideas, level of satisfaction, and reasons for choosing and staying with the Bank.

4
batches conducted
in 2017

55
total participants

7.8
out of 10
Average satisfaction
rating

Third Month Questionnaire

A follow-up mechanism for monitoring the extent of adjustment of new employees (rank and file and officers) on their third month with the Bank with regard to their work, training, relationships with peers and superiors.

235
officer respondents
in 2017

1,053
rank and file respondents
in 2017

8.05
out of 10
Average satisfaction rating

8.86
out of 10
Average satisfaction
rating

Voice Avenue

A retention tool for assessing rank and file employees' current disposition and perception about their job and the Bank to gain insights on what makes employees stay, what keeps them engaged, and how to prevent future resignations.

7
batches
of assessments
in 2017

100
total participants

Exit Interview

A mechanism for getting feedback from employees who leave the Bank for various reasons.

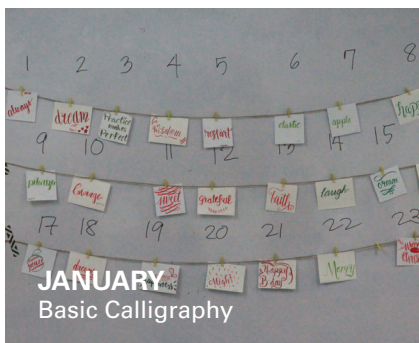
684
Exit interviews conducted
in 2017

97%
of respondents said they
will recommend China Bank
as a place of work

* For parent bank only

Work-Life Integration Programs*

As a way of institutionalizing Habit 7 of The Seven Habits of Highly Effective People, one of our core programs on personal effectiveness, we keep our team motivated, healthy, and energized with work-life integration programs (WLIPs). We place prime importance on our employees' personal growth and thus provide them with activities to enjoy other pursuits that will contribute to their mental, physical, and emotional well-being. In 2017, a total of 18 WLIPs were conducted: 11 in Manila, 6 in Cebu, and 1 in Cagayan de Oro.



* For parent bank only

SERVING CUSTOMERS WELL

102-43, 102-44

Our customers are the center of what we do at China Bank. We develop customer-centric products, policies, and processes to create great customer experiences and build enduring relationships of trust with our customers. Our Board is on top of our robust Consumer Protection Framework which guides us in serving our customers, protecting their rights and interests, and handling their requests, concerns, and complaints to their satisfaction.

Fair Treatment

We believe in treating all our customers fairly and honestly. We provide clear, accurate, truthful, and accessible information so customers can make informed decisions about our products and services. All consumer information materials mandated by the Bangko Sentral ng Pilipinas (BSP) are prominently displayed in our branches. We make recommendations in good faith and based on what is suitable to our customers. We have policies in place to protect customers from over-indebtedness. Moreover, our friendly branch personnel and Customer Contact Center are trained to answer questions (via phone, email, or social media) about our products and services, explain the risks that certain products or services carry, and advise customers on financial matters.

Transaction Security

The safety of our customers' money is our number one priority, and we work hard to prevent our customers from becoming victims of financial crime. We have security systems and protocols that are regularly monitored and updated to ensure the security of customer transactions across all our banking channels. We also provide timely advice via our branch personnel, posters, email, website, and social media on guarding against scams and protecting ATM and credit card and sensitive information like PINs and passwords. Reporting captured, missing and stolen cards, and fraud cases is easy through our 24/7 Customer Support Hotline.

Data Privacy

103-2

We go to great lengths to provide a secure and confidential environment to protect our customers' data. We comply with all applicable privacy laws and maintain customer data confidentiality except when a disclosure is obliged by the Court or other authorities, or disclosure is made with the



written consent of the customer. Access to customer data is restricted to authorized personnel only. The confidentiality of China Bank customer data also extends to our subsidiaries, affiliates, and third party suppliers and contractors.

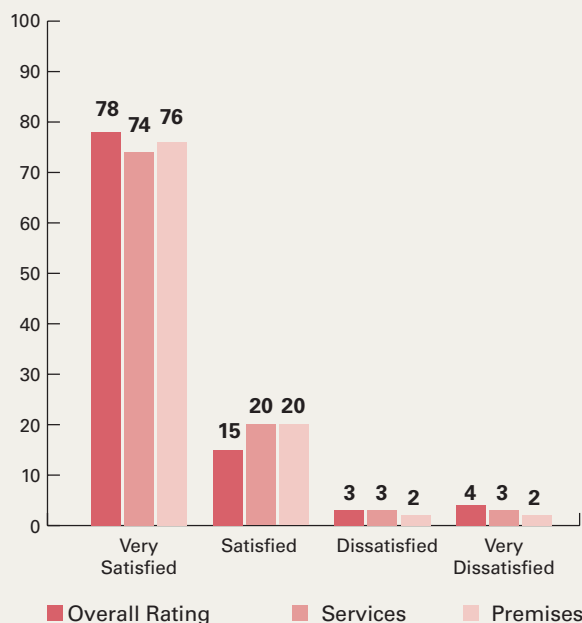
Customer Assistance

We are driven to earn our customers' loyalty through great customer service. We appreciate the chance to assist them with any aspect of their accounts, our products or services, and to make things right for them should they have concerns. Our customers can reach us through a variety of convenient channels: Customer Support Hotline, e-mail, "Contact Us" page of our website, Facebook, Twitter, and our vast network of branches nationwide. Our Customer Contact Center (CCC), headed by our Chief Consumer Assistance Officer, is our designated Consumer Assistance Office. Supported by our Customer Contact Management System (CCMS), CCC ensures that requests and concerns sent through any channel are well documented, efficiently handled, and promptly investigated and resolved.

Customer Satisfaction Survey

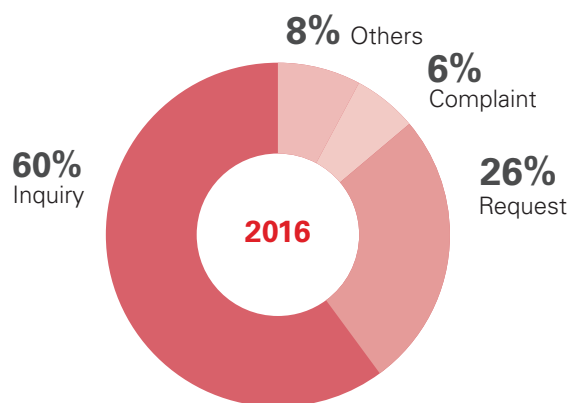
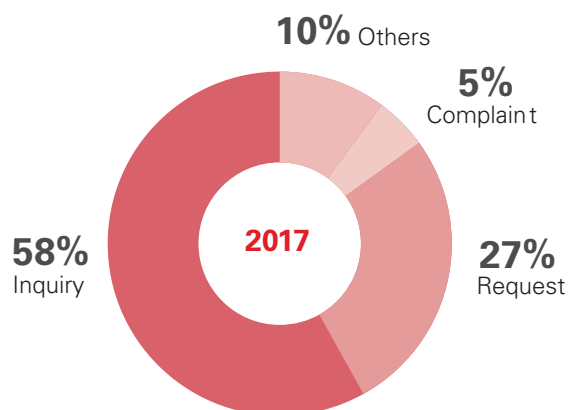
Customer feedback is important to us. We encourage customers who visit our branches to let us know how we served them via a simple customer satisfaction survey. We have customer feedback drop boxes in our branches and the feedback forms are collected and tallied on a monthly basis. The 2017 overall results revealed that 93% of the respondents are satisfied or very satisfied with our service. Customers rated us on Service – queue time, branch staff service for account opening and deposit/withdrawal, and ATM services, and premises – overall look of the branches and security guard.

2017 CUSTOMER SATISFACTION SURVEY
in Percentage of 2,094 Respondents



Customer Interactions

81% of the customer interactions captured by our CCMS in 2017 were inquiries and requests. Complaints only accounted for 5% from 6% in 2016.



24/7 CUSTOMER SUPPORT (Press "0" to speak to a phone banker) 88-55-888 Metro Manila

Toll-free numbers:

1800-1888-5-888 (PLDT) Provinces

1800-3888-5-888 (Digitel) Provinces

001-800-1-888-5888 Hong Kong / Singapore / Korea / Thailand

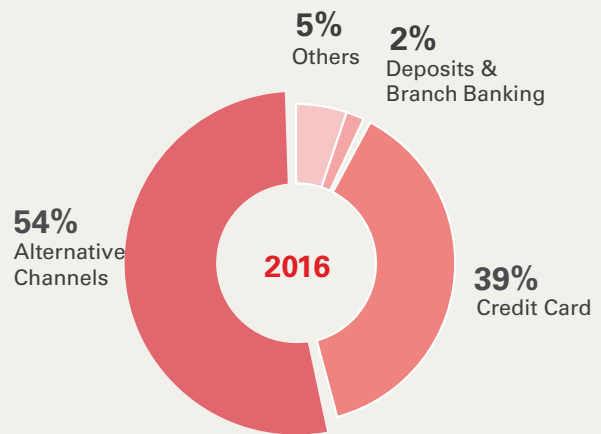
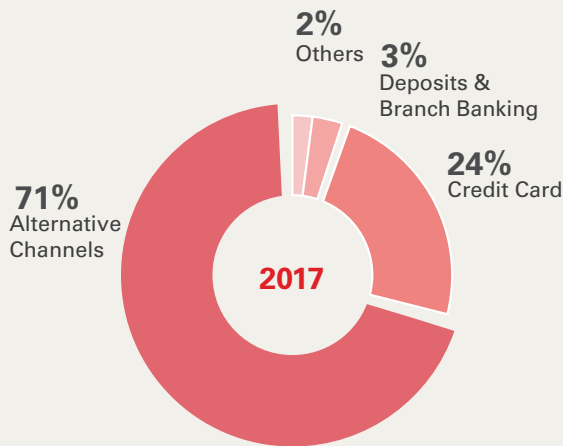
00-800-1-888-5888 Italy/China

011-800-1-888-5888 USA/Canada

0011-800-1-888-5888 Australia

010-800-1-888-5888: 0061010-800-1-888-5888 (mobile phone/pay phone) Japan

REPORTED CONCERNS

**Reported Concerns**

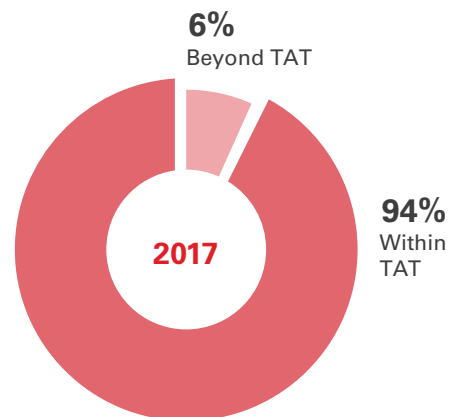
Although it is notable that the share of alternative channels (ATM, Internet Banking, Phone Banking, POS) increased from 54% in 2016 to 71% in 2017, concerns related to these channels generally decreased by 5%. Similarly, Credit Card-related concerns dropped to 24% as credit card processes were enhanced.

The common client concerns in 2017 were mostly related to ATM withdrawals, captured cards and other online banking transactions, such as bills payment and fund transfer. Credit card-related concerns received were mostly on declined card transactions, statement-related complaints, and transaction disputes. Despite the switch to EMV and the ensuing ATM re-carding and deactivation of non-EMV ATM cards last year, there was no increase in ATM-related concerns.

Overall, concerns received in 2017 were 27% less vs. 2016.

Complaints Resolved

94% of the complaints received in 2017 were resolved within the BSP standard turnaround time.



online@chinabank.ph



(02) 519-0143



www.facebook.com/chinabankph



Customer Contact Center
China Bank Building, 8745 Paseo de Roxas
corner Villar Street, Makati City
1226 Philippines



www.chinabank.ph



www.twitter.com/chinabankph

SUPPORTING OUR COMMUNITIES

413-1

We are committed to the well-being of the communities where we operate. By fostering local economic development activities and providing jobs, as well as through community engagement and charitable giving, we contribute economic and social benefits and help address important community issues. Our community-based giving program encourages employee volunteerism and builds a sense of shared pride in supporting causes and initiatives that our employees are passionate about. Over the years, China Bank and China Bank Savings (CBS) have made generous donations of time and resources to public schools, hospitals, environmental organizations, and various charities through our branches and offices in the communities where we operate.

MARCH



PC Donation to Nagkaisang Nayon Elementary School, Quezon City

The first leg of China Bank and CBS' donation of personal computers to help modernize public schools in the country.

APRIL



Tindang BigayTulong Part 2

China Bank's rummage sale that raised over P15,000 to help fund the various projects of the Human Resources Group's Personal Social Responsibility Program.

MAY



Brigada Eskwela

200 CBS volunteers helped clean and refurbish classrooms and campus facilities of 40 public elementary and high schools in four Metro Manila cities and 15 provinces.

JUNE



Buhay Punlaan

In partnership with Haribon Foundation, China Bank employees and their relatives joined the forest restoration activity at Buhay Punlaan, a nursery of native tree species and living laboratory showcasing rainforestation technology in Lumban, Laguna. The Bank donated cash to the Haribon Foundation and the volunteers helped bag soil mixture, transfer 200 grown

Narra seedlings to soil-ready polyethylene bags, prune overgrown roots of 300 Narra seedlings, transfer grown Narra seedlings to elevated seedling beds to get more sunlight, and plant Laniteng Gubat and Molave trees.

JULY



Tulong sa Marawi

CBS turned over 200 student starter kits, 200 basic teaching kits, 100 hygiene kits, six boxes of slippers and assorted clothing in response to the urgent appeal of the Department Education for aid to teachers and primary school students of Marawi during the several weeks of fierce battles between government forces and insurgents.



PC Donation to Moonwalk National High School, Parañaque

The second leg of China Bank and CBS' donation of personal computers to help modernize public schools in the country.

AUGUST



PC Donation to San Fernando Elementary School, Pampanga

The third leg of China Bank and CBS' donation of personal computers to help modernize public schools in the country.



Donation to Philippine Red Cross' Blood Samaritan Project

China Bank donated 174 blood units to 62 indigent families as part of the Bank's continued humanitarian support to the Philippine Red Cross.



SEPTEMBER

14 **Busog-Lusog Project**
CBS joined the observance of Nutrition Month with a Busog Lusog nutrition activity for Grade 1 pupils of Lakandula Elementary School in Tondo, Manila.

15 **PC Donation to Santor Elementary School, Bulacan**
The fourth leg of China Bank and CBS' donation of personal computers to help modernize public schools in the country.

23 **Clean-up of the Las Piñas-Paranaque Critical Habitat and Ecotourism Area (LPPCHEA)**
In partnership with Haribon Foundation, China Bank helped remove as much trash as possible from LPPCHEA, considered as the last refuge for migratory birds in Metro Manila.

OCTOBER

6 **DepED Venture: Alay sa mga Guro**
An event conducted by CBS to commemorate National Teachers' Month and World Teachers Day attended by 600 teachers and non-teaching staff from 59 public schools across Metro Manila. The highlight was the exclusive seminar on financial wellness by leading financial literacy and expert motivational speaker Rex Mendoza.

26 **Run for Marawi**
CBS employees joined the benefit run for displaced Marawi residents. The event was organized by the Bankers Club of Negros Occidental and was held in Bacolod.

NOVEMBER

23 **Project RAISE for Education/Empowerment of Dumagats (RED)**
CBS launched Project RED as an ongoing program to support volunteer teachers of AGAP Buhay in the Dumagat communities in Rizal province. The program aims to collect both new and pre-loved books, art supplies, teaching aids, and school materials for the benefit of the Remontado Dumagat communities in upland Barangay Laiban in Tanay, Rizal and Talim Island in Laguna de Bay.

DECEMBER

18 **Caring is Sharing Activity**
China Bank employees shared the joy and blessings of Christmas with the abandoned children cared for by the Asilo de San Vicente de Paul. The volunteers spent a fun-filled day with the children, shared a sumptuous meal with them, and distributed 80 gift packs of school lunch kits, umbrellas, and tumblers. For the institution, they donated 10 sacks of rice, canned goods and powdered milk, and vitamins for kids and adults.

19 **Regalong Pamasko Para sa mga Pamilyang Walang Tahanan**
CBS employees distributed 144 comfort packages to homeless families along Roxas Boulevard, Manila. The packages contained gifts of rice, pasta and noodle packs, assorted canned goods, biscuits, sweets, juice mix, drinking water, toys, and clothing.

DOING BUSINESS THE RIGHT WAY

102-16

Good corporate governance is vital to China Bank's success and sustainability. We are committed to doing business the right way—in accordance with the law, the best practices, and the best interest of our stakeholders. Our robust governance, compliance, and risk management system ensures that we have a strong foundation to pursue our goals and deliver on our commitments.

Guided by the principles of accountability, transparency, fairness, and integrity, we are driven to continuously improve and uphold the highest standards of corporate governance to remain strongly positioned for value creation.

Continuously Strengthening our Governance

102-12, 102-17

Our Board adopts a policy of full compliance with the Code of Corporate Governance (the "Code"). To carry out the Board's mandate, the Compliance Office oversees the effective implementation and monitoring of the Bank's compliance with the Code. In 2017, we fully complied with all the material requirements of a publicly-listed company, as set forth in the Code. To enhance our position as one of the best-governed banks in the Philippines, we continue to strengthen our corporate governance practices by implementing new initiatives, including addressing the few remaining recommendations in the Integrated Annual Corporate Governance Report.

1. Updated the Corporate Governance Manual (CG Manual) to align with the recently issued regulations and international best practices.
2. Enhanced the Related Party Transactions (RPT) framework, policy, processes, practices, and updated the committee charter to comply with applicable rules and regulations.
3. Complied with the requirements of the Code for publicly listed companies and the ASEAN Corporate Governance Scorecard. The following are some of the changes in the Board:
 - Appointment of a lead independent director, Roberto F. Kuan

- Election of one female Independent Director, Margarita L. San Juan
- Appointment of a new President, William C. Whang
- Updating of the diversity policy and its disclosure with the skill set matrix and the measurable objectives – available in our Corporate Governance micro site: <http://chinabank.ph/corgov.aspx>
- Reorganization of the Audit, Corporate Governance, and Risk Oversight Committees

4. Reviewed and revised the committee charters to align with the latest issuances.
5. Conducted the annual assessment for the Board, Board level committees, and the President and Chief Executive Officer (CEO).
6. Conducted an annual training for directors and officers on corporate governance, anti-money laundering, data privacy, and board skill on decision making (Butterfly Perspective).

Board of Directors

The Board is the highest governing authority at China Bank. The Board sets the tone for and leads the practice of ethical business conduct, guides our overall corporate philosophy and direction, and carries out oversight responsibility for business and risk strategy, financial soundness, and regulatory compliance.



The current Board is composed of 11 directors and two advisors who bring with them diversity in skills, expertise, experience, age, gender, and educational background. Of the 11, two are executive directors, three are Independent and the rest are non-executive directors creating an appropriate mix that is commensurate to the size and complexity of our operations.

To ensure that directors can perform their duties to the Bank diligently, our CG Manual states that directorships in other publicly-listed companies shall be limited to five.

Chairman and Chief Executive Officer

102-23

The roles of Chairman of the Board and Chief Executive Officer are clearly separated and their responsibilities have been set out in our CG Manual. The Chairman, a non-executive director, is responsible for the leadership and effective running of the Board, while the President leads the senior executive team in the day-to-day running of China Bank, primarily responsible for the achievement of agreed objectives and the execution of strategies as established by the Board.

On October 31, 2017, Ricardo R. Chua who served as China Bank President & CEO for three years, and prior to that as Chief Operating Officer for 20 years, officially retired. He was succeeded by William C. Whang as our new President on November 1, 2017.

An executive director is defined in our CG Manual as a director who has executive responsibility of day-to-day operations of a part or the whole of the organization, while a non-executive director has no executive responsibility and does not perform any work related to the operations of the corporation. Independent Directors are also non-executive directors.

Independent Directors

To create a strong element of independence in the Board, we have three independent directors. To lead the Board in cases where management has clear conflict of interest, a Lead Independent Director was appointed in 2017 with the following functions:

- Serves as an intermediary between the Chairman and the other directors when necessary;
- Convenes and chairs meeting of the non-executive directors; and
- Contributes to the performance evaluation of the Chairman, as required

We define an Independent Director as someone holding no interests or relationships with China Bank, the controlling shareholders, or the Management that would influence their decisions or interfere with their exercise of independent judgment, among others.

We have fully complied with all the applicable rules on their nomination and election. And based on the 2017 annual assessment of directors, the Board was satisfied that our three Independent Directors continue to be independent and free from any business or other relationship that could interfere with their exercise of independent judgment.

As stated in the CG Manual, our independent directors serve a cumulative term of up to nine years (reckoned from 2012 based on the rules of the Securities and Exchange Commission). While they are on the China Bank Board, they are not allowed to hold interlocking directorships in more than five listed companies.

Board Nomination and Election

102-24

We have a rigorous and transparent procedure for the nomination and election of new directors to the Board to ensure a diverse and well-balanced approach. To the extent practicable, directors may be selected from a broad pool of qualified candidates. The Board may use professional search firms or other external sources of candidates when searching for candidates for the Board.

The shareholders nominate candidates by submitting the nomination to any member of the Nominations Committee, the Corporate Governance Committee, or the Corporate Secretary on or before the prescribed date. The Nominations Committee reviews and evaluates the qualifications of the candidates in line with the fit and proper standards, the full Board confirms these candidates' nominations, and the shareholders elect the directors during the Annual Stockholders' Meeting.

Upon their election, the Directors are issued a copy of their general and specific duties and responsibilities as prescribed by the Manual of Regulations for Banks (MORB), which they acknowledge to have received and certified to have read and fully understood. Copies of the acknowledgement receipt and certification are submitted to the Bangko Sentral ng Pilipinas (BSP) within the prescribed period. Moreover, the directors also individually submit a Sworn Certification that they possess all the qualifications as enumerated in the MORB. These certifications are submitted to the BSP after their election. Additional certifications are executed by Independent Directors to comply with the Securities Regulation Code and BSP rules which are then submitted to the SEC.

Retirement and Succession

The Board is responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value. To promote dynamism in the corporation, as a matter of policy, a director shall remain in the Board of the Bank for as long he/she remains to be fit and proper for the position of a director, in accordance with the requirements of the MORB.

Succession, replacement or vacancy in the Board due to retirement or any other reason, is addressed in our By-Laws, stating that vacancies in the Board may be filled by appointment or election of the remaining directors, if still constituting a quorum; otherwise, the stockholders shall fill such vacancy in a regular or special meeting called for this purpose.

Board Orientation and Training Program

Continuous education is important to keep our Directors up-to-date with industry developments and to strengthen the Board's competencies in dealing with corporate governance, risk management, and strategic issues faced by the banking industry in general, and China Bank in particular.

We have a full orientation program for newly-elected Directors, which includes branch visits and comprehensive training materials and operations manuals, and a continuing education program for all our Directors, which includes briefings on relevant new laws, risk management updates, and changes in accounting standards at Board/Board Committee meetings and seminars on Corporate Governance and anti-money laundering conducted by SEC-accredited training providers. In order to maintain professional integrity, enhance his/her skills, knowledge and understanding of the development in banking industry, the Directors are required to attend, at least once a year a training course/seminar on corporate governance or relevant topics.

2017	Exclusive Corporate Governance Training for Directors and Key Officers
2016	Exclusive Corporate Governance Training for Directors and Key Officers
2015	Exclusive Corporate Governance Training
2014	Exclusive Corporate Governance Workshop
2009	Anti-Money Laundering Seminar
2002	Anti-Money Laundering Seminar Special Seminar on Corporate Governance for Bank Chairmen & CEOs

Corporate Secretary

To enable our Directors to discharge their duties efficiently and effectively, they have full and unrestricted access to Management and employees of the Bank and affiliated companies, external consultants and advisors, and the Corporate Secretary.

The Corporate Secretary is a senior, strategic-level corporate officer who has the vital role of official record keeper responsible for the administrative side of board and committee meetings, corporate governance gatekeeper responsible for overseeing sound board practices, and board liaison who works and deals fairly and objectively with the board, management, stockholders and other stakeholders. The Corporate Secretary is required to attend all Board meetings.



Board Meetings

The Board meets at least once a month, set to be every first Wednesday, to review China Bank's financial performance, approve strategies, policies, and business plans, as well as to consider business and other proposals which require the Board's approval. Special Board meetings may also be called to deliberate and assess corporate proposals or business issues that also require Board approval. For Board decisions, a minimum quorum of at least 2/3 of the Board members present, unless a different voting requirement is required by existing laws, rules, and regulations.

The directors are expected to prepare for, attend, and participate in these meetings, and to act judiciously, in good faith, and in the best interest of China Bank and our shareholders.

Under China Bank's CG Manual, a Director may participate by telephone-conferencing when exigencies prevent him from attending a Board meeting in person.

The Board is provided with the information and resources needed to effectively discharge its fiduciary duty. The Board is informed on an ongoing basis of the Bank's performance, major business issues, new developments, and the impact of the economic and regulatory environment. All Directors are supplied with the relevant information and materials such as the agenda for each board meeting, together with detailed reports and proposal papers, at least five business days before the board meeting date. Members of Senior Management are invited to attend board meetings to provide the Board with detailed explanations and clarifications on proposals to enable the Board to make an informed decision. The meetings of the Board and its committees are recorded in minutes, and all resolutions are documented.

In 2017, the China Bank Board had 17 meetings, including the organizational meeting regularly held after the Annual Stockholders' Meeting.

Director	Attendance	%
Hans T. Sy (Chairman)	16	94
Gilbert U. Dee (Vice Chairman)	17	100
Ricardo R. Chua ^a	15	100
William C. Whang ^b	2	100
Peter S. Dee	17	100
Joaquin T. Dee	17	100
Herbert T. Sy	14	82
Harley T. Sy	15	88
Alberto S. Yao	17	100
Roberto F. Kuan	17	100
Jose T. Sio	16	94
Margarita L. San Juan ^c	9	100

^a Retired on October 31, 2017

^b Elected on November 1, 2017

^c Elected on May 4, 2017

Board Committees

102-19

China Bank has nine board-level committees and five management-level committees.

Each committee has a charter and operates within its specific delegated authority and functions. The committee charters, which are reviewed annually and amended when necessary, are posted in our Corporate Governance microsite: <http://chinabank.ph/corgov.aspx>.

The members of the different committees are appointed by the Board at the annual organizational meeting, taking into account the optimal mix of skills and experience of the members.

Executive Committee (ExCom) has the powers of the Board, when the latter is not in session, in the management of the business and affairs of China Bank to the fullest extent permitted under Philippine law.

The ExCom convened 41 times in 2017, including 2 joint meetings with the Risk Oversight Committee (formerly Risk Management Committee).

Director	Attendance	%
Hans T. Sy (Chairman)	36	88
Gilbert U. Dee	41	100
Peter S. Dee	34	83
Joaquin T. Dee	40	98
Ricardo R. Chua ^a	33	94
William C. Whang ^b	6	100

^a Attended 33 out of 35 meetings from January 2017 until his retirement effective October 31, 2017

^b Attended 6 out of 6 meetings from his election effective November 1, 2017

Corporate Governance Committee is responsible for ensuring that the Bank's Corporate Governance framework is regularly reviewed and updated, and implemented accordingly at all times. It provides assistance to the Board by overseeing the orientation and training programs for its members, as well as facilitating the performance evaluation of the Board, Board-level committees and senior management.

The Corporate Governance Committee had 25 meetings in 2017, including joint meetings with the following: Audit Committee – 6, Compliance Committee – 4, and Nominations Committee – 15.

Director	Attendance	%
Roberto F. Kuan (Chairman)	20	80
Alberto S. Yao	25	100
Hans T. Sy ^a	13	87
Joaquin T. Dee ^b	15	100
Margarita L. San Juan ^c	8	80

^a Member up to May 3, 2017; attended 13 out of 5 joint meetings of Nominations & Corporate Governance Committees, 4 joint meetings of Compliance & Corporate Governance Committees, and 6 joint meetings of Audit, Compliance and Corporate Governance Committees

^b Member up to May 3, 2017; attended 15 out of 5 joint meetings of Nominations & Corporate Governance Committees, 4 joint meetings of Compliance & Corporate Governance Committees, and 6 joint meetings of Audit, Compliance and Corporate Governance Committees

^c Member from May 4, 2017; attended 8 out of 10 meetings



Audit Committee oversees all matters pertaining to audit, primarily the evaluation of the adequacy and effectiveness of the Bank's internal control system and integrity of financial statements, with explicit authority to investigate any matter within its terms of reference, to ensure the strength of the Bank's internal controls. It also appoints, reviews, and concurs in the appointment or replacement of the Chief Audit Executive (CAE) and the External Auditor, and is responsible for ensuring that the CAE and the internal and external auditors remain independent, an annual review is performed, and the Bank complies with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Code of Ethics.

The Audit Committee had 14 meetings in 2017, including 6 joint meetings with the Compliance and Corporate Governance Committees

Director	Attendance	%
Alberto S. Yao (Chairman)	14	100
Joaquin T. Dee	14	100
Roberto F. Kuan ^a	9	75

^a Member from May 4, 2017

Compliance Committee is tasked to monitor compliance with established banking laws, rules and regulations specifically in creating a dynamic and responsive compliance risk management system to identify and mitigate risks that may erode the franchise value of the Bank, and ensures that Management is doing business in accordance with the said prescribed laws, including policies, procedures, guidelines and best practices.

The Compliance Committee convened 10 times in 2017, including joint meetings with the Audit and Corporate Governance Committees – 6, and with the Corporate Governance Committee – 4.

Director	Attendance	%
Hans T. Sy (Chairman)	9	90
Joaquin T. Dee	10	100
Alberto S. Yao	10	100

Risk Oversight Committee (formerly Risk Management Committee) is responsible for the development and oversight of the Bank's risk management functions, including the evaluation of the effectiveness of the enterprise risk management framework and ensuring that corrective actions are in place to address risk management concerns in a timely manner. It oversees the risk taking activities of the Bank and ensures the continued relevance, comprehensiveness, and overall value of the institutional risk management plan.

The Risk Oversight Committee had 14 meetings in 2017, including 2 joint meetings with the ExCom.

Director	Attendance	%
Joaquin T. Dee (Chairman) ^a	5	100
Hans T. Sy	12	86
Gilbert U. Dee ^a	5	100
Alberto S. Yao	14	100
Margarita L. San Juan ^b	8	89

^a Member up to May 3, 2017; attended 5 out of 5 meetings

^b Member from May 4, 2017; attended 8 out of 9 meetings

Nominations Committee, composed entirely of Independent Directors, is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board and other appointments that require Board approval, including promotions favorably endorsed by the Promotions Review Committee. It is also tasked to review the qualifications of the candidates to ensure that their qualities and/or skills are appropriate for leading and assisting the Bank in achieving its vision and corporate goals.

The Nominations Committee had 15 joint meetings with the Corporate Governance Committee in 2017.

Director	Attendance	%
Roberto F. Kuan (Chairman)	13	87
Alberto S. Yao	15	100
Margarita L. San Juan ^a	8	80

^a Member from May 4, 2017; attended 8 out of 10 meetings

Compensation or Remuneration Committee provides oversight over the remuneration of senior management and other key personnel, ensuring that compensation is consistent with the interest of all stakeholders and the Bank's culture, strategy, and control environment.

The Compensation or Remuneration Committee had 4 meetings in 2017.

Director	Attendance	%
Roberto F. Kuan (Chairman)	3	75
Hans T. Sy	4	100
Alberto S. Yao	4	100
Harley T. Sy	4	100
Margarita L. San Juan	3	75

Related Party Transactions Committee, composed entirely of Independent Directors, is responsible for reviewing all material related party transactions (RPT) to ensure that they are conducted at arm's length basis and at fair terms as those offered to non-related parties, overseeing the proper implementation of the RPT Policy, and ensuring that corresponding transactions are duly identified, measured, monitored, controlled, and reported.

The Related Party Transactions Committee had 12 meetings in 2017.

Director	Attendance	%
Roberto F. Kuan (Chairman)	12	100
Alberto S. Yao	12	100
Margarita L. San Juan ^a	7	100

^a Member from May 4, 2017; attended 7 out of 7 meetings



Trust Investment Committee provides oversight functions and overall strategic business development and financial policy directions to the Trust and Asset Management Group. It oversees the trust, investment management, and fiduciary activities of the Bank, and ensures that they are conducted in accordance with applicable rules and regulations, and judicious practices. Moreover, it ensures that prudent operating standards and internal controls are in place and that the Board's objectives are clearly understood and duly implemented by the concerned units and personnel.

The Trust Investment Committee convened 11 times in 2017.

Director	Attendance	%
Herbert T. Sy (Chairman)	8	73
Harley T. Sy ^a	5	100
Jose T. Sio	10	91
Peter S. Dee ^b	6	100
Ricardo R. Chua ^c	9	90
William C. Whang ^d	1	100
Patrick D. Cheng ^e	11	100
Carina L. Yandoc ^f	-	-

^a Chairman until May 2017; attended 5 out of 5 meetings

^b Member effective June 2017; attended 6 out of 6 meetings

^c Member until October 2017; attended 9 out of 10 meetings

^d Member effective November 2017; attended 1 out of 1 meeting

^e Member Until November 2017

^f Member effective December 2017

Board Evaluation System

102-28

China Bank has an annual self-assessment to determine the individual Directors, Committees, the whole Board, and the President & CEO's level of compliance with leading practices and principles on good governance and to identify areas for improvement. The Compliance Office summarizes the results of the evaluation and the Corporate Governance Committee reports it to the Board.

Based on the results of the 2017 evaluation, there are no significant deviations and in general, the Bank has fully complied with the provisions and requirements of the CG Manual.

Board Remuneration

China Bank Directors are entitled to a per diem of P500.00 for attendance at each Board/Board Committee meeting and to 4% of the Bank's net earnings. Executive Directors

receive performance-related compensation based on their performance, banking experience, position, and rank in the Bank, while non-executive Directors do not receive any performance-related compensation. The remuneration policy for employees (staff to senior officers) are in the Governance Policies section on page 75.

Other Committees

Management Committee (ManCom) formulates the Bank's business plans and budget as directed by the Board and reports to the Board on the implementation of corporate strategies designed to fulfill the Bank's corporate mission and business goals. At the operating level, it covers top management matters such as, but not limited to, environmental assessment, objectives setting, performance and budget review, asset/liability management, organizational and human resource development, product development, and major operating policies.

Asset & Liability Committee (ALCO) oversees the implementation of the asset-liability management policies that govern the structure of the financial resources of the Bank.

Credit Committee (CreCom) reviews and approves all credit applications within its credit approval authority. It also reviews all credit applications exceeding its credit approval authority, and if found acceptable, endorses such to the ExCom or the Board of Directors.

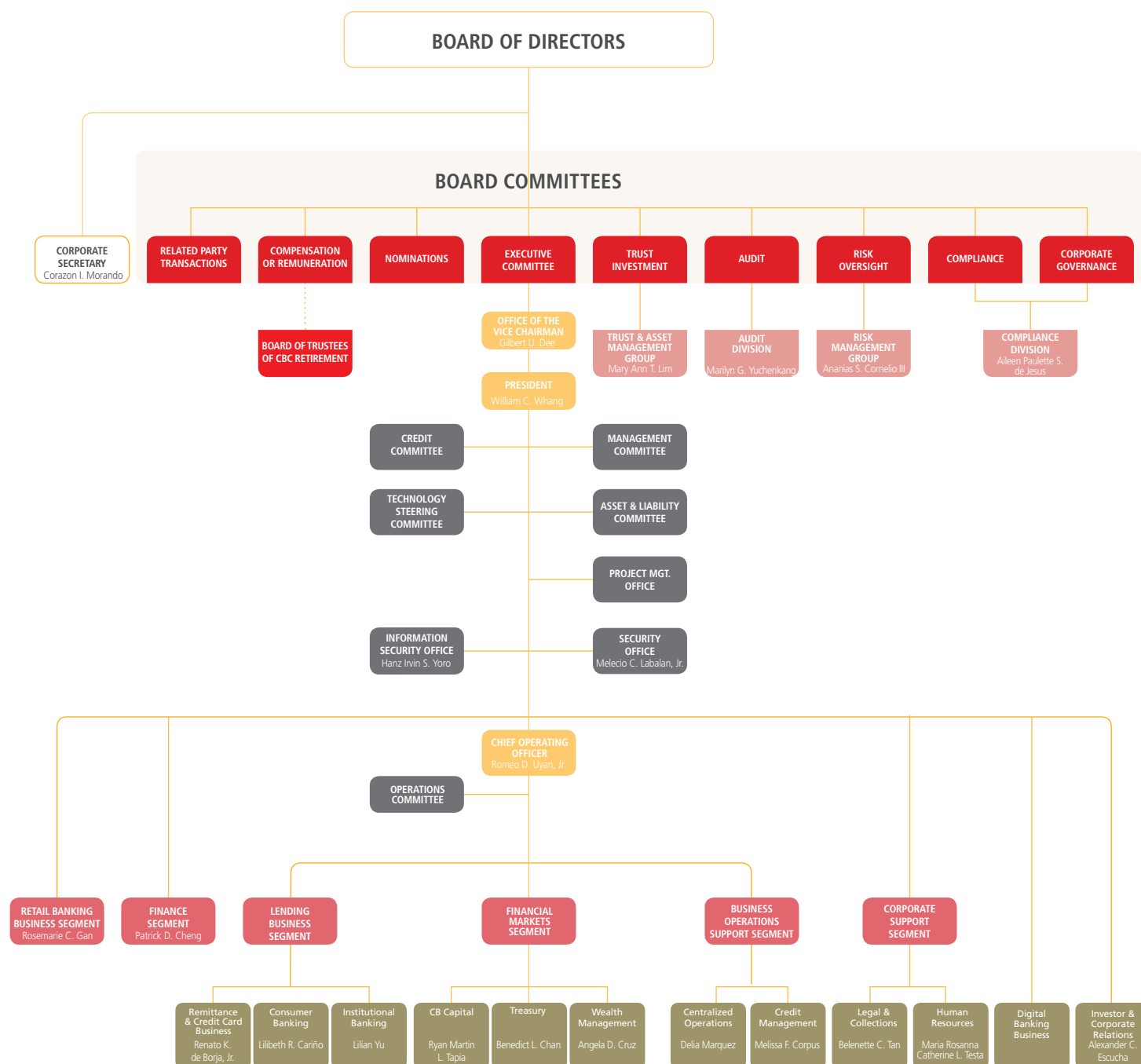
Technology Steering Committee (TSC) oversees and manages the IT resources of the Bank. Except for strategic initiatives and IT expenditures, all matters pertaining to IT resource management and performance measurement are fully delegated to the TSC as provided for in its Charter.

Operations Committee (OpsCom) reviews and recommends improvement on current operations, review, design, and implementation of new projects.

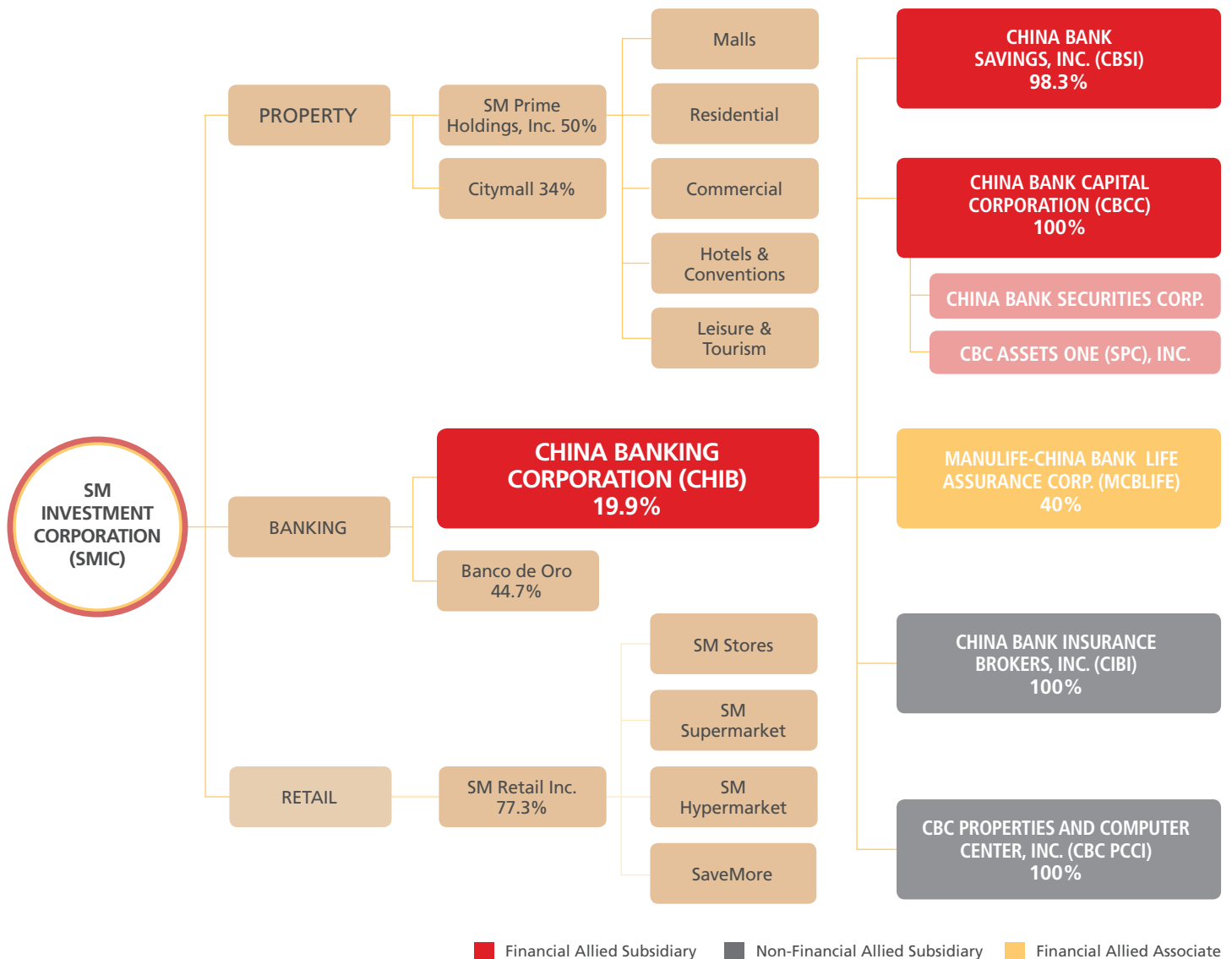
Board of Trustees of CBC Employees' Retirement Plan is responsible for the investment and disbursement of CBC Employees' Retirement Plan assets in accordance with SEC regulations and the best interests of the plan holders.

ORGANIZATIONAL CHART

102-18



CONGLOMERATE MAP



INTERNAL CONTROLS

102-11

The Board is responsible for the establishment and review of China Bank's system of internal controls, while the day-to-day responsibility for internal control rests with Management. All of our employees are involved to a certain degree in our internal control process.

Our internal control system is comprised of a well-defined organizational structure with clear authorities, responsibilities, and operating procedures; a robust compliance function executed by the Compliance Office and overseen by the Compliance and Corporate Governance committees; an enterprise risk management function performed by the Risk Management Group (RMG) and supervised by the Risk Oversight Committee; and an internal audit function, independently exercised by the Audit Division and watched over by the Audit Committee.

Based on the Audit Committee's continuing review and monitoring of the Bank's internal control system, in 2017, material controls, risk management systems and framework remain adequate and effective to the Bank's size and complexity of transactions.

COMPLIANCE SYSTEM

Our Compliance Office plays a crucial role in fostering a culture of group-wide compliance in all facets of the Bank, assists the Board in the discharge of its governance function to protect China Bank's reputation and our stakeholders' interests, and ensures the Bank's safety and soundness. In place is a compliance risk management system that is designed specifically to identify and mitigate risks that may erode the franchise value of the Bank.

Our Compliance Office is headed by the Chief Compliance Officer (CCO) who reports functionally to the Compliance and the Corporate Governance committees and administratively to the Bank's President. The Compliance function is supported by a duly approved Compliance Charter that defines the duties and responsibilities, mandate, independence, and manner on which compliance is implemented. At the helm of this function is the Regulatory

Compliance Unit. The Corporate Governance Unit assists the CCO in its governance mandates, while the IT Compliance Unit assists in the IT system support. All units in the Bank have Compliance Coordinators to ensure that all risks associated to the operations and business of the individual units are identified, monitored, and mitigated.

To enhance regulatory and compliance awareness and continuously strengthen our compliance culture, the Compliance Office cascades all recent laws, rules, and regulations to all concerned and regularly conducts trainings on corporate governance, related party transaction, bank fraud, anti-money laundering, and consumer protection, among others. It also acts as liaison for the Board and Management on regulatory compliance matters with the regulatory agencies; provides advisory services, including reviewing proposed China Bank products and services; updates our Compliance Manual annually to align with recent regulatory requirements.

RISK MANAGEMENT

We recognize that the business of banking necessarily entails risk, and that proper risk mitigation, not outright risk avoidance, is the key to long-term success. Our risk management principle centers on determining how much risk we are willing to bear for a given return, deciding if the risks represent viable opportunities, and finding intelligent approaches to managing risks. Our corporate governance structure keeps pace with the changing risks that China Bank faces and will be facing in the coming years with a dynamic risk management program that calls for the continuing reassessment of risks and controls and the timely reporting of these risks to the Board.

The Risk Management Group (RMG) executes the risk management function which is generally responsible for identifying, assessing, monitoring and mitigating the key risks inherent to the operations of China Bank as a financial institution. RMG is headed by the Chief Risk Officer and reports to the Board through the Risk Oversight Committee, a separate board-level independent committee with explicit authority and responsibility for determining China Bank's risk tolerance level and overseeing the implementation of risk management policies.

Market and Liquidity Risk

The objective of our market risk policies is to obtain the best balance of risk and return while meeting our stakeholders' requirements. Meanwhile, our liquidity risk policies center on maintaining adequate liquidity at all times to be in a position to meet all obligations as they fall due.

To measure market risk exposures, we use Historical Simulation Value-at-Risk (VaR) approach for all treasury traded instruments, including fixed income bonds, foreign exchange swaps and forwards, interest rate swaps, and equity securities. Market risk exposures are measured and monitored through reports from the Market Risk Management System implemented in 2016 to enhance risk measurement and automate daily reporting.

Liquidity and interest rate risk exposures are measured and monitored through the Maximum Cumulative Outflow (MCO) and Earnings-at-Risk (EaR) reports from the Asset and Liability Management (ALM) system. The ALM system was implemented in 2013 and upgraded in 2016 to a new version with modules for calculating liquidity ratios.

Market risk, interest rate risk, and liquidity risk exposures are adequately managed through limits and triggers that are in accordance with the risk appetite of the Board.

Since 2014, our Internal Audit has been independently validating the internal risk measurement models – VaR, EaR and MCO – annually. The latest validation results concluded that these internal risk measurement models are appropriate for the measurement of its market, interest rate, and liquidity risks, respectively.

To further enhance the analysis of the Bank's accrual portfolio, RMG will continue to explore other metrics such as the Economic Value of Equity.

Credit Risk

Our policies for managing credit risk are determined at the business level with specific procedures for different risk environments and business goals. Risk limits and thresholds have been established to monitor and manage credit risk from individual and counterparties and/or group of counterparties, and industry divisions. Periodic assessments are also conducted to review the creditworthiness of our counterparties.



We have an existing Internal Credit Risk Rating System (ICRRS) to measure in a consistent manner the credit risk for corporate borrowers with total assets, total facilities, or total exposures amounting to P15 million and above. For retail and small and medium entities and individual loan accounts, we have a credit scoring system, the Borrower Credit Score (BCS). There is also an existing application scorecard for consumer loans (auto loans, housing loans, credit card).

In addition, the Board approved a Sovereign Risk Rating Model in 2016 to assess the strength of the country rated with reference to its economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events.

In 2014, RMG engaged Moody's Analytics for the quantitative and qualitative validation of the internal CRRS, which was followed by the model recalibration in 2015. In 2016, with the assistance of Teradata as our technology provider, RMG completed the statistical validation of the BCS using the same methodology applied to the validation of the corporate risk rating model. A validation of the recalibrated model recommended by Teradata and the RMG-enhanced model was performed in 2017.

Operational, Business Continuity Management (BCM) and Information Technology (IT) Risk

We have a framework of policies, procedures, and the tools to ensure that China Bank's operational and IT risks are managed in a timely and efficient manner. RMG continues to effectively assess, monitor, control, and communicate such risks as well as take initiatives to further improve the Bank's disaster preparedness.

RMG spearheads the bank-wide operational risk identification and self-assessment process to determine priority risks areas, ascertain that proper checks and

balances are in place, and introduce additional measures to strengthen overall operational controls. In addition, RMG maintains a Centralized Loss Database (CLD) where all the reported incidents of losses are recorded. Information captured are processed and analysed to pinpoint general control weaknesses and operational vulnerabilities; and collects data to establish the appropriate Key Risk Indicators with the corresponding thresholds which are monitored on a periodic basis.

Our risk-based and scenario-driven BCM Program is underpinned by our commitment to always be of service to our customers. The program includes appropriate resiliency strategies, recovery procedures, facilities, contingency measures, communication, and crisis management plans across the organization to ensure we are prepared for any disaster and capable of quickly resuming operations in the event of a major disruption. RMG regularly conducts a Business Impact Analysis (BIA) to determine the critical business processes and system dependencies. The results of the BIA are used to further enhance our recovery strategy and appropriately align with defined Recovery Point and Recovery Time Objectives. In 2017, several disaster preparedness tests and simulation exercises were carried out. RMG, IT Audit, and Information Security Office assessed the results, covering both infrastructure and procedural matters and using existing regulations and industry best practices to benchmark the Bank's ability to respond to different scenarios.

In managing the Bank's IT Risks, we are guided by a robust IT Risk Management Framework anchored on our business strategy, capabilities, and risk appetite. RMG identifies IT-related vulnerabilities and determines the effectiveness of our IT controls through the IT risk assessment process. All our IT Risk Management processes are aligned with the standards and operating principles provided in BSP Circular No. 808 (Guidelines on IT Risk Management) and BSP Circular No. 982 (Enhanced Guidelines on Information Security Management).

Trust Risk

We manage our trust risk based on the regulations specified in BSP Circular 766 or the Guidelines in Strengthening Corporate Governance and Risk Management Practices on Trust, Other Fiduciary Business, and Investment Management Activities. RMG continues to strengthen China Bank's risk management practices on Trust by enhancing the

policies, processes, and procedures for market risk, liquidity risk, credit risk, operational risk and compliance risks specific to our Trust business. Legal, strategic, and reputational risks were also incorporated in the Trust Risk Management Guidelines. In 2017, our Trust and Asset Management Group started testing a new trust banking enterprise solution which would cover front, middle and back office functionalities, including risk and compliance.

INTERNAL AUDIT

Internal audit is vital to China Bank's success and sustainability. Our Audit Division is responsible for the internal audit function, assisting the Board of Directors, through the Audit Committee, in the discharge of the Board's governance and control responsibilities, and providing independent and objective assessment of China Bank's operations, including risk management, control and governance processes to achieve the Bank's goals and objectives. The Audit Division advocates the Institute of Internal Auditors' new mission to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

The Audit Division, headed by the Chief Audit Executive, has dual reporting lines to ensure independence: functionally to the Audit Committee and administratively to the President. It has a Board-approved Internal Audit Charter with the authority and access that cut across all functions, units, processes, records, and personnel; a risk-based plan/approach that focuses on significant risks that are linked to Bank's objectives and strategies; and experienced auditors capable of performing their tasks competently and efficiently.

In 2017, the Audit Division continued to improve audit efficiency and effectiveness, enhancing existing practices and implementing new initiatives in line with its vision to be an innovator of best practices which promotes excellence, continuous growth, and improvement across the organization and the banking industry. The Data Analytics Unit was created under the IT Audit Department to optimize the use of Audit Command Language Data Analytics, an audit tool that assists auditors in the collection and processing of data in a computerized environment. Some of the Unit's main activities include developing scripts for regular or repetitive audit procedures. To further enhance the skills and competencies of our auditors, they attended a total of 26 internal trainings and 41 external trainings. In addition, three of our IT auditors obtained international certifications,

namely: Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control (CRISC) and Certified Payment-Card Industry Security Implementer (CPISI).

EXTERNAL AUDIT

Our external auditor fulfills a critical function in ensuring that our financial statements are accurate and presented in accordance with the Philippine Financial Reporting Standards. SyCip Gorres Velayo & Co./ Ernst & Young (SGV) has been our external auditor for over 20 years, with the signing partners rotated every five years in compliance with the SEC laws.

Fiscal Year	Audit Fees and Audit-Related Fees	Non-Audit Fees
2017	P8,192,800	P254,240
2016	P6,994,960	P448,970

The above audit and audit-related fees cover services rendered for the performance of the audit or review of the Bank's financial statements, including the combined financial statements of the Trust and Asset Management Group, and the issuance of comfort letters relative to our 2017 Stock Rights Offering and the Second Tranche offering of Long Term Negotiable Certificates of Deposits. The audit fees were taken up and approved by the Audit Committee at its regular meetings on February 21, 2018 and February 15, 2017, respectively.

Tax fees related to the audit of tax accounting and compliance are already incorporated in the year-end audit fees under Audit and Audit-Related Fees category as this is part of the audit process conducted by the external auditors.

The Board/Audit Committee likewise discussed, approved, and authorized to engage SGV in non-audit work for the independent validation of votes in the annual stockholders' meeting and for the compliance certificate issued to international bank lenders. Payment for these services, and seminar fees are included under Non-Audit Fees.

Throughout the years that SGV has been auditing the Bank, it has not found any significant exceptions, such as cases of fraud or dishonesty, and any other matters which could potentially result in material losses to the Bank and our stakeholders. In 2017, SGV confirmed that

they did not have any disagreement with Management that could be significant to the Bank's financial statements or their auditor's report. Further, there are no matters that in their professional judgment may reasonably be thought to bear on their independence or that they gave significant consideration to in reaching the conclusion that independence has not been impaired.

SGV representatives are present at the Bank's Annual Stockholders Meeting to respond to matters concerning their audit of the Bank.

SGV is again recommended for appointment at the 2018 Annual Stockholders Meeting.

GOVERNANCE POLICIES

The Board of Directors, Management, employees and shareholders believe that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake greater effort necessary to create more and continuing awareness within the organization.

Code of Ethics

102-17

In the conduct of our business and dealings with stakeholders, we are guided by the relevant rules and regulations and our own CG Manual and Code of Business Conduct and Ethics. The Manual contains our corporate governance policies, structure, principles, as well as the general and specific duties and responsibilities of the Board and the individual Directors. It is regularly updated to ensure alignment with the latest regulatory issuances. Meanwhile, the Code provides clear guidelines on acceptable and unacceptable behavior and business practices.

All China Bank Directors, officers, and staff are required to abide by and fully comply with the Manual and the Code. Our CCO monitors compliance with the Manual and responds to inquiries from employees regarding good corporate governance policies and practices. Our Human Resources Group ensures that every China Bank employee is aware of and upholds the Code. All new employees are given a copy of the Code of Ethics booklet and undergo the

New Employees' Orientation Course (NEOC) wherein the Code is comprehensively discussed.

For easy reference, both the Manual and the Code are posted on our Intranet facility and our website

Dividends

China Bank declares cash dividends at a payout ratio of at least thirty percent (30%) of the net income of the prior year, subject to the conditions and limitations set forth in more detail in the policy statement contained in the Corporate Governance Manual.

The Dividend Policy is an integral component of our Capital Management Policy and Process. Its fundamental and overriding philosophy is sustainability. Dividend pay-outs are reviewed annually and are calibrated based on the prior year's earnings while taking into consideration dividend yields, future earnings streams and future business opportunities. In declaring dividend payouts, we use a combination of cash or stock dividends.

Remuneration

We aim to attract, motivate, and retain the best people to best serve our customers. Our general remuneration policy is to provide fair and competitive salary and benefits to China Bank employees commensurate with their experience, responsibilities, job grade/corporate rank, and position title. An employee's level in the organization is determined by the job grade (for rank and file employees) or corporate rank (for officers) identified with their position, which is the basis of compensation and benefits relative to the banking industry. The position title of an employee defines the general description of his/her function (e.g., Customer Relations Assistant, Branch Head, Chief Operating Officer), while the job grade or corporate rank determines the hierarchy in terms of pay and benefits (e.g. Rank and File IV, Assistant Vice President, Senior Vice President).

For senior officers, our remuneration policy is to likewise provide them with fair and competitive salary and benefits commensurate with their experience, responsibilities, rank and position, and reasonably proportional to the Bank's economic situation. In determining senior officer compensation, we also benchmark against the executive

compensation for the same positions in comparable organizations (similar size, organizational structure, business risk, and management complexity).

Selection and Appointment of Senior Officers

China Bank is committed to developing a competent workforce led by a high performing senior management team. In accordance with the Corporate Governance Manual, the Board is primarily responsible for approving the selection of Top Management as led by the President. On top of the "fit and proper" rule, senior officer appointments (VPs-up) are based on who is the most qualified and best suited for the position, in line the Bank's strategic objective of having the highest-caliber leaders who inspire the trust and confidence of our employees, customers, investors, and other stakeholders. Our Top Management and Human Resources Group Head ensure that the policies and procedures for building our talent pipeline and filling up key positions through internal promotion (Succession Management Program) or external sourcing are upheld throughout the selection and appointment process. Senior positions monitored by BSP with the rank of FVP and up are coursed through our Corporate Governance Committee and approved by the Board.

Anti-Money Laundering

China Bank is committed to the consistent and continuing compliance with the Anti-Money Laundering (AML) law, rules, and regulations. The Board of Directors through the Compliance Committee ensures that programs and controls are in place, implemented, monitored, and regularly updated to ensure that our Bank, employees, products, and services are not used for money laundering and terrorist financing activities.

We have our own Money Laundering and Terrorist Financing Prevention Program (MLPP) which embodies the policies and procedures in complying with the AML requirements. The MLPP is regularly updated in line with regulatory changes and best practices. Our Compliance Office is responsible for managing, updating, and implementing the MLPP, including ensuring that our employees have sufficient and up-to-date knowledge of the AML law, regulations, and policies through communication and classroom and electronic-based training.

Whistleblowing

102-17

Without fear of any retaliation, our employees, customers, shareholders, and third party service providers may report questionable or illegal activity, unethical behavior, fraud or any other malpractice by mail, phone or e-mail. The identity of the whistleblower is kept confidential and all reports are investigated accordingly. If determined sufficient in form and substance, the disclosure is referred either to the Audit Division or the Human Resources Group (HRG) for further investigation. If the report is found to be baseless, the Whistleblower is informed of the status within 24 hours from receipt. Meritorious disclosure, as may be determined, will be given recognition and may be entitled to an award as deemed necessary by the HRG or the Investigation Committee.

The CCO is the primary driver in the implementation of our Whistleblowing Policy. Disclosures are directed to the CCO who is responsible for determining the sufficiency and validity of the report. The policy also allows reporting of any disclosure to the Chief Audit Executive, Chief Risk Officer, and the HRG Head.

Reports/disclosures may be sent to any China Bank Officer or to:

CHIEF COMPLIANCE OFFICER
China Banking Corporation
P. O. Box 2182, Makati Central Post Office
1226 Makati City, Philippines
Mobile number: 0947-9960573
E-mail address: whistle_chib@yahoo.com
A disclosure form is also available at
www.chinabank.ph

Conflict of Interest

102-17

Conflict of interest between the Bank and employees should be avoided at all times. However, should a conflict arise, the interest of the Bank must prevail. Employees are not permitted to have or be involved in any financial interests that are in conflict or appear to be in conflict with their duties and responsibilities to China Bank. They are likewise barred from engaging in work outside of the Bank unless with duly-approved permission, as well as work that lies in direct competition with the Bank.

Guidelines on Dealings in China Bank Shares

102-17

China Bank employs strict policies on securities transactions to support and uphold all applicable laws against insider trading. This prohibits directors, officers, and employees who are considered to have knowledge of material facts or changes in the affairs of China Bank which have not yet been publicly disclosed—including any information likely to affect the share price of the Bank's stock—to directly or indirectly engage in financial transactions that make use of "insider information." This also includes consultants and advisers and all other employees who are made aware of undisclosed material information.

Any transactions by the Directors and principal officers involving the Bank's shares are required to be disclosed within three business days from the date of the transaction.

Anti Bribery & Corruption

102-17

China Bank is committed to honest and ethical business practices and does not tolerate any form of bribery and corruption. We take our legal responsibilities very seriously and expect our directors and employees at all levels and grades to do the same. China Bank directors and employees are to act professionally, fairly, and with integrity in all our business dealings and relationships wherever we operate; thus, they 1) must never offer, promise, or give a financial or other advantage to any person or party, including public officials, with the intention of inducing or rewarding improper performance by them of their duties or to facilitate the transaction of the Bank, and 2) must never directly or indirectly accept or agree to receive a financial or other advantage as a reward for performing any act prejudicial to the Bank, the director/employee himself, or a third party. In 2017, a total of 5,209 employees underwent anti-corruption training.

Education and Training

China Bank's compliance culture is constantly reinforced through education and training. The Compliance Office regularly briefs Compliance Coordinators in all branches and head office units to raise their awareness and understanding of the principles and concepts of good corporate governance, with which they are required to cascade to their respective colleagues. All new hires of the Bank are given mandatory orientations on Compliance, Anti-Money Laundering, Whistle-Blowing, and Corporate Governance. Lectures on compliance are also conducted during the Officers Development Program (ODP) and Supervisory Development Program (SDP).

Supplier/Contractor Selection

We practice utmost professionalism in managing the Bank's resources. We process all matters of due diligence and compliance to ensure that any service or goods procurement will pose the greatest benefit to the Bank, while posing little to no negative impact on stakeholders. This entails a thorough evaluation on the procurement's risk to personnel, company assets, the environment, equipment, and service to customers. Consequently, we only transact with suppliers who have been assessed to have the necessary experience, capability, and financial viability, and who conduct business using economic, environmental and professionally sound methods while remaining compliant with all applicable laws and regulations.

China Bank is committed to fair market practices, engaging in the services of suppliers and contractors that have passed through a legitimate evaluation process that ensures a fair competition among other service providers under consideration. The Bank follows standards of objectivity, impartiality and equal opportunity, and evaluates based on thorough criteria such as quality, price, service, and overall value to the business, ensuring that we prevent any favoritism or conflicts of interest. All prospective suppliers must also undergo and pass a preliminary accreditation process before any contract is awarded to them. They are also assessed on their actual performance as compared to promised delivery dates, quality of work / goods, and adherence to agreed specifications and purchase order prices.

Disclosure and Transparency

The Bank is a staunch advocate of transparency and accountability, maintaining a high standard of disclosure to facilitate public understanding of the Bank's financial condition and the state of its corporate governance in order for them to make a well-informed decision. All material information about China Bank is adequately and promptly disclosed in accordance with SEC and PSE's disclosure policy like the publication of our quarterly financial statements in national broadsheets and presentation of a detailed annual report for our Stockholders' Meetings. Furthermore, we disclose market-sensitive information like dividend declarations, joint ventures and acquisitions, sale and disposition of significant assets, as well as financial and non-financial information that may affect the decision of the investing public via press releases on broadsheets and internal publications. We also electronically file our disclosures through the Electronic Disclosure Generation Technology (Edge) of PSE, making them available on the PSE website. Our corporate website is likewise regularly updated to include the latest news and current information about the Bank.

Social Media Policy

China Bank's expansive brand of customer and public service spans all modern channels of communication including social media and online networking platforms. The Bank's social media presence is guided by the mandate of its Code of Ethics, and is one of the first in the industry to have policies in place to ensure that our employees' interaction with the online public is consistent with the Bank's core value of professionalism. Social Media Administrators serve as overseers of any online post made in the Bank's name. In the same way, employees are constantly instructed and reminded to extend their professional demeanor to their personal online interactions. China Bank employees are cautioned to abide by the policies on personal posts, comments and statements relating to the Bank, that they may avoid online publication of any content or statement disparaging the Bank or its clients, or otherwise jeopardize the Bank's and its clients' interests. They are likewise informed against posting of prohibited content such as incitement to commit crime, drug paraphernalia, pornographic media, and the like. The Bank continues to exert efforts to enhance its social media policies to better accommodate the guidelines on mitigating social media risk issued by the BSP.

Related Party Transactions

102-17

We recognize that Related Party Transactions (RPT) may give rise to a conflict of interest; thus, we are careful in dealing with related parties. Transactions with such parties are thoroughly reviewed and verified as having been conducted in the ordinary course of business, at arm's length basis, at fair market prices, and upon terms not less favorable to the Bank, in the same terms as those offered to others, by the RPT Committee before they are endorsed to the Board for approval. All material RPT are ratified by the stockholders during the Annual Stockholders' Meeting.

Our RPT Framework serves as a guide to the China Bank group in dealing with related parties. The Bank's RPT policy is kept relevant and aligned with recent regulatory issuances. No director is allowed to participate in the discussion or deliberation, including approval of a transaction where he is a related party, to prevent conflict of interest.

A related party transaction is considered material if it is P50 million and up. Starting 2018, our materiality threshold shall be on a per transaction basis, aligned with recent regulatory requirements.

Significant (P50M and above) Related Party Transactions as of December 2017

(In Philippine Peso unless otherwise indicated)

Name of Counterparty	Type of Transaction	Amount/ Contract Price	Name of Counterparty	Type of Transaction	Amount/ Contract Price
Angela T. Dee-Cruz (Officer)	Line Outstanding	63.0 M 17.0 M	China Bank Savings Inc. (Subsidiary)	Investment in SSA (Short Term)	250.0 M
Alberto, Anthoniette & Joan Ross Yao (Director and his close family members)	Trust	84.0 M			\$ 1.5 M
Elizabeth Sy (Close family member of a director)	Trust	50.0 M		Bonds	200.0 M
Elizabeth T. Sy & Eric Charles Uy (Close family members of a director)	Trust	70.0 M			1.2 B
Henry Sy, Sr. (Honorary Chairman)	Loan Outstanding	300.0 M 300.0 M			500.0 M
Hans T. Sy (Director)	Trust	22.3 B			100.0 M
Herbert T. Sy & Hendrik T. Sy (Director)	Trust	50.0 M			84.0 M
Herbert T. Sy & Herbert T. Sy, Jr. (Director and his close family member)	Trust	53.5 M 61.4 M			50.0 M
Herbert T. Sy & Harley T. Sy (Director)	Trust	51.2 M			199.0 M
Sps. Irwin and Consuelo Ponce (Close family member of a director)	Line	50.0 M			100.0 M
BDO Universal Bank (Affiliate)	Bonds/FX	127.0 M	JJACCIS Development Corporation (Other Related Party)	Foreign Exchange Loan Outstanding	51.5 M 600.0 M 257.4 M
		400.0 M	Manulife Chinabank Life Assurance Corp. (Associate)	Bonds	528.9 M
		100.0 M			729.0 M
		14.0 B			2.4 B
		7.3 B			2.6 B
		1.6 B	National Reinsurance Corporation (Affiliate)	Bonds	665.0 M
		4.8 B			1.4 B
		309.9 M			50.0 M
		20.1 B			574.3 M
		265.6 M			752.4 M
		8.3 B			3.8 B
		600.8 M			3.3 B
		742.5 M			300.4 M
		11.5 B			4.1 B
		4.2 B			600.0 M
		600.0 M			3.1 B
		4.7 B			875.0 M
		5.2 B			900.0 M
		64.4 M			250.0 M
		13.7 B			3.3 B
		7.7 B			200.0 M
		50.0 M			500.0 M
		7.1 B			501.6 M
BDO Private Bank, Inc. (Affiliate)	Bonds / FX	1.0 B	Rizal Commercial Banking Corporation (Other Related Party)	Bonds	4.1 B
		850.0 M			600.0 M
		150.5 M			3.1 B
		50.2 M			875.0 M
		151.4 M			900.0 M
		100.9 M			250.0 M
		202.7 M			3.3 B
		252.1 M			200.0 M
		450.0 M			500.0 M
		1.1 B			501.6 M
		600.0 M	RCBC Savings Bank (Other Related Party)	Bonds	4.1 B
		609.6 M			4.1 B
		50.0 M	SM Investments Corporation (Stockholder)	Loan	6.6 B
		306.7 M			2.6 B
		257.5 M	SM Investments Corp./Sybase Equity Investments Corp./ Multi-Reality Development Corp. (Stockholder / Affiliates)	Loan	250.8 M
		150.0 M			100.0 M
		303.5 M	SM Prime Holdings Inc./Costa Del Hamilo, Inc./SM Hotels and Conventions Corp. (Affiliates)	Loan Line	50.0 M
		514.4 M			100.0 M
BDO Private Bank Wealth Advisory and Trust Group (Affiliate)	Bonds	253.3 M	SM Prime Holdings, Inc. (Affiliate)	ROPA	60.0 M
BDO Securities Corporation (Affiliate)	Equity Investments	1.6 B			150.0 M
CBCTrust Group (A Group in the Bank)	Bonds	1.9 M	SM Development Corp. (Affiliate)	Loan	144.0 M
		1.7 B			50.0 M
		1.4 M	Summerhills Home Development Corp. (Affiliate)	Loan	50.0 M
		499.0 M			100.0 M
		330.9 M	Sunlife Grepa Financial, Inc. (Other Related Party)	Bonds	60.0 M
		5.8 B			150.0 M
China Bank Capital Corporation (Affiliate)	Money Market Fund Redemption of Money Market Bond	5.9 B	Sysmart, Inc. (Stockholder)	Loan Outstanding	144.0 M
		700.0 M			50.0 M
		500.0 M	Super Industrial Corp. (Other related party)	Loan	5.0 B
		130.0 M			3.8 B
China Bank Securities Corporation (Subsidiary)	Sale of CHIB Shares	362.6 M	Anchor Land Holdings Inc. & Subsidiaries (Other Related Party)	Contract to Sell	50.0 M
					348.3 M
			One Network Bank (Affiliate)	Bonds	400.0 M
					100.0 M
			National Grid Corporation of the Philippines (Other Related Party)	Loan	12.0 B
					79.0 M
			2Go Group, Inc. (Other Related Party)	Loan	1.0 B
					100.0 M
			Posh Properties Development Corp. and Gotamco Realty Investment Corp. (Other Related Party)	Loan	1.0 B
					3.7 B
			Posh Properties Development Corp. (Other Related Party)	Loan	1.3 B

INFORMATION FOR STOCKHOLDERS

Date of Foundation

China Bank was incorporated on July 20, 1920 and opened for business on August 16, 1920. The Bank is registered with the Securities and Exchange Commission under SEC registration number 443. China Bank's amended By-laws may be downloaded from our website, www.chinabank.ph, or requested from the Office of the Corporate Secretary:

ATTY. CORAZON I. MORANDO

Vice President and Corporate Secretary
11/F China Bank Building
8745 Paseo De Roxas corner Villar Street
Makati City 1226, Philippines
Tel. Nos.: (+632) 885-5131, 885-5132
Fax No.: (+632) 885-5135
Email: ocsstocks@chinabank.ph

Record and Beneficial Owners Holding 5% or More of Voting Securities (as of February 28, 2018)

102-5

Title of Class	Name, Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Common	PCD Nominee Corporation * 37 th Floor Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City Stockholder	Various stockholders/ clients	Non-Filipino	721,420,468	26.86%
Common	SM Investments Corporation 10 th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sy Family PCD Nominee Corporation Stockholders	Filipino	461,975,661	17.20%
Common	Sysmart Corporation 10 th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Henry Sy, Sr. and Family Sycamore Pacific Corporation Stockholders	Filipino	415,995,323	15.49%
Common	PCD Nominee Corporation * 37 th Floor Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City Stockholder	Various stockholders/ clients	Filipino	402,575,155	14.99%

* Based on the list provided by the Philippine Depository & Trust Corporation to the Bank's transfer agent, Stock Transfer Service, Inc., as of February 28, 2018, The Hong Kong and Shanghai Banking Corporation Limited (396,732,386 shares or 14.77%) holds 5% or more of the Bank's securities. The beneficial owners, such as the clients of PCD Nominee Corporation, have the power to decide how their shares are to be voted.

Authorized and Issued Capital

Authorized Capital	Issued Shares:
₱33.0 Billion divided into 3.3 Billion shares with a par value of ₱10.00 per share	2,685,899,812 common shares

Summary of Filipino and Non-Filipino Holdings (as of February 28, 2018)

Nationality	Number of Stockholders	Number of Shares	Percentage
Filipino	1,852	1,957,095,364	72.866%
Non-Filipino (PCD)	1	721,420,468	26.860%
Chinese	49	3,350,169	0.125%
American	20	2,678,157	0.100%
Australian	1	1,956	0.000%
British	2	97,631	0.004%
Canadian	3	463,403	0.017%
Dutch	1	62,198	0.002%
Spanish	1	107	0.000%
Taiwanese	3	730,359	0.027%
TOTAL	1,933	2,685,899,812	100%

Trading in Company Shares by and Total Shareholdings of Bank Directors and Executive Officers
(as of December 31, 2017)

A. Directors

Name	Position	Shareholdings as of January 1, 2017	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2017	Percent
Hans T. Sy	Chairman of the Board	2,584,069	-	957,350	3,541,419	0.132%
Gilbert U. Dee	Vice Chairman	10,652,714	1,083,254	3,263,446	12,832,906	0.478%
William C. Whang	Director & President	13,063	-	4,455	17,518	0.001%
Peter S. Dee	Director	278,986	-	22,319	301,305	0.011%
Joaquin T. Dee	Director	38,542,777	-	13,144,135	51,686,912	1.924%
Herbert T. Sy	Director	380,747	-	129,845	510,592	0.019%
Harley T. Sy	Director	194,785	-	66,426	261,211	0.010%
Jose T. Sio	Director	2,623	-	894	3,517	0.000%
Alberto S. Yao	Independent Director	6,619	-	542,257	548,876	0.020%
Roberto F. Kuan	Independent Director	25,161	-	307,932	333,093	0.012%
Margarita L. San Juan	Independent Director	71,019	-	24,219	95,238	0.004%
TOTAL					70,132,587	2.611%

B. Executive Officers (In addition to Messrs. Gilbert U. Dee and William C. Whang)

Name	Position	Shareholdings as of January 1, 2017	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2017	Percent
Rosemarie C. Gan	Executive Vice President	96,965	-	33,067	130,032	0.005%
Patrick D. Cheng	Senior Vice President & CFO	457,491	-	160,265	617,756	0.023%
Alexander C. Escucha	Senior Vice President	-	-	83,886	83,886	0.003%
Benedict L. Chan	First Vice President II & Treasurer	-	-	15,678	15,678	0.001%
Renato K. De Borja, Jr.	First Vice President II	500	-	169	669	0.000%
Gerard T. Dee	First Vice President II	5,864	-	272,000	277,864	0.010%
Delia Marquez	First Vice President II	17,236	-	6,324	23,560	0.001%
Lilibeth R. Cariño	First Vice President	3,049	-	1,118	4,167	0.000%
Angela D. Cruz	First Vice President	1,222,851	-	417,025	1,639,876	0.061%
Elizabeth C. Say	First Vice President	2,561	-	872	3,433	0.000%
Shirley G.K.T. Tan	First Vice President	11,910	-	953	12,863	0.000%
Maria Rosanna Catherina L. Testa	First Vice President	-	-	6,340	6,340	0.000%
Stephen Y. Tan	First Vice President	-	-	2,746	2,746	0.000%
TOTAL					2,818,870	0.105%
GRAND TOTAL					72,951,457	2.716%

MARKET INFORMATION

Principal market where the equity is traded: Philippine Stock Exchange, Inc. (PSE)

Market Value

Actual Prices

2017	HIGH	LOW	CLOSE	2017	HIGH	LOW	CLOSE
Jan - Mar	41.55	38.00	40.70	Jan - Mar	39.50	33.50	39.15
April - Jun	41.60	34.50	36.70	April - Jun	40.25	37.00	38.00
Jul - Sept	36.90	35.00	35.35	Jul - Sept	39.00	37.60	38.00
Oct - Dec	36.20	32.80	33.30	Oct - Dec	38.30	37.60	38.00

Adjusted Prices (due to stock rights and 8% stock dividend)

2017	HIGH	LOW	CLOSE	2017	HIGH	LOW	CLOSE
Jan - Mar	36.65	33.51	35.90	Jan - Mar	36.57	31.02	36.25
April - Jun	36.69	31.94	33.98	April - Jun	38.50	35.23	38.00
Jul - Sept	34.17	32.41	32.73	Jul - Sept	39.00	37.60	38.00
Oct - Dec	34.50	32.78	33.30	Oct - Dec	38.30	37.60	38.00

Market value as of December 29, 2017 (last trading day): P33.30

Price Information as of February 28, 2018 (latest practicable trading date): P35.20

Dividend History

	2017	2016	2015	2014	2013
Stock Dividend	8%	8%	8%	8%	10%
Cash Dividend	8%	10%	10%	10%	12%

Investor Relations

Inquiries from investors, analysts, and the financial community are handled by the Investor & Corporate Relations Group:

ALEXANDER C. ESCUCHA

Senior Vice President and Head

Investor and Corporate Relations Group

28/F BDO Equitable Tower

8751 Paseo De Roxas

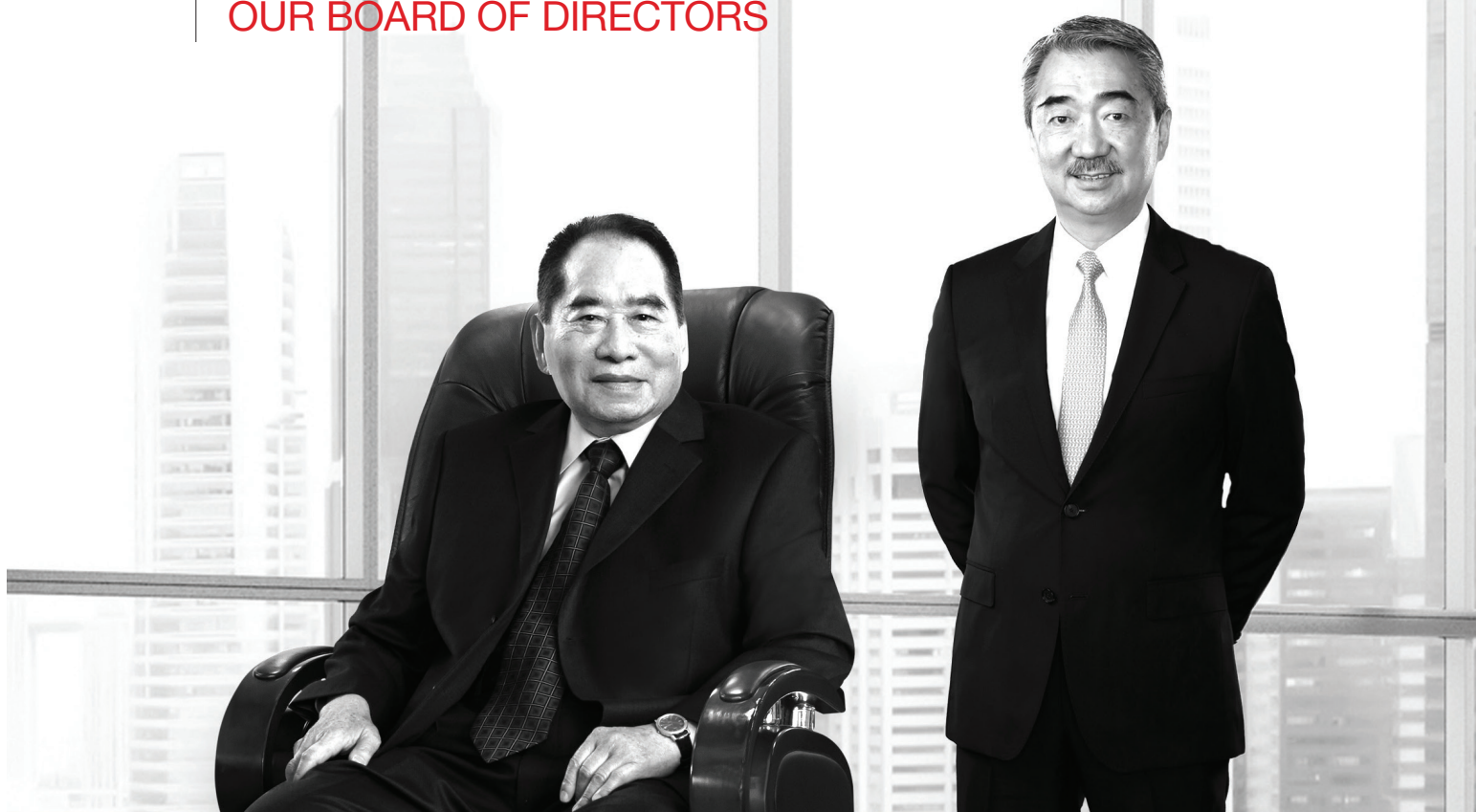
Makati City 1226, Philippines

Tel. No.: (+632) 885-5609

Email: investor-relations@chinabank.ph



SETTING THE TONE AT THE TOP: OUR BOARD OF DIRECTORS



HENRY SY, SR.

Honorary Chairman and Advisor to the Board

93 years old, Filipino

Founder: SM Group

Chairman Emeritus: SM Investments Corp.*,

BDO Unibank, Inc.*, and SM Prime Holdings, Inc.*

Education: Associate in Commercial Science,
Far Eastern University; Honorary Doctorate in
Business Management, De La Salle University

HANS T. SY

Chairman (Non-executive director)

62 years old, Filipino

31 years on the China Bank Board

Nominated by: Sysmart Corporation

Current China Bank Board Committee memberships:

Executive and Compliance (Chairman),

Risk Oversight, and Compensation or Remuneration

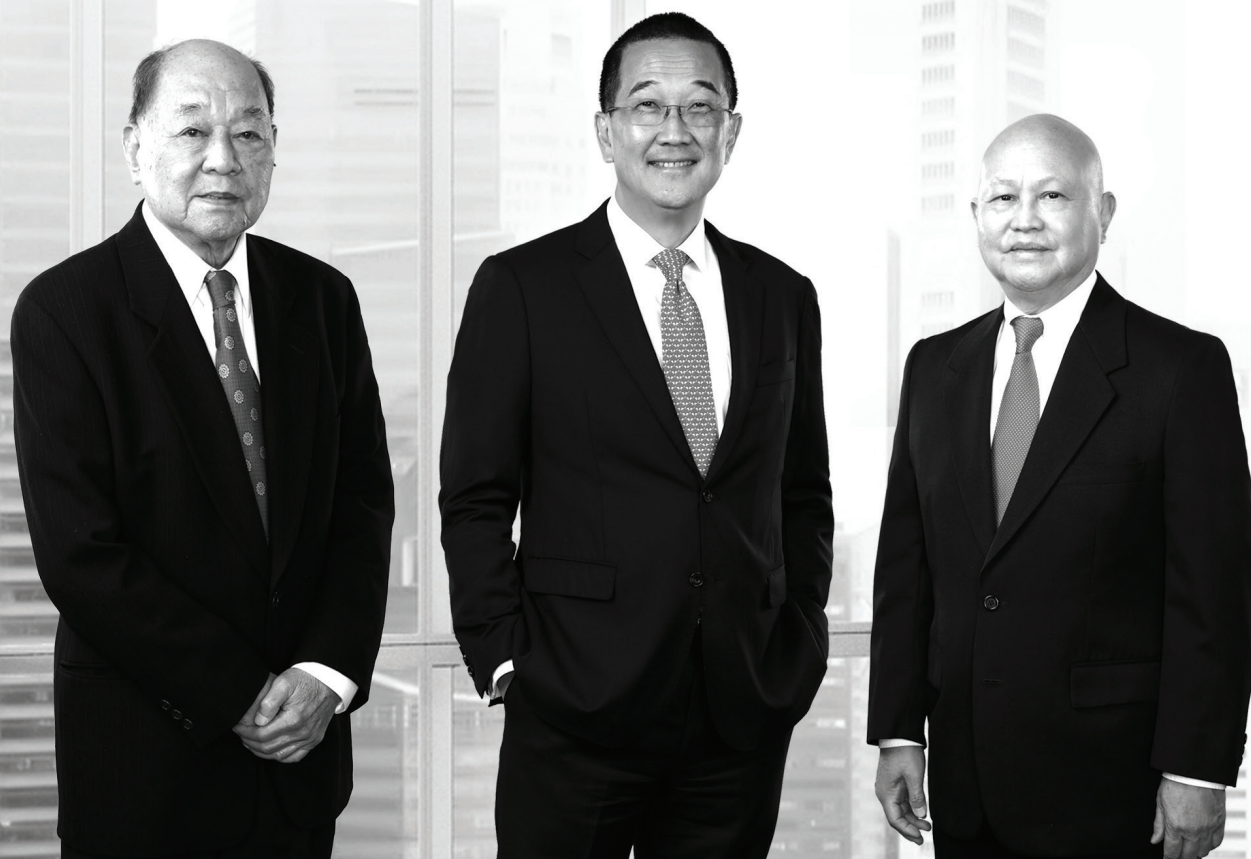
Director and Chairman of the Executive Committee:

SM Prime Holdings, Inc.*

Adviser to the Board: SM Investments Corp.*

Education: Bachelor of Science in Mechanical
Engineering, De La Salle University

* Publicly-listed company



GILBERT U. DEE

Vice Chairman (Executive director)
82 years old, Filipino
48 years on the China Bank Board
Nominated by: Linda Susan T. Mendoza
Current China Bank Board Committee
memberships: Executive
Chairman: CBC Properties and
Computer Center, Inc. (CBC-PCCI)
and Union Motor Corp.
Director: Super Industrial Corp.
Education: Bachelor of Science in
Banking, De La Salle University;
Masters in Business Administration,
University of Southern California

WILLIAM C. WHANG

Director and President (Executive director)
59 years old, Filipino
Less than 1 year on the China Bank Board
Nominated by: George C. Yap
Current China Bank Board Committee
memberships: Executive and
Trust Investment
Chairman: China Bank Securities Corp. (CBSC)
Director: China Bank Savings, Inc. (CBSI),
China Bank Insurance Brokers, Inc.
(CBC-IBI), China Bank Capital
Corp. (CBCC), CBC-PCCI, Manulife
China Bank Life Assurance Corp.
(MCBLife), and BancNet, Inc.
Education: Bachelor of Science in
Commerce, Major in Business Management,
De La Salle University

PETER S. DEE

Director (Non-executive)
76 years old, Filipino
40 years on the China Bank Board
Nominated by: Nancy D. Yang
Current China Bank Board Committee
memberships: Executive and Trust
Investment
Director: CBC-PCCI, CBC-IBI, Hydee
Management & Resources Corp.,
Commonwealth Foods, Inc., and
GDSK Development Corp.
Independent director: City & Land
Developers, Inc.* and Cityland
Development Corp.*
Former President & CEO: China Bank
Education: Bachelor of Science in
Commerce, De La Salle University/
University of the East; Special Banking
Course, American Institute of Banking

* Publicly-listed company



SETTING THE TONE AT THE TOP: OUR BOARD OF DIRECTORS



HERBERT T. SY

Director (Non-executive)

61 years old, Filipino

24 years on the China Bank Board

Nominated by: Sysmart Corporation

Current China Bank Board

Committee memberships:

Trust Investment (Chairman)

Chairman: Supervalve, Inc.,
Super Shopping Market, Inc.,
Sondrik, Inc., and Sanford
Marketing Corp.

Director: SM Prime Holdings, Inc.*
and National University

Education: Bachelor of Science
in Management, De La Salle
University

JOAQUIN T. DEE

Director (Non-executive)

82 years old, Filipino

33 years on the China Bank Board

Nominated by: Christopher T. Dee

Current China Bank Board

Committee memberships:

Executive, Audit, and Compliance

Chairman: JJACCIS Development
Corp.

Director/President: Enterprise
Realty Corp.

Director/Treasurer: Suntree
Holdings Corp.

Education: Bachelor of Science in
Commerce, Letran College

HARLEY T. SY

Director (Non-executive)

58 years old, Filipino

16 years on the China Bank Board

Nominated by: SM Investments
Corp.

Current China Bank Board

Committee membership:

Compensation or Remuneration

Director: SM Investments

Corp.*, SM Retail Inc.,
and SM Synergy Properties
Holdings Corp.

Education: Bachelor of Science in
Commerce, Major in Finance,
De La Salle University

JOSE T. SIO

Director (Non-executive)

78 years old, Filipino

10 years on the China Bank Board

Nominated by: SM Investments Corp.

Current China Bank Board

Committee membership:

Trust Investment

Chairman: SM Investments Corp.*
and Belle Corp.*

Director: Atlas Consolidated
Mining and Development
Corp.*, Concrete Aggregates
Corp.*, OCLP Holdings,
Inc., Manila North Tollways
Corp., and CityMall Commercial
Centers, Inc.

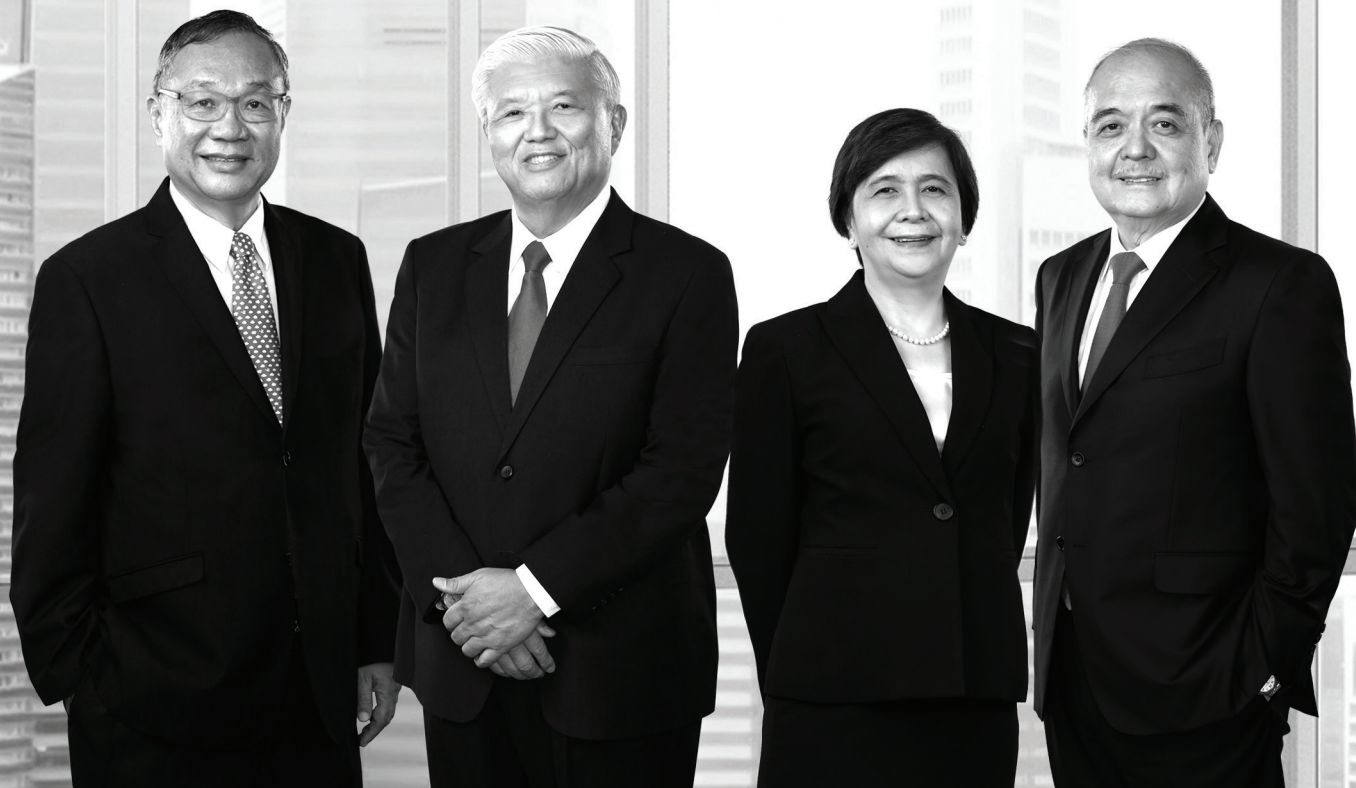
Adviser: Premium Leisure Corp.*
and BDO Unibank, Inc.*

Adviser of Audit Committee / Risk
Oversight Committee: SM Prime
Holdings, Inc.*

President: SM Foundation, Inc. and
GlobalFund Holdings, Inc.

Education: Certified Public Accountant;
Bachelor of Science in Commerce,
Major in Accounting, University
of San Agustin; MBA, New York
University, U.S.A.

* Publicly-listed company

**ROBERTO F. KUAN**

Lead Independent Director

69 years old, Filipino

12 years on the China Bank Board

Current China Bank Board

Committee memberships:
Corporate Governance,
Nominations, Compensation
or Remuneration, Related
Party Transactions (Chairman),
and Audit

Independent Director: CBSI, CBCC,
CBSC, and Far Eastern
University, Inc.*

Member of the Board of Trustees:
St. Luke's Medical Center, SLMC
Global City, Inc., St. Luke's
College of Medicine-William
H. Quasha Memorial, Brent
International School, Inc., Seaoil
Phils., Inc., Roosevelt College Inc.,
and Towers Watson Insurance
Brokers Philippine Inc.

Education: Bachelor of Science in
Business Administration, University
of the Philippines; Masters in
Business Management,
Asian Institute of Management
(AIM); Honorary Doctorate in
Humanities, Lyceum Northwestern
University

ALBERTO S. YAO

Independent Director

71 years old, Filipino

13 years on the China Bank Board

Committee memberships:

Audit (Chairman), Corporate
Governance, Compliance, Risk
Oversight, Nominations,
Compensation or Remuneration,
and Related Party Transactions

Independent Director: CBSI,
CBCC, and CBSC

President & CEO: Richwell Trading
Corp., Richwell Phil., Inc.,
Europlay Distributor Co.,
Inc., and Internationale Globale
Marques, Inc.

President: Richphil House Inc.
and Megarich Property
Ventures Corp.

Member: Philippine Constitution
Association

Education: Bachelor of Science
in Business Administration,
Minor in Accounting, Mapua
Institute of Technology

MARGARITA L.**SAN JUAN**

Independent Director

64 years old, Filipino

Less than 1 year on the China Bank Board

Current China Bank Board

Committee memberships:

Risk Oversight (Chairman),
Corporate Governance,
Nominations, Compensation or
Remuneration, and Related
Party Transactions

Independent Director: CBSI and
CBCC

Education: Bachelor of
Science in Business
Administration, Major in
Financial Management,
University of the Philippines;
Advance Bank Management, AIM

RICARDO R. CHUA

Advisor to the Board

66 years old, Filipino

Former President & CEO:

China Bank

Director: CBSI, CBC-IBI,
CBC-PCCI, CBCC, CAVACON
Corp., and Sun & Earth Corp.

Education: Certified Public
Accountant; Bachelor
of Science in Business
Administration, Major in
Accounting, University
of the East (cum laude);
MBM, AIM



MAKING IT HAPPEN: OUR MANAGEMENT COMMITTEE



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1 Gilbert U. Dee, Vice Chairman of the Board **2** William C. Whang, President **3** Romeo D. Uyan, Jr., Executive Vice President and Chief Operating Officer
4 Patrick D. Cheng, Senior Vice President and Chief Finance Officer **5** Rosemarie C. Gan, Executive Vice President and Segment Head of Retail Banking Business
6 Alberto Emilio V. Ramos*, Executive Vice President and President of China Bank Savings, Inc. **7** Alexander C. Escucha, Senior Vice President and Head of the Investor and Corporate Relations Group **8** Ryan Martin L. Tapia, President, China Bank Capital Corporation



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9 Benedict L. Chan, First Vice President, Treasurer, and Head of Treasury Group **10** Lilian Yu, First Vice President and Head of Institutional Banking Group **11** Renato K. De Borja, Jr., First Vice President and Head of Remittance and Credit Card Business Group **12** Jose L. Osmeña, Jr., First Vice President and Deputy Group Head of Retail Banking Business **13** Delia Marquez, First Vice President and Head of Centralized Operations Group and Business Process Management Division **14** Lilibeth R. Cariño, First Vice President and Head of Consumer Banking Group **15** Ananias S. Cornelio III*, First Vice President and Chief Risk Officer **16** Maria Rosanna Catherina L. Testa, First Vice President and Head of Human Resources Group



OUR SENIOR OFFICERS



CORPORATE SECRETARY

1 Corazon I. Morando

FIRST VICE PRESIDENTS

2 Cristina P. Arceo, Division Head, Treasury Group-Fixed Income **3** Filemon Cecilio A. Cabungcal, Cluster Head, Treasury Group-Sales Cluster **4** Virgilio O. Chua, seconded to China Bank Capital as Managing Director, Treasurer, and Investment Banking Head **5** Melissa F. Corpus, Group Head, Credit Management Group **6** Angela D. Cruz, Group Head, Wealth Management Group **7** Gerard Majella T. Dee, Division Head, IBG-Commercial Banking **8** Maria Luz B. Favis, Division Head, Asset Quality & Recovery Management **9** Victor O. Martinez, Division Head, IBG-Corporate Banking **10** Elizabeth C. Say, Division Head, RBB-Branches Administration **11** Shirley G.K. T. Tan, Region Head, RBB-Metro Manila West Region **12** Stephen Y. Tan, Region Head, RBB-Visayas Region **13** Marisol M. Teodoro, seconded to China Bank Securities as President and CEO **14** Geoffrey D. Uy, Division Head, Risk Management Group-Market and Liquidity Risk

VICE PRESIDENTS

15 Luis M. Afafe, Jr., Division Head, IBG-Factoring **16** Layne Y. Arpon, Division Head, IBG-Corporate Banking **17** Betty L. Biunas, Team Head, IBG-Commercial Banking **2**, Team **15** **18** Richard S. Borja, Division Head, Centralized Operations Group-Binondo Business Center **19** Victor Geronimo S. Calo, Division Head, RBB-Branch Operations Support **20** Jeannette H. Chan, Center Head, RBB-Metro Manila West Region, Binondo Business Center **21** Marie Carolina L. Chua, Division Head, Alternative Channels **22** Domingo P. Dayro, Jr., Division Head, Cash Management **23** James Christian T. Dee, seconded to China Bank Savings as Treasury Head **24** Aileen Paulette S. De Jesus, Chief Compliance Officer and Head of Compliance Office **25** Norman C. Del Carmen, Division Head, TAMG-Investment and Trading, **26** Gemma B. Deladia, Division Head, TAMG-Trust Operations and Finance **27** Therese G. Escolin, Cluster Head, Wealth Management Group-Business Development, Makati Cluster



28 Madelyn V. Fontanilla, Division Head, RBB-Branch Operations **29** Cesare' Edwin M. Garcia, Deputy Group Head, Wealth Management Group **30** Cristina F. Gotuaco, Division Head, IBG-Commercial Banking 1 **31** Jerry Ron T. Hao, Division Head, Treasury Group-Foreign Exchange & Derivatives **32** Ma. Cristina C. Hernandez, Department Head, Treasury Group-Financial Institution **33** Marlon B. Hernandez, Division Head, Remittance Business **34** Shirley C. Lee, Account Officer, RBB-Metro Manila West Region, Binondo Business Center **35** Carina L. Yandoc, Division Head, TAMG-Sales **36** Mary Ann T. Lim, Group Head, TAMG **37** Juan Jesus C. Macapagal, Team Head, IBG-Corporate Banking 3, Team 7 **38** Jennifer Y. Macariola, Cluster Head, Wealth Management Group-Business Center, Kalookan **39** Dorothy T. Maceda, Division Head, Central Accounting **40** Mandrake P. Medina, Region Head, RBB-South Luzon Region **41** Jocelyn T. Pavon, Area Head, RBB-Metro Manila West Region, Area II **42** Danilo T. Sarita, Business Center Head, RBB-Metro Manila West Region, Kalookan Business Center **43** Francisco Eduardo A. Sarmiento, Division Head, Centralized Operations Group-Treasury Operations **44** Clara C. Sy, Region Head, RBB-Metro Manila East Region **45** Belenette C. Tan, Group Head, Legal and Collection **46** Irene C. Tanlimco, Cluster Head, Wealth Management Group-Business Development, Binondo Cluster **47** Manuel M. Te, Region Head, RBB-Metro Manila South Region **48** Jasmin O. Ty, Area Head, RBB-Metro Manila North Region, Area III **48** Noemi L. Uy, Region Head, RBB-Metro Manila North Region **50** Virginia Y. Uy, Department Head, Business Process Management Division **51** Clarissa Maria A. Villalon, Division Head, CBG-Operations **52** Charon B. Wambangco, Division Head, CBG-Real Estate Marketing **53** George C. Yap, Team Head, IBG-Corporate Banking 2, Team 4 **54** Marilyn G. Yuchenkang, Chief Audit Executive and Head of Audit Division

CHINA BANK MANAGEMENT TEAM

VICE CHAIRMAN

Gilbert U. Dee

PRESIDENT

William C. Whang

EXECUTIVE VICE PRESIDENTS

Rosemarie C. Gan
Alberto Emilio V. Ramos
Romeo D. Uyan Jr.

SENIOR VICE PRESIDENTS

Patrick D. Cheng
Alexander C. Escucha

FIRST VICE PRESIDENTS

Cristina P. Arceo
Filemon Cecilio A. Cabungcal
Lilibeth R. Cariño
Benedict L. Chan
Virgilio O. Chua
Ananias S. Cornelio III
Melissa F. Corpus
Angela D. Cruz
Renato K. De Borja, Jr.
Gerard Majella T. Dee
Maria Luz B. Favis
Delia Marquez
Victor O. Martinez
Jose L. Osmeña, Jr.
Elizabeth C. Say
Shirley G. K. T. Tan
Stephen Y. Tan
Marisol M. Teodoro
Maria Rosanna Catherina L. Testa
Geoffrey D. Uy
Lilian Yu

VICE PRESIDENTS

Luis M. Afable, Jr.
Juan Emmanuel B. Andaya
Layne Y. Arpon
Betty L. Biunas
Richard S. Borja
Victor Geronimo S. Calo
Jeanette H. Chan
Marie Carolina L. Chua
Domingo P. Dayro, Jr.
Aileen Paulette S. De Jesus
James Christian T. Dee
Norman D.C. Del Carmen
Gemma B. Deladia
Therese G. Escolin
Madelyn V. Fontanilla

Cesaré Edwin M. Garcia
Cristina F. Gotuaco
Jerry Ron T. Hao
Ma. Cristina C. Hernandez
Marlon B. Hernandez
Shirley C. Lee
Regina Karla Libatique
Mary Ann T. Lim
Juan Jesus C. Macapagal
Jennifer Y. Macariola
Dorothy T. Maceda
Mandrake P. Medina
Corazon I. Morando
Jocelyn T. Pavon
Danilo T. Sarita

Francisco Eduardo A. Sarmiento
Clara C. Sy
Belenette C. Tan
Irene C. Tanlimco
Manuel M. Te
Jasmin O. Ty
Noemi L. Uy
Virginia Y. Uy
Clarissa Maria A. Villalon
Charon B. Wambangco
Carina L. Yandoc
George C. Yap
Marilyn G. Yuchenkang

SENIOR ASSISTANT VICE PRESIDENTS

Emmanuel L. Abesamis
Baldwin A. Aguilar
Evelyn T. Alameda
Ma. Hildelita P. Alano
Patrick Y. Ang
Marissa A. Auditor
Faye Theresa S. Babasa
Love Virgilynn T. Baking
Ma. Luisa O. Baylosis
Yasmin I. Biticon
Jonathan C. Camarillo
Victoria G. Capacio
Camilo S. Cape
Grace A. Cruz
Patricia J. Custodio

Ma. Jeanette D. Cuyco
Esperose S. De Claro
Ricardo J. De Guzman III
Rhodin Evan O. Escolar
Pablito P. Flores
Francisco Javier C. Galang
Grace Y. Ho
Josefina Anna T. Justiniano
Vivian T. Kho
Maria Margaret U. Kua
Ma. Arlene Mae G. Lazaro
Eric Y. Lee
Angelyn Claire C. C. Liao
Glenn B. Lotho
Ordon P. Maningding

Ronald R. Marcaida
Enrico J. Ong
Josephine D. Paredes
Mani Thess Q. Peña-Lee
Frederick M. Pineda
Arnulfo H. Roldan
Ana Ma. Raquel Y. Samala
Julie Ann P. Santiago
Alejandro F. Santos
Cherie S. Sia
Ma. Cecilia D. So
Cynthia U. Surpia
Jeanny C. Tan
Roxana Angela S. Tan
Ma. Cecilia V. Tejada

Jinky T. Dela Torre
Ma. Edita Lynn Z. Trinidad
Christopher T. Ty
Hudson Q. Uy
Roderick Iluminado U. Vallejo III
Esmeralda R. Vicente
Anthony Ariel C. Vilar
Rosario D. Yabut
Sandra Mae Y. Yao
Michelle Y. Yap-Bersales
Hanz Irvin S. Yoro
Mary Joy L. Yu

ASSISTANT VICE PRESIDENTS

Agnes O. Adviento
Rommel M. Agacita
Nellie S. Alar
Ramiro A. Amanquiron
Jay Angelo N. Anastacio
Luis R. Apostol
Roberto P. Basilio
Cherie Germaine T. Bautista
Eric Von D. Baviera
Robert O. Blanch
Jesus S.M. Belaniso III
Maria Charmina B. Bonifacio
Maria Consuelo D.P. Cabale-Ticzon
Agnes C. Calimbahin
Alex M. Campilan
Sherry Ann F. Canillas
Norman Roque V. Causing
Crisostomo L. Celaje
Victoria L. Chua
Ma. Rosalie F. Cipriano

Maria Luisa C. Corpus
Amelia Consolacion B. Cruz
Ma. Lourdes L. Dela Vega
Katherine Jean S. Diamante
Eliseo P. Doroteo
Mary Ann R. Ducanes
Eleanor Q. Faigao
Angelito T. Fernandez
Susan U. Ferrer
Hyacinth M. Galang
Ma. Salome D. L. Garcia
Marissa G. Garcia
Dennis S. Go III
Virginia G. Go
Ruth D. Holmes
Gladys Antonette Marcel P. Isidro
Alex A. Jacob
Melecio C. Labalan, Jr.
Ma. Teresa O. Lao
Mary Ann L. Llanes

Maria Merlinda O. Lo
Katherine N. Manguiat
Sheila Jane F. Medrero
Jose L. Nario, Jr.
Tadeos R. Natividad
Gil P. Navelgas
Wendy G. Ngo
Erlan Antonio B. Olavere
Remedios Emilia R. Olivar
Sonia M. Ong
Lilian B. Orlina
Sheilah B. Paglinawan
Ma. Victoria G. Pantaleon
Christine G. Peñañiel
Noreen S. Purificacion
Alvin A. Quintanilla
Rhoel T. Reyes
Niña May Q. Reynoso
Eleanor D. Rosales
Anita Y. Samala

Charmaine V. Santos
Edgardo M. Santos
Fernando S. Santos III
Ma. Graciela C. Santos
Maria Sheila V. Sarmanta-Dayao
Ernanie V. Silvino
Michaela L. Teng
Jacqueline T. Tomacruz
Edna A. Torralba
Cristina C. Ty
Norman P. Ureta
David Andrew P. Valdellon
Lauro C. Valera
Catherine D. Yabes
April Marie O. Yago
Manuel O. Yap

AWARDS AND DISTINCTIONS



Special Citation - Among the top 5 publicly-listed companies for 6 straight years

2017 Bell Awards for Corporate Governance
Philippine Stock Exchange

Asia's Best CEO, Investor Relations - Ricardo R. Chua Best Investor Relations Company Philippines - China Bank Best Investor Relations Professional Philippines - Alexander C. Escucha

The 7th Asian Excellence Awards 2017
Corporate Governance Asia

Best Bank in Corporate Governance 2017

Global Banking and Finance Review Awards
Global Banking and Finance Review (U.K)

Best Core Banking Implementation (Mid-size banks)

The Asian Banker Technology Innovation Awards 2017
The Asian Banker

Best Managed Fund of the Year Award - Dollar Long-Term Bond Category

2017 Charter Awards
Chartered Financial Analyst (CFA) Society Philippines

Top Investment House in Corporate Bond Issues 2017

13th PDS Awards Night
Philippine Dealing System (PDS) Group

Best Bond Adviser (Domestic) - China Bank Capital Corporation

Best Follow-On (Philippines)- Del Monte Pacific US\$200 Million Preferred Shares

Best Corporate Bond (Philippines) - Ayala Corporation US\$400 Million Fixed-For-Life Bonds

Best Local Currency Bond (Philippines) - P4.3B Ayala Land Inc. Short Dated Notes

Best Bond Deal for Retail Investors in Southeast Asia - P181B Republic of the Philippines Bureau of the Treasury's Retail Treasury Bonds

2017 Triple A Asia Awards
The Asset Magazine

Power Deal of the Year (Philippines) - GNPowr Dinginin Limited Company US\$670 million/P7.5 billion project financing facilities

2017 Triple A Asia Infrastructure Awards
The Asset Magazine

Rank 2 - Top Banks in the Secondary Markets in Asian Currency Bonds (Corporate Bonds-Philippines)

Rank 1 - Best Individual in Trading (Philippines) - Cristina P. Arceo

2017 Benchmark Research Awards
The Asset Magazine

Silver Anvil - China Bank 2016 Annual Report

53rd Anvil Awards
Public Relations Society of the Philippines



FINANCIAL STATEMENTS CONTENT

94	Management's Discussion on Result of Operations and Financial Condition
95	Disclosure on Capital Structure and Capital Adequacy
105	Report of the Audit Committee
106	Certificate on the Compilation Services for the Preparation of the Financial Statements and Notes to the Financial Statements
107	Statement of Management's Responsibility for Financial Statements
108	Independent Auditors' Report
111	Balance Sheets
112	Statements of Income
113	Statements of Comprehensive Income
114	Statements of Changes in Equity
116	Statements of Cash Flows
118	Notes to Financial Statements

MANAGEMENT'S DISCUSSION ON RESULT OF OPERATIONS AND FINANCIAL CONDITION

RESULT OF OPERATIONS

China Bank recorded a 16.44% improvement in net income to **¥7.52 billion** for 2017, which translated to a 10.01% return on equity and 1.12% return on assets.

Total operating income consisting of net interest income and fee-based income increased by 18.08% or **¥3.94 billion** to **¥25.73 billion** with the growth in core businesses across all market segments. Total operating expenses (including provision for impairment and credit losses) increased by 17.71% or **¥2.51 billion** as a result of the on-going business expansion.

Net Interest Income improved to **¥19.63 billion**, up by 17.56%, driven by the rise in interest revenue from loans and trading & investment securities. However, net interest margin fell to 3.11% from 3.20% as impact of rising funding costs tempered topline gains.

Total fee-based income improved by 19.76% to **¥6.10 billion** due to higher fees & commissions, significant revenues from the sale of investment properties, and booking of one-off gains. Service charges, fees, and commissions grew by 14.99% to **¥2.44 billion** from the upswing in investment banking fees, credit card commissions, and transactional fee revenues. Meanwhile, trading and securities gain dropped to **¥479.96 million** from **¥918.09 million** because of rate volatilities that affected both the dealership business and returns on tradable securities. Trust fees exceeded previous year's gains by 13.97% and reached **¥376.31 million** with the expansion in assets under management. Gain on sale of investment properties saw a 51.27% improvement to **¥670.61 million** from robust sales of the Bank's foreclosed assets. Miscellaneous income increased by 72.64% to **¥1.52 billion** from the higher recoveries of charged-off assets and recognition of one-off gains.

With the Bank's on-going expansion, operating expenses (excluding provision for impairment and credit losses) rose 19.56% or **¥2.61 billion** to **¥15.96 billion**. The material components of operating expenses include compensation & fringe benefits which accounted for 35.77% of total operating expenses, taxes & licenses at 14.18%, occupancy costs at 13.24%, and insurance at 9.02%. Provision for impairment and credit losses figured at **¥754.17 million**, 11.33% lower from prudent credit expansion coupled with the reduction in defaults & soured loans.

The Bank's sustained profitability contributed to its capital strength and enabled it to consistently pay dividends to stockholders. For 2017, China Bank paid cash dividends of **¥0.8** per share or a total of **¥1.99 billion**, which represents a total payout of 30.79% of prior years' net income. The Bank also declared a 8% stock dividend or a total of **¥1.99 billion**.

FINANCIAL CONDITION

The Bank's total assets expanded by 18.67% to **¥751.45 billion** from **¥633.20 billion** mainly from the robust growth in liquid assets and core business.

The Bank's loan portfolio (net, inclusive of UDSC) grew by 16.06% to **¥448.97 billion** from **¥386.83 billion** mainly from higher demand across all customer segments (corporate, commercial and consumer). Consumer loans grew by 25% for 2017. The Bank's non-performing loans ratio improved to 1.41% from last year's 1.86%, while loan loss coverage ratio was computed at 99.02%, up from 91.0% in 2016.

Total investment securities which consist of Financial Assets at Fair Value through Profit or Loss, Available-for-Sale and Held-to-Maturity Financial Assets totalled **¥127.97 billion**, up by 29.29% from **¥98.98 billion**, resulting in a higher share to total assets of 17.03% from 15.63% in 2016. The Bank's liquidity ratio stood at 36.40%, better than last year's 34.39%.

On the liabilities side, total deposits increased by 17.27% to **¥635.09 billion** from **¥541.58 billion** mainly from the ongoing branch expansion and more customer acquisition efforts. Low-cost CASA (checking & savings) were **¥66.59 billion** or 24.09% higher at **¥343.01 billion**, improving the low-cost funding mix to 54.01% from 51.04% in 2016. The Bank also issued the second tranche of its long-term negotiable certificate of deposits (LTNCD) amounting to **¥6.4 billion** in June 2017, bringing the Bank's total LTNCD to **¥15.9 billion**.

Total capital funds grew to **¥83.66 billion**, 31.98% higher than last year's **¥63.39 billion** primarily from the **¥15 billion** stock rights offering and retained profits. The Bank's Common Equity Tier 1 (CET 1) and total CAR were computed at 13.47% and 14.22%, respectively.

DISCLOSURE ON CAPITAL STRUCTURE AND CAPITAL ADEQUACY

Capital Fundamentals

We believe that China Bank can only achieve sustainable growth by maintaining strong capital fundamentals. Major business initiatives are undertaken with the appropriate capital planning which also takes into consideration constraints and changes in the regulatory environment. This is necessary to ensure that the Bank's commercial objectives are equally aligned with its ability to maintain a capital position at par with the industry. The Board and Senior Management recognizes that a balance should be achieved with respect to China Bank's earnings outlook vis-à-vis capital fundamentals that can take advantage of growth opportunities while maintaining sufficient capacity to absorb shocks.

Risk-based capital components, including deductions, on a parent and consolidated basis:

Qualifying Capital (Basel III)	Consolidated	Parent Company
In PhP Million	2017	
Common Equity Tier 1 Capital		
Paid-up common stock	26,859.00	26,859.00
Additional paid-in capital	17,122.63	17,122.63
Retained Earnings	35,370.61	34,552.59
Other Comprehensive Income	(1,370.94)	(1,373.38)
Minority Interest	104.55	-
Less: Unsecured DOSRI	(189.98)	(173.50)
Less: Deferred Tax Assets	(2,097.87)	(1,932.56)
Less: Goodwill	(563.47)	(222.84)
Less: Other Intangible Assets	(3,072.14)	(442.12)
Less: Defined Benefit Pension Fund Assets/Liabilities	(991.39)	(991.39)
Less: Investment in Subsidiary	(406.30)	(9,981.50)
Less: Significant Minority Investment	(87.18)	(87.18)
Less: Other Equity Investment	(25.60)	(23.41)
Total CET 1 Capital	70,651.92	63,306.34
Additional Tier 1 Capital	-	-
Total Tier 1 Capital	70,651.92	63,306.34
Tier 2 Capital		
General Loan Loss Provision	3,970.35	3,409.98
Total Tier 2 Capital	3,970.35	3,409.98
Total Qualifying Capital	74,622.27	66,716.32

Qualifying Capital (Basel III)	Consolidated	Parent Company
In PhP Million	2016	
Common Equity Tier 1 Capital		
Paid-up common stock	20,020.28	20,020.28
Additional paid-in capital	6,987.56	6,987.56
Retained Earnings	32,341.53	31,617.74
Other Comprehensive Income	(1,279.51)	(1,216.81)
Minority Interest	100.32	-
Less: Unsecured DOSRI	(440.48)	(419.44)
Less: Deferred Tax Assets	(2,165.10)	(2,165.10)
Less: Goodwill	(563.47)	(222.84)
Less: Other Intangible Assets	(3,065.71)	(442.12)
Less: Defined Benefit Pension Fund Assets/Liabilities	(682.43)	(682.43)
Less: Investment in Subsidiary	(370.55)	(9,189.25)
Less: Significant Minority Investment	(26.92)	(26.92)
Less: Other Equity Investment	(23.10)	(20.91)

Forward

DISCLOSURE ON CAPITAL STRUCTURE AND CAPITAL ADEQUACY

Qualifying Capital (Basel III)	Consolidated	Parent Company
In PhP Million	2016	
Total CET 1 Capital	50,832.42	44,239.76
Additional Tier 1 Capital	-	-
Total Tier 1 Capital	50,832.42	44,239.76
Tier 2 Capital		
General Loan Loss Provision	4,076.47	3,513.93
Total Tier 2 Capital	4,076.47	3,513.93
Total Qualifying Capital	54,908.89	47,753.69

Risk-based capital ratios:

Basel III	Consolidated	Parent Company
	2017	
	In PhP Million	
CET 1 capital	78,085.85	77,160.83
Less regulatory adjustments	7,433.93	13,854.49
Total CET 1 capital	70,651.92	63,306.34
Additional Tier 1 capital	-	-
Total Tier 1 capital	70,651.92	63,306.34
Tier 2 capital	3,970.35	3,409.98
Total qualifying capital	74,622.27	66,716.32
Risk weighted assets	524,667.93	451,523.36
CET 1 capital ratio	13.47%	14.02%
Tier 1 capital ratio	13.47%	14.02%
Total capital ratio	14.22%	14.78%

Basel III	Consolidated	Parent Company
	2016	
	In PhP Million	
CET 1 capital	58,170.18	57,408.77
Less regulatory adjustments	7,337.76	13,169.02
Total CET 1 capital	50,832.42	44,239.76
Additional Tier 1 capital	-	-
Total Tier 1 capital	50,832.42	44,239.76
Tier 2 capital	4,076.47	3,513.93
Total qualifying capital	54,908.89	47,753.69
Risk weighted assets	449,683.04	382,679.13
CET 1 capital ratio	11.30%	11.56%
Tier 1 capital ratio	11.30%	11.56%
Total capital ratio	12.21%	12.48%

The regulatory Basel III qualifying capital of the Group consists of Common Equity Tier 1 capital (going concern capital), which comprises paid-up common stock, additional paid-in capital, surplus including current year profit, other comprehensive income and minority interest less required deductions such as unsecured credit accommodations to DOSRI, deferred income tax, other intangible assets, goodwill, defined benefit pension fund assets/liabilities, and investment in subsidiaries. The other component of regulatory capital is Tier 2 capital (gone-concern capital), which includes general loan loss provision. A capital conservation buffer of 2.5% comprised of CET 1 capital is likewise imposed in the Basel III capital ratios.

Full reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements is presented below:

	Parent Company					
	2017			2016		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	26,859	11	26,848	20,020	-	20,020
Additional paid-in capital	17,123	26	17,096	6,988	-	6,988
Retained Earnings	34,553	(6,735)	41,287	31,618	(6,133)	37,751
Net unrealized gains or losses on AFS securities	(1,536)	278	(1,813)	(1,313)	286	(1,599)
Cumulative foreign currency translation and others	162	(70)	233	96	(135)	231
Deductions	(13,854)	(13,854)	-	(13,169)	(13,169)	-
Tier 1 (CET1) capital/Total equity	63,307	(20,344)	83,651	44,240	(19,151)	63,391
Tier 2 capital	3,410	3,410	-	3,514	3,514	-
Total qualifying capital/Total equity	66,717	(16,934)	83,651	47,754	(15,638)	63,391

	Group					
	2017			2016		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	26,859	11	26,848	20,020	-	20,020
Additional paid-in capital	17,123	27	17,096	6,988	-	6,988
Retained Earnings	35,371	(5,916)	41,287	32,342	(5,409)	37,751
Net unrealized gains or losses on AFS securities	(1,536)	277	(1,813)	(1,313)	286	(1,599)
Cumulative foreign currency translation and others	165	(68)	233	33	(198)	231
Non-controlling interest	105	100	5	100	106	(5)
Deductions	(7,434)	(7,434)	-	(7,338)	(7,338)	-
Tier 1 (CET1) capital/Total equity	70,653	(13,003)	83,656	50,832	(12,554)	63,386
Tier 2 capital	3,970	3,970	-	4,076	4,076	-
Total qualifying capital/Total equity	74,623	(9,033)	83,656	54,909	(8,477)	63,386

The capital requirements for Credit, Market and Operational Risk are listed below, on a parent and consolidated basis:

Capital Requirement in PhP Million	Consolidated		Parent	
	2017	2016	2017	2016
Credit Risk	48,095.62	41,438.12	41,545.70	35,265.13
Market Risk	766.46	457.53	754.04	433.90
Operational Risk	3,604.71	3,072.65	2,852.60	2,568.88
Total Capital Requirements	52,466.79	44,968.30	45,152.34	38,267.91

DISCLOSURE ON CAPITAL STRUCTURE AND CAPITAL ADEQUACY

Credit Risk

On-balance sheet exposures, net of specific provisions and not covered by Credit Risk Mitigants (in PhP million):

December 2017

On-Balance Sheet Assets	Consolidated		Parent	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	11,967.20	11,967.20	10,473.04	10,473.04
Checks and Other Cash Items	105.31	105.31	86.31	86.31
Due from BSP	98,490.46	98,490.46	91,717.49	91,717.49
Due from Other Banks	15,641.48	15,641.48	14,066.62	14,066.62
Financial Assets at FVPL	3,421.44	3,411.69	3,421.44	3,411.69
Available-for-Sale Financial Assets	46,569.31	45,594.23	43,303.71	42,328.63
Held-to-Maturity Financial Assets	66,079.64	66,079.64	62,284.34	62,284.34
Unquoted Debt Securities Classified as Loans	1,126.59	1,126.59	1,021.49	1,021.49
Loans and Receivables	451,658.56	424,289.21	390,162.15	367,704.31
Loans and Receivables arising from Repurchase Agreements	18,755.60	18,755.60	17,350.99	17,350.99
Sales Contract Receivables	922.96	922.96	178.73	178.73
Real and Other Properties Acquired	4,135.94	4,135.94	418.63	418.63
Other Assets	11,577.51	11,577.51	8,274.34	8,274.34
Total On-Balance Sheet Assets	730,452.01	702,097.82	642,759.29	619,316.62

December 2016

On-Balance Sheet Assets	Consolidated		Parent	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	11,817.72	11,817.72	10,502.02	10,502.02
Checks and Other Cash Items	172.22	172.22	152.44	152.44
Due from BSP	91,791.03	91,791.03	85,133.66	85,133.66
Due from Other Banks	10,013.41	10,013.41	8,370.13	8,370.13
Financial Assets at FVPL	2,472.60	2,462.89	2,472.60	2,462.89
Available-for-Sale Financial Assets	33,937.65	32,966.67	31,374.20	30,403.22
Held-to-Maturity Financial Assets	58,131.81	58,131.81	54,755.05	54,755.05
Unquoted Debt Securities Classified as Loans	4,106.19	4,106.19	4,000.98	4,000.98
Loans and Receivables	387,185.32	362,850.92	330,301.95	311,073.96
Loans and Receivables arising from Repurchase Agreements	3,452.13	3,452.13	2,959.06	2,959.06
Sales Contract Receivables	909.20	909.20	228.43	228.43
Real and Other Properties Acquired	4,298.03	4,298.03	605.71	605.71
Other Assets	10,518.86	10,518.86	6,890.90	6,890.90
Total On-Balance Sheet Assets	618,806.17	593,491.08	537,747.14	517,538.46

December 2015

On-Balance Sheet Assets	Consolidated		Parent	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	11,315.70	11,315.70	9,997.94	9,997.94
Checks and Other Cash Items	128.93	128.93	125.72	125.72
Due from BSP	86,107.22	86,107.22	76,791.60	76,791.60
Due from Other Banks	20,727.94	20,727.94	18,721.97	18,721.97
Financial Assets at FVPL	2,309.16	2,299.97	2,309.16	2,299.97
Available-for-Sale Financial Assets	49,212.27	48,293.27	47,349.01	46,430.01
Held-to-Maturity Financial Assets	16,449.17	16,449.17	14,228.65	14,228.65
Unquoted Debt Securities Classified as Loans	1,291.55	1,291.55	1,021.55	1,021.55
Loans and Receivables	312,709.73	296,968.77	262,396.76	251,552.50
Loans and Receivables arising from Repurchase Agreements	0.00	0.00	0.00	0.00
Sales Contract Receivables	977.75	977.75	251.54	251.54
Real and Other Properties Acquired	3,415.27	3,415.27	721.69	721.69
Other Assets	11,525.08	11,525.08	8,665.47	8,665.47
Total On-Balance Sheet Assets	516,169.78	499,500.62	442,581.07	430,808.62

Credit equivalent amount for off-balance sheet items, broken down by type of exposures (in PhP million):

Off-balance Sheet Assets	2017				2016				2015			
	Consolidated		Parent		Consolidated		Parent		Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Direct Credit Substitutes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transaction-related contingencies	17,856.22	8,928.11	17,643.24	8,821.62	17,129.58	8,564.79	16,795.09	8,397.55	18,642.19	9,321.10	18,312.08	9,156.04
Trade-related contingencies arising from movement of goods	8,244.10	1,648.82	8,079.90	1,615.98	5,211.89	1,042.38	5,174.63	1,034.93	8,780.79	1,756.16	4,168.27	833.65
Other commitments (which can be unconditionally cancelled at any time by the bank without prior notice)	148,317.90	0.00	145,897.78	0.00	149,582.52	0.00	144,594.20	0.00	134,164.24	0.00	130,113.85	0.00
Total Notional Principal and Credit Equivalent Amount	174,418.22	10,576.93	171,620.92	10,437.60	171,923.98	9,607.17	166,563.93	9,432.47	161,587.23	11,077.26	152,594.21	9,989.70

Credit equivalent amount for counterparty credit risk in the trading book, broken down by type of exposures (in PhP million):

December 2017

Standardized Approach	Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	9,991.39	41.21	9,991.39	41.21
Exchange Rate Contracts	33,068.49	625.66	33,068.49	625.66
Equity Contracts	0.00	0.00	0.00	0.00
Credit Derivatives	0.00	0.00	0.00	0.00
Total Notional Principal and Credit Equivalent Amount	43,059.88	666.87	43,059.88	666.87

DISCLOSURE ON CAPITAL STRUCTURE AND CAPITAL ADEQUACY

December 2016

Standardized Approach	Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	10,823.40	72.93	10,823.40	72.93
Exchange Rate Contracts	16,830.93	343.13	16,830.93	343.13
Equity Contracts	0.00	0.00	0.00	0.00
Credit Derivatives	0.00	0.00	0.00	0.00
Total Notional Principal and Credit Equivalent Amount	27,654.33	416.07	27,654.33	416.07

December 2015

Standardized Approach	Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	6,950.00	31.62	6,950.00	31.62
Exchange Rate Contracts	29,022.60	551.18	29,022.60	551.18
Equity Contracts	0.00	0.00	0.00	0.00
Credit Derivatives	0.00	0.00	0.00	0.00
Total Notional Principal and Credit Equivalent Amount	35,972.60	582.80	35,972.60	582.80

Net Exposures after CRM for counterparty credit risk in the banking book, broken down by type of exposures (in PhP million):

December 2017

Standardized Approach	Consolidated		Parent	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	0.00	0.00	0.00	0.00
Repo-Style Transactions	17,415.76	3,546.90	17,415.76	3,546.90
Total Fair Value/Carrying Amount and Net Exposures after CRM	17,415.76	3,546.90	17,415.76	3,546.90

December 2016

Standardized Approach	Consolidated		Parent	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	0.00	0.00	0.00	0.00
Repo-Style Transactions	9,520.22	1,447.43	9,520.22	1,447.43
Total Fair Value/Carrying Amount and Net Exposures after CRM	9,520.22	1,447.43	9,520.22	1,447.43

December 2015

Standardized Approach	Consolidated		Parent	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	0.00	0.00	0.00	0.00
Repo-Style Transactions	13,020.27	1,967.19	13,020.27	1,967.19
Total Fair Value/Carrying Amount and Net Exposures after CRM	13,020.27	1,967.19	13,020.27	1,967.19

The following credit risk mitigants are used in the December 2017 CAR Report:

- ROP warrants
- ROP guarantees
- HGC guarantee
- Holdout vs. Peso deposit / Deposit substitute
- Holdout vs. FCDU deposit of resident
- Holdout vs. FCDU deposit of non-resident
- Assignment / Pledge of Government Securities

Total credit exposure after risk mitigation, broken down by type of exposures, risk buckets, as well as those that are deducted from capital (in PhP million):

Weight Band	2017							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	299,057.46	0.00	4,065.92	303,123.38	268,167.72	0.00	4,065.92	272,233.64
100% and Above	403,040.36	10,576.93	147.84	413,765.14	351,148.90	10,437.60	147.84	361,734.34
Total	702,097.82	10,576.93	4,213.77	716,888.52	619,316.62	10,437.60	4,213.77	633,967.98

Weight Band	2016							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	252,534.01	21.86	1,805.97	254,361.84	224,540.77	21.86	1,805.97	226,368.61
100% and Above	340,957.07	9,585.31	57.53	350,599.91	292,997.69	9,410.61	57.53	302,465.83
Total	593,491.08	9,607.17	1,863.50	604,961.75	517,538.46	9,432.47	1,863.50	528,834.43

Weight Band	2015							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	220,502.35	966.22	2,369.43	223,838.01	193,175.37	43.72	2,369.43	195,588.52
100% and Above	278,998.27	10,111.03	180.55	289,289.86	237,633.25	9,945.98	180.55	247,759.78
Total	499,500.62	11,077.26	2,549.99	513,127.87	430,808.62	9,989.70	2,549.99	443,348.31

Total credit risk-weighted assets, broken down by type of exposures (in PhP million):

Weight Band	2017							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	61,429.58	0.00	1,990.76	63,420.34	50,785.80	0.00	1,990.76	52,776.56
100% and Above	406,743.33	10,576.93	147.84	417,468.11	352,027.29	10,437.60	147.84	362,612.73
Covered by CRM	67.74	0.00	0.00	67.74	67.74	0.00	0.00	67.74
Excess GLLP				0.00				0.00
Total	468,240.65	10,576.93	2,138.60	480,956.18	402,880.83	10,437.60	2,138.60	415,457.04

DISCLOSURE ON CAPITAL STRUCTURE AND CAPITAL ADEQUACY

Weight Band	2016							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	58,436.20	4.37	542.12	58,982.70	48,001.61	4.37	542.12	48,548.10
100% and Above	345,656.04	9,585.31	57.53	355,298.88	294,570.61	9,410.61	57.53	304,038.75
Covered by CRM	99.63	0.00	0.00	99.63	64.40	0.00	0.00	64.40
Excess GLLP				0.00				0.00
Total	404,191.88	9,589.68	599.65	414,381.20	342,636.62	9,414.98	599.65	352,651.25

Weight Band	2015							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	54,350.83	8.74	900.65	55,260.22	45,237.43	8.74	900.65	46,146.81
100% and Above	283,011.77	10,111.03	180.55	293,303.36	239,142.00	9,945.98	180.55	249,268.53
Covered by CRM	76.21	0.00	0.00	76.21	71.18	0.00	0.00	71.18
Excess GLLP				(490.54)				(603.52)
Total	337,438.81	10,119.78	1,081.20	348,149.25	284,450.60	9,954.72	1,081.20	294,883.00

The credit ratings given by the following rating agencies were used to determine the credit risk weight of On-balance sheet, Off-balance sheet, and Counterparty exposures:

For all rated credit exposures regardless of currency

Standard & Poor (S&P)

Moody's

Fitch

For PHP-denominated debts of rated domestic entities

Philratings

Market Risk-Weighted Assets

The Standardized Approach is used in China Bank's market risk-weighted assets. The total market risk-weighted asset of the Bank as of December 2017 is ₱7.54 billion and ₱7.67 billion for parent company and consolidated basis, respectively. This is composed of Interest Rate exposures amounting to ₱6.94 billion and Foreign Exposures amounting to ₱0.60 billion for the parent bank, while it is composed of Interest Rate exposures amounting to ₱6.97 billion, Equity exposures amounting to ₱0.09 billion and Foreign Exposures amounting to ₱0.60 billion on a consolidated basis.

	Consolidated	Parent Company	Consolidated	Parent Company
Interest Rate Exposures (in PhP Mn)	2017		2016	
Specific Risk	176.92	176.37	63.53	60.92
General Market Risk				
PHP	124.23	123.60	41.59	34.99
USD	256.58	255.27	80.66	72.35
Total Capital Charge	557.73	555.24	185.78	168.26
Adjusted Capital Charge	697.17	694.05	232.23	210.33
Subtotal Market Risk-Weighted Assets	6,971.70	6,940.52	2,322.27	2,103.25

	Consolidated	Parent Company	Consolidated	Parent Company
Equity Exposures	2017		2016	
Total Capital Charge	7.47	-	-	-
Adjusted Capital Charge	9.33	-	-	-
Subtotal Market Risk-Weighted Assets	93.33	-	-	-
Total Market Risk-Weighted Assets	93.33	-	-	-

	Consolidated	Parent Company	Consolidated	Parent Company
Foreign Exchange Exposures	2017		2016	
Total Capital Charge	47.97	47.99	180.24	178.86
Adjusted Capital Charge	59.96	59.98	225.30	223.58
Subtotal Market Risk-Weighted Assets	599.61	599.83	2,253.05	2,235.80
Total Market Risk-Weighted Assets	7,664.64	7,540.35	4,575.31	4,339.05

Operational, Legal, and Other Risks

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. The Bank employs several tools to identify, assess, monitor and control the operational risk inherent to the Bank.

Tools such as the Risks and Controls Self-Assessment (RCSA), IT Risk Assessment (ITRA), the analysis of historical loss reports, the monitoring of Key Risk Indicators (KRI) and the Business Impact Analysis further allow risk management to identify high risk areas, loss drivers, and trends which can be acted upon by management to prevent material failures in our processes, people, systems, and resiliency measures against external events. These results are periodically reported to management and cover all aspects of the business from core operating capabilities of the units, all products and services, outstanding legal cases, and even its sales and marketing practices. In addition, the Bank has a product review and approval process. It seeks to outline a standard approach involved in implementing the product management mandate for all product categories in the Bank and will ultimately reflect the Bank's operating and risk management philosophy in the context of its over-all business goals and strategies. Further, the Bank through its Legal & Collection Division identified and assessed potential losses attributed to Legal Risk and amount is not material to significantly affect the Bank's capital position.

The operational risk exposure of the Bank is profiled using a number of methodologies which also include a scenario analysis exercise as part of the Internal Capital Adequacy Assessment Process (ICAAP) to validate if the computed capital requirement using the Basic Indicator Approach (BIA) is enough to cover estimated losses arising from adverse operating conditions and major incidents. The Bank allocated the amount of ₱2.85 billion in capital as of December 2017 for operational risk which is more than adequate to cover the resulting exposure based on the scenario analysis exercise. In fact, the BIA provides a capital buffer of as much as ₱2.39 billion.

Operational Risk-Weighted Assets

The BIA is used to determine the equivalent operational risk-weighted assets of China Bank. On a parent basis, the Bank's operational risk-weighted asset as of December 2017 is ₱28.53 billion while on a consolidated basis, the Bank's operational risk-weighted assets is 36.05 billion. On a parent basis, the Bank's operational risk-weighted asset as of December 2016 is ₱25.69 billion while on a consolidated basis, the Bank's operational risk-weighted assets is ₱30.73 billion.

Internal measurement of interest rate risk in the banking book

The Bank's interest rate risk (IRR) originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. Internally, the Earnings-at-Risk (EaR) method is used to determine the effects of interest rate movements on the Bank's interest earnings. The Bank's loans is assumed affected by interest rate movements on its repricing date for floating rates and on its maturity for fixed rates. Demand and savings deposits, on the other hand, are generally not interest rate sensitive. Provided in the table below are the approximate addition and reduction in annualized interest income of a 100bps change across the PhP and USD yield curves.

Earnings-at-Risk in PhP Million		Consolidated		Parent	
		2017	2016	2017	2016
PHP IRR Exposures	Upward	752	237	867	387
	Downward	(752)	(237)	(867)	(387)
USD IRR Exposures	Upward	(342)	(183)	(328)	(169)
	Downward	301	201	287	187

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Bank is chaired by independent director Alberto S. Yao, with non-executive director Joaquin T. Dee and independent director Roberto F. Kuan as members. All of them have accounting, auditing, or related financial management expertise or experience commensurate with the size, complexity of operations and risk profile of the Bank.

With primary oversight of all matters pertaining to audit, the Committee looks into the Bank's internal audit function and performance, the integrity of the Bank's financial statements, and the Bank's accounting processes in general. It likewise provides oversight on the senior management's activities, as well as the internal and external auditors, and monitors and evaluates the adequacy and effectiveness of the Bank's internal control system. The Committee also plays an important role in empowering and elevating the status of the internal audit activity throughout the organization as provider of quality and significant assurance and consulting services that adds value to the Bank's governance, risk management, and internal control processes.

The Audit Committee met 14 times during the year ended December 31, 2017, including six joint meetings with the Compliance and Corporate Governance Committees, to tackle various matters including the following:

Oversight of Financial Reporting and Policies

The Committee reviewed and discussed with the external auditor, SyCip Gorres Velayo & Co./Ernst & Young, the audited financial statements, focusing on key audit matters, any change/s in accounting policies and practices, standards and interpretations and related impact; major judgmental areas including reasonableness of estimates and assumptions used in the preparation of financial statements; significant adjustments resulting from the audit; compliance with accounting and auditing standards; compliance with Bureau of Internal Revenue (BIR), Securities and Exchange Commission (SEC) and Bangko Sentral ng Pilipinas (BSP) regulations and/or requirements; completeness and timeliness of communication with external auditor; and other material issues that affect the audit and financial reporting.

Oversight of Internal Control

To establish and maintain an adequate, effective and efficient internal control framework, the Committee ensured that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets. It reviewed and discussed the adequacy of internal controls, and monitored the internal control issues noted during internal regular, special and limited audits of various branches, units and services of the Bank, together with the management's responses and determined that appropriate actions have been taken to address significant deficiencies and weaknesses. Included in the Committee's monitoring and evaluation is the effectiveness of the information technology security and control.

Oversight of External Audit

The scope and plan of the annual audit were reviewed and discussed by the Committee, including coordination of audit effort with internal audit and rotation process of auditor/firm. The annual audited financial statements, management letters, regulatory and accounting issues and developments and their effect on the financial statements were also taken up. In addition, the members of the Committee reviewed the qualifications, performance, competence and independence of the external auditor, recommended to the Board the re-engagement/re-appointment of SyCip Gorres Velayo & Co./Ernst & Young as the Bank's external auditor, and approved their fees. Such re-engagement/re-appointment will be subject to stockholders' ratification.

Oversight of Internal Audit

To assess the effectiveness of the internal audit function, the Audit Committee approved the plans and budget of internal audit's Quality Assurance and Control Department, Branch Audit Department, Head Office and Subsidiaries Audit Department, and IT Audit Department; monitored their accomplishments versus plans on semestral and annual basis; evaluated the additions, deferments, or any other changes in audit engagements; and reviewed the internal audit reports and recommendations to address the weaknesses and deficiencies noted. Ensuring that the internal audit function maintains an open communication with the Committee, the members of the Committee deliberated on several issues which affect or may affect internal audit's process and independence, and approved guidelines in handling management acceptance of risk.

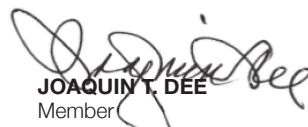
The Committee confirmed the professional opinion of the Chief Audit Executive of adherence to the Institute of Internal Auditors' Standard 2130 and Practice Advisory 2130-1 on Control based on the results of audit conducted for the covered period, and that the Bank's control processes, operating across the organization, are in place, adequate and working effectively to mitigate risks that could adversely affect the achievement of Bank objectives. The Committee also confirmed that in adherence to the Institute of Internal Auditors' Standard 1100 on Independence and Objectivity, for Audit year 2017, the internal audit activity is independent from any conditions that would threaten its ability to carry out internal audit responsibilities in an unbiased manner, which are evidenced by the dual reporting lines to the Board and President, and the functional roles that are within the scope of internal audit activity, and that internal audit members have an impartial, unbiased attitude and avoid any conflict of interest in the performance of their duties and responsibilities, in observance of the Standards and Code of Ethics. Further, the Committee evaluated the performance of the Chief Audit Executive, including her accomplishment versus plans and budget. Among the noted accomplishments for the period were the updating of the Audit Manual, revision of the Audit Committee Charter, and setting up of the Data Analytics Unit for the automation of audit procedures to implement continuous auditing.

Based on the foregoing, the Audit Committee views that the internal control and financial reporting systems and policies of the Bank are in place, adequate, effective and efficient.

Makati City, March 21, 2018.



ALBERTO S. YAO
Chairman



JOAQUIN T. DEE
Member



ROBERTO F. KUAN
Member

CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

I hereby certify that I am the Certified Public Accountant who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with an applicable financial reporting framework and reports required by accounting and auditing standards for China Banking Corporation for the period ended December 31, 2017.

In discharging this responsibility, I hereby declare that I am an officer under Controllorship Group of China Banking Corporation.

Furthermore, in the compilation services for preparation of the Financial Statements and Notes to the Financial Statements, I was not assisted by or did not avail of the services of Sycip Gorres Velayo & Co., who is the external auditor who rendered the audit opinion for the said Financial Statement and Notes to the Financial Statements.

I hereby declare, under penalties of perjury and violation of the Revised Accountancy Law, that my statements are true and correct.



Edgar S. Neri Jr.

CPA Certificate No. 122893

Valid until September 14, 2019

CPA Accreditation filed on December 9, 2016 and is pending at the PRC

March 1, 2018

Doc. No. 257

Page No. 54

Book No. 10

Series of 2018

NOTARY PUBLIC

ATTY. ANDREA A. TAN

Commission No. 2017-049

Notarial Public for Manila

Commission Expires 12-31-18

282 Aguado Street San Miguel Manila

ROLL No. 54610

PTR NO. 2018-6930653

Manila 01/03/2018

IBP No. 718577 / Lifetime / Manila

MCLE No. V-0010067/04-15-16

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of China Banking Corporation (the Bank) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Bank in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Hans T. Sy
Chairman of the Board



William C. Whang
President

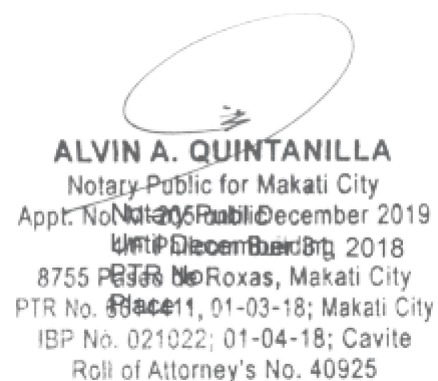


Patrick D. Cheng
Chief Financial Officer

Republic of the Philippines }
City of Makati } S. S.

Signed this 1st day of March 2018, affiants exhibiting to me their Social Security System Nos. as follows:

Name	SSS Nos.
Hans T. Sy	03-4301174-3
William C. Whang	03-5882607-5
Patrick D. Cheng	03-8328014-9



ALVIN A. QUINTANILLA
Notary Public for Makati City
Appt. No. 205 Public December 2019
Until December 2018
8755 Pateros, Makati City
PTR No. 01-03-18; Makati City
IBP No. 021022; 01-04-18; Cavite
Roll of Attorney's No. 40925

Doc. No.: 253
Page No.: 52
Book No.: 52
Series of: 2018

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
China Banking Corporation
8745 Paseo de Roxas cor. Villar St.
Makati City



Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of China Banking Corporation and its subsidiaries (the Group) and the parent company financial statements of China Banking Corporation, which comprise the consolidated and parent company balance sheets as at December 31, 2017 and 2016, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2017, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2017 and 2016, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2017 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report. We are independent of the Group and the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated and parent company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

Applicable to the audit of the Consolidated and Parent Company Financial Statements

Adequacy of allowance for credit losses on loans and receivables

Loans and receivables comprise 59.75% and 57.59% of the total assets of the Group and the Parent Company as of December 31, 2017, respectively. Reflecting these assets and the related allowance for credit losses at their appropriate amounts is a key area of judgment for management. The Group determines the allowance for credit losses on an individual basis for individually significant loans and receivables. In contrast, allowance for credit losses on loans and receivables that are not individually significant or are not specifically impaired are collectively determined. The identification of impairment and the determination of the recoverable amount involve various assumptions and factors such as the financial condition of the borrower, estimated future cash flows, observable market prices and estimated net selling prices of the collateral. The use of assumptions could produce significantly different estimates of provision for credit losses.

The disclosures in relation to credit losses are included in Notes 3, 6 and 16 to the financial statements.

Audit Response

For provision for credit losses calculated on an individual basis, we selected a sample of impaired loans and obtained an understanding of the borrower's business and financial capacity. We also tested the assumptions underlying the impairment identification and quantification of the provision for credit losses. This was done by assessing whether the forecasted cash flows are based on the borrower's current financial condition, checking the payment history of the borrower including payments made subsequent to yearend, agreeing the value of the collateral to the appraisal reports, checking whether the discount rate represents the original effective interest rate (EIR) or the current EIR of the loan, and re-performing the impairment calculation.

For provision for credit losses calculated on a collective basis, we tested the underlying models and the inputs to those models, such as historical loss rates. This was done by agreeing the details of the loan information used in the calculation of loss rates to the Group's records and subsidiary ledgers, validating the delinquency age buckets of the loans and loan groupings and re-performing the calculation of the provision for credit losses.

Impairment testing of goodwill

Under PFRS, the Group and the Parent Company are required to annually test the amount of goodwill for impairment. As of December 31, 2017, the goodwill recognized in the consolidated and parent company financial statements amounting to ₱222.84 million is attributed to the Parent Company's Retail Banking Business (RBB) segment, while goodwill of ₱616.91 million in the consolidated financial statements is attributed to the subsidiary bank, China Bank Savings, Inc. (CBSI). The impairment assessment process requires significant judgment and is based on assumptions, specifically loan and deposit growth rates, discount rate and the terminal value growth rate.

The Group's disclosures about goodwill are included in Notes 3, 11 and 14 to the financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used. These assumptions include loan and deposit growth rates, discount rate and the terminal value growth rate. We compared the key assumptions used, such as loan and deposit growth rates against the historical performance of the RBB and CBSI, industry/market outlook and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill.

Applicable to the audit of the Consolidated Financial Statements

Recoverability of deferred tax assets

The Group has recognized and unrecognized deferred taxes. The recoverability of deferred tax assets recognized depends on the Group's ability to continuously generate sufficient future taxable income. The analysis of the recoverability of deferred tax assets was significant to our audit because the assessment process is complex and judgmental, and is based on assumptions that are affected by expected future market or economic conditions and the expected performance of the Group.

The disclosures in relation to deferred income taxes are included in Notes 3 and 27 to the financial statements.

Audit Response

We reviewed the management's assessment on the availability of future taxable income in reference to financial forecast and tax strategies. We evaluated management's forecast by comparing loan portfolio and deposit growth rates with that of the industry and the historical performance of the Group. We also reviewed the timing of the reversal of future taxable and deductible temporary differences.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2017, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2017 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent company financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated and parent company financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company financial statements, management is responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Parent Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations 152010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 152010 in Note 37 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of China Banking Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is
Ray Francis C. Balagtas.

SYCIP GORRES VELAYO & CO.


Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

SEC Accreditation No. 1510-A (Group A),

October 1, 2015, valid until September 30, 2018

Tax Identification No. 216-950-288

BIR Accreditation No. 08-001998-107-2015,

March 4, 2015, valid until March 3, 2018

PTR No. 6621226, January 9, 2018, Makati City

February 28, 2018

BALANCE SHEETS

(Amounts in Thousands)

	Consolidated		Parent Company	
	December 31			
	2017	2016	2017	2016
ASSETS				
Cash and Other Cash Items	P12,685,984	P12,010,543	P11,160,173	P10,580,748
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	98,490,014	91,964,495	91,717,037	85,307,128
Due from Other Banks (Notes 7 and 18)	15,641,476	11,332,236	14,066,620	9,689,165
Securities Purchased under Resale Agreements (Note 8)	18,751,845	3,451,543	17,347,522	2,958,465
Financial Assets at Fair Value through Profit or Loss (Note 9)	16,238,888	7,703,899	16,056,823	7,232,882
Available-for-Sale Financial Assets (Note 9)	46,445,391	33,873,723	42,937,083	31,153,750
Held-to-Maturity Financial Assets (Note 9)	65,286,267	57,404,800	61,533,493	54,069,021
Loans and Receivables (Notes 10 and 29)	448,970,942	386,827,300	386,554,498	329,069,859
Accrued Interest Receivable	3,718,505	3,014,529	3,189,083	2,666,353
Investment in Subsidiaries (Note 11)	–	–	13,560,733	12,169,037
Investment in Associates (Note 11)	329,422	276,559	329,422	276,559
Bank Premises, Furniture, Fixtures and Equipment (Note 12)	6,875,864	6,496,268	5,464,582	5,143,981
Investment Properties (Note 13)	5,072,156	5,349,739	1,550,503	1,760,876
Deferred Tax Assets (Note 27)	1,778,081	1,666,267	1,297,271	1,508,150
Intangible Assets (Notes 11 and 14)	4,104,032	4,089,715	800,861	805,582
Goodwill (Notes 11 and 14)	839,748	839,748	222,841	222,841
Other Assets (Note 15)	6,218,895	6,896,647	3,481,225	4,504,100
	P751,447,510	P633,198,011	P671,269,770	P559,118,497
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 17 and 29)				
Demand	P154,286,415	P135,263,113	P138,929,906	P122,265,663
Savings	188,723,947	141,155,766	179,593,323	132,772,300
Time	292,083,031	265,164,139	240,712,750	215,924,029
	635,093,393	541,583,018	559,235,979	470,961,992
Bills Payable (Note 18)	20,118,031	16,954,998	20,118,031	16,954,998
Manager's Checks	2,441,042	2,029,778	1,709,248	1,445,585
Income Tax Payable	362,041	437,303	339,155	354,212
Accrued Interest and Other Expenses (Note 19)	2,627,619	1,868,190	2,283,948	1,561,351
Derivative Liabilities (Note 25)	267,533	243,198	267,533	243,198
Deferred Tax Liabilities (Note 27)	1,161,653	1,161,414	–	–
Other Liabilities (Notes 20 and 23)	5,720,701	5,533,908	3,665,115	4,205,745
	667,792,013	569,811,807	587,619,009	495,727,081
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock (Note 23)	26,847,717	20,020,278	26,847,717	20,020,278
Capital paid in excess of par value (Note 23)	17,096,228	6,987,564	17,096,228	6,987,564
Surplus reserves (Notes 23 and 28)	926,689	861,630	926,689	861,630
Surplus (Notes 23 and 28)	40,360,563	36,889,099	40,360,563	36,889,099
Net unrealized losses on available-for-sale financial assets (Note 9)	(1,813,280)	(1,598,600)	(1,813,280)	(1,598,600)
Remeasurement gain on defined benefit asset (Note 24)	283,763	253,945	283,763	253,945
Cumulative translation adjustment	(38,698)	(22,500)	(38,698)	(22,500)
Remeasurement loss on life insurance reserves	(12,221)	–	(12,221)	–
	83,650,761	63,391,416	83,650,761	63,391,416
Non-controlling Interest	4,736	(5,212)	–	–
	83,655,497	63,386,204	83,650,761	63,391,416
	P751,447,510	P633,198,011	P671,269,770	P559,118,497

See accompanying Notes to Financial Statements.

STATEMENTS OF INCOME

(Amounts in Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2017	2016	2015	2017	2016	2015
INTEREST INCOME						
Loans and receivables (Notes 10 and 29)	₱21,751,647	₱17,889,252	₱15,900,727	₱17,537,017	₱14,122,287	₱12,324,959
Trading and investments (Note 9)	3,966,999	3,282,963	3,100,802	3,673,802	3,060,325	2,946,914
Due from Bangko Sentral ng Pilipinas and other banks and securities purchased under resale agreements (Notes 7 and 8)	820,699	719,414	315,805	634,906	555,788	182,662
	26,539,345	21,891,629	19,317,334	21,845,725	17,738,400	15,454,535
INTEREST EXPENSE						
Deposit liabilities (Notes 17 and 29)	6,521,935	4,831,555	4,008,288	5,210,803	3,629,127	2,881,166
Bills payable and other borrowings (Note 18)	391,007	365,879	223,862	391,007	354,961	184,280
	6,912,942	5,197,434	4,232,150	5,601,810	3,984,088	3,065,446
NET INTEREST INCOME	19,626,403	16,694,195	15,085,184	16,243,915	13,754,312	12,389,089
Service charges, fees and commissions (Note 21)	2,441,724	2,123,469	1,834,318	1,394,998	1,319,448	1,456,140
Gain on sale of investment properties	670,612	443,315	375,754	614,587	338,088	353,249
Trading and securities gain - net (Notes 9 and 21)	479,960	918,089	466,834	399,760	852,870	459,996
Foreign exchange gain - net (Note 25)	386,015	318,135	330,056	389,692	299,113	306,541
Trust fee income (Note 28)	376,312	330,197	276,240	371,947	326,091	272,251
Gain on asset foreclosure and dacion transactions (Note 13)	157,415	172,480	274,978	71,888	140,747	150,177
Share in net income (losses) of subsidiaries (Note 11)	-	-	-	836,004	464,999	(201,901)
Share in net income (losses) of an associate (Note 11)	73,133	(89,384)	(37,893)	73,133	(89,384)	(37,893)
Miscellaneous (Notes 21 and 29)	1,516,523	878,445	966,855	1,391,657	800,097	891,953
TOTAL OPERATING INCOME	25,728,097	21,788,941	19,572,326	21,787,581	18,206,381	16,039,602
Compensation and fringe benefits (Notes 24 and 29)	5,708,948	4,982,934	4,674,469	4,288,096	3,752,229	3,532,596
Taxes and licenses	2,264,025	2,000,404	1,587,118	1,819,331	1,573,887	1,252,878
Occupancy cost (Notes 26 and 29)	2,112,602	1,830,675	1,723,277	1,528,876	1,281,107	1,207,677
Insurance	1,440,153	1,163,507	990,788	1,241,575	991,179	827,026
Depreciation and amortization (Notes 12, 13 and 14)	1,217,489	1,124,786	979,412	877,240	775,210	676,286
Provision for impairment and credit losses (Note 16)	754,171	850,546	966,574	423,922	521,475	487,485
Transportation and traveling	378,703	298,666	311,587	289,903	218,136	222,276
Professional fees, marketing and other related services	312,042	268,394	245,760	222,509	182,275	187,773
Entertainment, amusement and recreation	287,105	242,710	276,809	182,172	146,993	156,289
Stationery, supplies and postage	268,901	241,786	241,151	197,567	193,232	150,956
Repairs and maintenance	104,298	123,025	160,902	69,276	87,734	102,882
Miscellaneous (Notes 21 and 29)	1,867,552	1,073,986	1,001,934	1,490,658	941,489	800,742
TOTAL OPERATING EXPENSES	16,715,989	14,201,419	13,159,781	12,631,125	10,664,946	9,604,866
INCOME BEFORE INCOME TAX	9,012,108	7,587,522	6,412,545	9,156,456	7,541,435	6,434,736
PROVISION FOR INCOME TAX (Note 27)	1,489,177	1,126,552	809,969	1,642,484	1,083,139	828,070
NET INCOME	₱7,522,931	₱6,460,970	₱5,602,576	₱7,513,972	₱6,458,296	₱5,606,666
Attributable to:						
Equity holders of the Parent Company (Note 32)	₱7,513,972	₱6,458,296	₱5,606,666			
Non-controlling interest	8,959	2,674	(4,090)			
	₱7,522,931	₱6,460,970	₱5,602,576			
Basic/Diluted Earnings Per Share (Note 32)	₱2.91	₱2.88	₱2.50*			

* Weighted average number of outstanding common shares in 2016 and 2015 was recomputed after giving retroactive effect to stock rights and stock dividends distributed in 2017 (Note 23).

See accompanying Notes to Financial Statements.

STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2017	2016	2015	2017	2016	2015
NET INCOME	P7,522,931	P6,460,970	P5,602,576	P7,513,972	P6,458,296	P5,606,666
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that recycle to profit or loss in subsequent periods:						
Changes in fair value of available-for-sale financial assets:						
Fair value gain (loss) for the year, net of tax	158,946	449,110	(487,124)	113,020	512,562	(464,471)
Gains taken to profit or loss (Note 21)	(365,145)	(918,673)	(638,723)	(342,146)	(856,031)	(629,642)
Share in changes in other comprehensive income of an associate (Note 11)	(8,049)	(5,457)	(123,397)	(8,049)	(5,457)	(123,397)
Share in changes in other comprehensive income of subsidiaries (Note 11)	–	–	–	55,692	(87,594)	(56,844)
Cumulative translation adjustment	(15,972)	12,455	(14,242)	(29,255)	(3,636)	(14,914)
Items that do not recycle to profit or loss in subsequent periods:						
Remeasurement gain (loss) on defined benefit asset, net of tax (Note 24)	30,149	71,075	(16,734)	9,678	50,560	10,030
Remeasurement loss on life insurance reserves	(12,221)	–	–	(12,221)	–	–
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(212,292)	(391,490)	(1,280,220)	(213,281)	(389,596)	(1,279,238)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	P7,310,639	P6,069,480	P4,322,356	P7,300,691	P6,068,700	P4,327,428
Total comprehensive income attributable to:						
Equity holders of the Parent Company	P7,300,691	6,068,700	4,327,428			
Non-controlling interest	9,948	780	(5,072)			
	P7,310,639	6,069,480	4,322,356			

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Capital Stock (Note 23)	Capital Paid in Excess of Par Value (Note 23)	Surplus Reserves (Notes 23 and 28)	Surplus (Notes 23 and 28)
Balance at January 1, 2017	¥20,020,278	¥6,987,564	¥861,630	¥36,889,099
Transfer from surplus to surplus reserves	-	-	65,059	(65,059)
Total comprehensive income (loss) for the year	-	-	-	7,513,972
Issuance of common shares (¥31.00 per share)	4,838,710	10,160,753	-	-
Transaction cost on the issuance of common shares	-	(52,089)	-	-
Stock dividends - 8.00%	1,988,729	-	-	(1,988,729)
Cash dividends - ¥0.80 per share	-	-	-	(1,988,720)
Balance at December 31, 2017	¥26,847,717	¥17,096,228	¥926,689	¥40,360,563
Balance at January 1, 2016	¥18,537,285	¥6,987,564	¥828,406	¥33,800,748
Total comprehensive income (loss) for the year	-	-	-	6,458,296
Additional acquisition of non-controlling interest	-	-	-	-
Transfer from surplus to surplus reserves	-	-	33,224	(33,224)
Stock dividends - 8.00%	1,482,993	-	-	(1,482,993)
Cash dividends - ¥1.00 per share	-	-	-	(1,853,728)
Balance at December 31, 2016	¥20,020,278	¥6,987,564	¥861,630	¥36,889,099
Balance at January 1, 2015	¥17,164,143	¥6,987,564	¥800,006	¥31,312,038
Total comprehensive income (loss) for the year	-	-	-	5,606,666
Additional acquisition of non-controlling interest	-	-	-	-
Transfer from surplus to surplus reserves	-	-	28,400	(28,400)
Stock dividends - 8.00%	1,373,142	-	-	(1,373,142)
Cash dividends - ¥1.00 per share	-	-	-	(1,716,414)
Balance at December 31, 2015	¥18,537,285	¥6,987,564	¥828,406	¥33,800,748

See accompanying Notes to Financial Statements.

	Capital Stock (Note 23)	Capital Paid in Excess of Par Value (Note 23)	Surplus Reserves (Notes 23 and 28)	Surplus (Notes 23 and 28)
Balance at January 1, 2017	¥20,020,278	¥6,987,564	¥861,630	¥889,099
Transfer from surplus to surplus reserves	-	-	65,059	(65,059)
Total comprehensive income (loss) for the year	-	-	-	7,513,972
Issuance of common shares (31.00 per share)	4,838,710	10,160,753	-	-
Transaction cost on the issuance of common shares	-	(52,089)	-	-
Stock dividends - 8.00%	1,988,729	-	-	(1,988,729)
Cash dividends - ¥0.80 per share	-	-	-	(1,988,720)
Balance at December 31, 2017	¥26,847,717	¥17,096,228	¥926,689	¥40,360,563
Balance at January 1, 2016	¥18,537,285	¥6,987,564	¥828,406	¥33,800,748
Total comprehensive income (loss) for the year	-	-	-	6,458,296
Transfer from surplus to surplus reserves	-	-	33,224	(33,224)
Stock dividends - 8.00%	1,482,993	-	-	(1,482,993)
Cash dividends - ¥1.00 per share	-	-	-	(1,853,728)
Balance at December 31, 2016	¥20,020,278	¥6,987,564	¥861,630	¥36,889,099
Balance at January 1, 2015	¥17,164,143	¥6,987,564	¥800,006	¥31,312,038
Total comprehensive income (loss) for the year	-	-	-	5,606,666
Transfer from surplus to surplus reserves	-	-	28,400	(28,400)
Stock dividends - 8.00%	1,373,142	-	-	(1,373,142)
Cash dividends - ¥1.00 per share	-	-	-	(1,716,414)
Balance at December 31, 2015	¥18,537,285	¥6,987,564	¥828,406	¥33,800,748

See accompanying Notes to Financial Statements.

Consolidated

Equity Attributable to Equity Holders of the Parent Company

Net Unrealized Gains (Losses) on Available- for-Sale Financial Assets (Note 9)	Remeasurement Gain on Defined Benefit Asset or Liability (Note 24)	Cumulative Translation Adjustment	Remeasurement Loss on Life Insurance Reserve	Total Equity	Non- Controlling Interest (Note 11)	Total Equity
(P1,598,600)	P253,945	(P22,500)	P-	P63,391,416	(P5,212)	P63,386,204
-	-	-	-	-	-	-
(214,680)	29,818	(16,198)	(12,221)	7,300,691	9,948	7,310,639
-	-	-	-	14,999,463	-	14,999,463
-	-	-	-	(52,089)	-	(52,089)
-	-	-	-	-	-	-
-	-	-	-	(1,988,720)	-	(1,988,720)
(P1,813,280)	P283,763	(P38,698)	(P12,221)	P83,650,761	P4,736	P83,655,497
(P1,126,080)	P183,155	(P34,634)	P-	P59,176,444	(P5,540)	P59,170,904
(472,520)	70,790	12,134	-	6,068,700	780	6,069,480
-	-	-	-	-	(452)	(452)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(1,853,728)	-	(1,853,728)
(P1,598,600)	P253,945	(P22,500)	P-	P63,391,416	(P5,212)	P63,386,204
P122,920	P199,152	(P20,392)	P-	P56,565,431	P2,053	P56,567,483
(1,249,000)	(15,997)	(14,242)	-	4,327,427	(5,072)	4,322,356
-	-	-	-	-	(2,521)	(2,521)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(1,716,414)	-	(1,716,414)
(P1,126,080)	P183,155	(P34,634)	P-	P59,176,444	(P5,540)	P59,170,904

Parent Company

Net Unrealized Gains (Losses) on Available-for- Sale Financial Assets (Note 9)	Remeasurement Gain on Defined Benefit Asset or Liability (Note 24)	Cumulative Translation Adjustment	Remesasurement Loss on Life Insurance Reserve	Total Equity
(P1,598,600)	P253,945	(P22,500)	P-	P63,391,416
-	-	-	-	-
(214,680)	29,818	(16,198)	(12,221)	7,300,691
-	-	-	-	14,999,463
-	-	-	-	(52,089)
-	-	-	-	-
-	-	-	-	(1,988,720)
(P1,813,280)	P283,763	(P38,698)	(P12,221)	P83,650,761
(P1,126,080)	183,155	(34,634)	-	59,176,444
(472,520)	70,790	12,134	-	6,068,700
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(1,853,728)
(P1,598,600)	P253,945	(P22,500)	P-	P63,391,416
122,920	199,152	(20,392)	-	56,565,431
(1,249,000)	(15,997)	(14,242)	-	4,327,427
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(1,716,414)
(P1,126,080)	P183,155	(P34,634)	P-	P59,176,444

STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2017	2016	2015	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱9,012,108	₱7,587,522	₱6,412,545	₱9,156,456	₱7,541,435	₱6,434,736
Adjustments for:						
Depreciation and amortization (Notes 12, 13 and 14)	1,217,489	1,124,786	979,412	877,240	775,210	676,286
Provision for impairment and credit losses (Note 16)	754,171	850,546	966,574	423,922	521,745	487,485
Trading and securities gain on available-for-sale and held-to-maturity financial assets (Note 21)	(365,145)	(918,673)	(638,723)	(342,146)	(856,031)	(629,642)
Gain on sale of investment properties	(670,612)	(443,315)	(375,754)	(614,587)	(338,088)	(353,249)
Gain on asset foreclosure and dacion transactions (Note 13)	(157,415)	(172,480)	(274,978)	(71,888)	(140,747)	(150,177)
Share in net losses of an associate (Notes 2 and 11)	(73,133)	89,384	37,893	(73,133)	89,384	37,893
Share in net losses (income) of subsidiaries (Notes 2 and 11)	—	—	—	(836,004)	(464,999)	201,900
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Financial assets at FVPL	(8,510,654)	(1,282,482)	2,160,869	(8,799,606)	(1,590,640)	2,511,781
Loans and receivables	(63,393,487)	(78,836,033)	(21,441,441)	(57,873,074)	(70,542,734)	(15,073,046)
Other assets	6,159	(1,225,573)	(444,632)	275,322	(882,576)	(1,230,263)
Increase (decrease) in the amounts of:						
Deposit liabilities	93,510,375	102,317,332	39,964,142	88,273,987	97,358,575	32,518,781
Manager's checks	411,264	573,280	235,103	263,663	704,106	(80,700)
Accrued interest and other expenses	759,429	283,916	(46,474)	722,597	300,356	(51,480)
Other liabilities	177,618	827,790	1,070,312	(540,630)	759,981	1,262,845
Net cash generated from operations	32,678,167	30,776,000	28,604,848	30,842,119	33,234,977	26,563,150
Income taxes paid	(1,554,045)	(973,575)	(507,801)	(1,274,667)	(863,477)	(414,842)
Net cash provided by operating activities	31,124,122	29,802,425	28,097,047	29,567,452	32,371,500	26,148,308
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions to bank premises, furniture, fixtures and equipment (Note 12)	(1,752,173)	(1,258,911)	(1,493,982)	(1,387,684)	(1,065,308)	(1,400,741)
Additions to equity investments (Note 11)	—	—	—	(500,000)	(2,700,452)	(4,002,521)
Liquidation of a subsidiary (Note 11)	—	—	—	—	50,000	—
Purchases of:						
Held-to-maturity financial assets	(23,618,560)	(41,647,865)	(4,490,149)	(23,599,743)	(41,007,909)	(3,081,425)
Available-for-sale financial assets	(54,304,672)	(89,249,294)	(54,192,915)	(53,171,027)	(87,747,373)	(53,870,729)
Proceeds from sale/maturity of:						
Held-to-maturity financial assets	15,737,093	374,569	463,346	16,135,271	884,532	489,568
Available-for-sale financial assets	41,891,950	104,653,914	43,031,164	41,500,714	103,940,382	43,647,299
Investment properties	1,335,946	977,963	1,137,792	846,974	675,003	327,682
Bank premises, furniture, fixtures and equipment	275,109	151,286	567,758	242,202	199,460	571,677
Net cash used in investing activities	(20,435,307)	(25,998,338)	(14,976,986)	(19,933,293)	(26,771,665)	(17,319,190)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bills payable	252,268,556	18,588,791	19,151,089	252,268,556	18,588,791	18,488,559
Settlement of bills payable	(249,105,524)	(20,718,973)	(6,386,489)	(249,105,524)	(20,056,443)	(5,243,510)
Settlement of subordinated debt (Note 18)	—	—	(1,188,762)	—	—	—
Payments of cash dividends (Note 23)	(1,988,720)	(1,853,728)	(1,716,414)	(1,988,720)	(1,853,728)	(1,716,414)
Acquisitions of non-controlling interest (Note 11)	—	(452)	(2,521)	—	—	—
Proceeds from issuance of common shares (Note 23)	14,999,463	—	—	14,999,463	—	—
Transaction cost on the issuance of common shares (Note 23)	(52,089)	—	—	(52,089)	—	—
Net cash provided by (used in) financing activities	16,121,687	(3,984,362)	9,856,903	16,121,687	(3,321,380)	11,528,635
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,810,502	(180,277)	22,976,964	25,755,846	2,278,455	20,357,753

(Forward)

	Consolidated			Parent Company		
	Years Ended December 31					
	2017	2016	2015	2017	2016	2015
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P26,810,502	(P180,277)	P22,976,964	P25,755,846	P2,278,455	P20,357,753
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	12,010,543	11,377,101	10,734,059	10,580,748	10,052,891	9,295,130
Due from Bangko Sentral ng Pilipinas (Note 7)	91,964,495	86,318,501	67,451,648	85,307,128	77,003,616	60,543,867
Due from other banks (Note 7)	11,332,236	21,243,492	17,552,823	9,689,165	19,200,544	15,836,701
Securities purchased under resale agreements (Note 8)	3,451,543	–	223,600	2,958,465	–	223,600
	118,758,817	118,939,094	95,962,130	108,535,506	106,257,051	85,899,298
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	12,685,984	12,010,543	11,377,101	11,160,173	10,580,748	10,052,891
Due from Bangko Sentral ng Pilipinas (Note 7)	98,490,014	91,964,495	86,318,501	91,717,037	85,307,128	77,003,616
Due from other banks (Note 7)	15,641,476	11,332,236	21,243,492	14,066,620	9,689,165	19,200,544
Securities purchased under resale agreements (Note 8)	18,751,845	3,451,543	–	17,347,522	2,958,465	–
	P145,569,319	P118,758,817	P118,939,094	P134,291,352	P108,535,506	P106,257,051

OPERATING CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	As of December 31					
	2017	2016	2015	2017	2016	2017
Interest paid	₱6,652,755	₱5,028,667	₱4,240,401	₱5,359,209	₱3,812,560	₱3,020,972
Interest received	25,835,369	21,498,837	18,932,577	21,322,995	17,273,294	15,163,965

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

China Banking Corporation (the Parent Company) is a publicly listed universal bank incorporated in the Philippines. The Parent Company acquired its universal banking license in 1991. It provides expanded commercial banking products and services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury products, trust products, foreign exchange, corporate finance and other investment banking services through a network of 436 and 391 local branches as of December 31, 2017 and 2016, respectively.

The Parent Company acquired its original Certification of Incorporation issued by the Securities and Exchange Commission (SEC) on July 20, 1920. On December 4, 1963, the Board of Directors (BOD) of the Parent Company approved the Amended Articles of Incorporation to extend the corporate term of the Parent Company for another 50 years or until July 20, 2020, which was confirmed by the stockholders on December 23, 1963, and approved by the SEC on October 5, 1964. On March 2, 2016, the BOD approved the amendment of the Third Article of the Parent Company's Articles of Incorporation, to further extend the corporate term for another 50 years from and after July 20, 2020, the expiry date of its extended term. The approval was ratified by the stockholders during their scheduled annual meeting on May 5, 2016. On November 7, 2016, the SEC issued the Certificate of Filing of Amended Articles of Incorporation, amending the Third Article thereof to extend the term of corporate existence of the Parent Company.

The Parent Company has the following subsidiaries:

Subsidiary	Effective Percentages of Ownership		Country of Incorporation	Principal Activities
	2017	2016		
Chinabank Insurance Brokers, Inc. (CIBI)	100.00%	100.00%	Philippines	Insurance brokerage
CBC Properties and Computer Center, Inc. (CBC-PCCI)	100.00%	100.00%	Philippines	Computer services
China Bank Savings, Inc. (CBSI)	98.29%	98.29%	Philippines	Retail and consumer banking
China Bank Capital Corporation (CBCC)	100.00%	100.00%	Philippines	Investment house
CBC Assets One (SPC) Inc.*	100.00%	100.00%	Philippines	Special purpose corporation
China Bank Securities Corporation (CBCSec)**	100.00%	–	Philippines	Stock Brokerage

*Established in 2016, 100% owned through CBCC

**Obtained control on March 6, 2017, 100% owned through CBCC (see note 11)

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 19.90% as of December 31, 2017 and 2016.

The Parent Company's principal place of business is at 8745 Paseo de Roxas cor. Villar St., Makati City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group").

The accompanying financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit or loss (FVPL) and available-for-sale (AFS) financial assets. The financial statements are presented in Philippine peso, and all values are rounded to the nearest thousand peso except when otherwise indicated.

The financial statements of the Parent Company reflect the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The financial statements of these units are combined after eliminating inter-unit accounts.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Parent Company's subsidiaries is the Philippine peso.

Statement of Compliance

The financial statements of the Group and the Parent Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Presentation of Financial Statements

The balance sheets of the Group and of the Parent Company are presented in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 22.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheets only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. The Group and the Parent Company assess that they have currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group, the Parent Company and all of the counterparties.

Income and expenses are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group and the Parent Company.

Basis of Consolidation and Investments in Subsidiaries

The consolidated financial statements of the Group are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All significant intra-group balances, transactions and income and expenses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company.

The Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Group and to the non-controlling interests. When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the related OCI recorded in equity and recycle the same to profit or loss or surplus
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes the remaining difference in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be recognized if the Group had directly disposed of the related assets or liabilities

Non-Controlling Interest

Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Parent Company.

Non-controlling interest is presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Any losses applicable to the non-controlling interest are allocated against the interests of the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following new, amendments and improvements to PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation which became effective as of January 1, 2017. Except as otherwise indicated, these changes in the accounting policies did not have any significant impact on the financial position or performance of the Group:

- *New and Amended Standards*
 - Amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*
On January 1, 2017, the Group adopted the amendments to PAS 7, *Statement of Cash Flows, Disclosure Initiative*. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information to preceding periods.

The reconciliation analysis of liabilities arising from financing activities is presented in Note 34.
 - Amendments to PAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*
- *Annual Improvements to PFRSs (2014 – 2016 Cycle)*
 - Amendment to PFRS 12, *Clarification of the Scope of the Standard*

Significant Accounting Policies

Foreign Currency Translation

The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional currency.

Transactions and balances

The books of accounts of the RBU are maintained in Philippine peso, the RBU's functional currency, while those of the FCDU are maintained in United States (US) dollars (USD), the FCDU's functional currency. For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine peso based on the Philippine Dealing System (PDS) closing rate prevailing at end of the year, and foreign currency-denominated income and expenses, at the exchange rates on transaction dates. Foreign exchange differences arising from restatements of foreign currency-denominated assets and liabilities are credited to or charged against operations in the period in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU

As at the reporting date, the assets and liabilities of the FCDU are translated into the Parent Company's presentation currency (the Philippine Peso) at the PDS closing rate prevailing at the reporting date, and its income and expenses are translated at the PDSWAR for the year. Exchange differences arising on translation are taken directly to the statement of comprehensive income under 'Cumulative translation adjustment'. Upon actual remittance or transfer of the FCDU income to RBU, the related exchange difference arising from translation lodged under 'Cumulative translation adjustment' is recognized in the statement of income of the RBU books.

Fair Value Measurement

The Group measures financial instruments, such as financial instruments at FVPL and AFS financial assets at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 5.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid - ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, due from BSP and other banks, and securities purchased under resale agreement (SPURA) that are convertible to known amounts of cash which have original maturities of three months or less from dates of placements and that are subject to an insignificant risk of changes in value. Due from BSP includes the statutory reserves required by the BSP which the Group considers as cash equivalents wherein withdrawals can be made to meet the Group's cash requirements as allowed by the BSP.

Securities Purchased under Resale Agreement

Securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the balance sheet. The corresponding cash paid including accrued interest, is recognized in the balance sheet as SPURA. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the EIR method.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Purchases or sales of financial assets, except for derivative instruments, that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Group, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that such asset is delivered by the Group. Any change in fair value of unrecognized financial asset is recognized in the statement of income for assets classified as financial assets at FVPL, and in equity for assets classified as AFS financial assets. Derivatives are recognized on a trade date basis. Deposits, amounts due to banks and customers loans and receivables are recognized when cash is received by the Group or advanced to the borrowers.

Initial recognition of financial instruments

All financial instruments are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) financial assets, AFS financial assets, and loans and receivables while financial liabilities are classified as financial liabilities at FVPL and financial liabilities carried at amortized cost. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

'Day 1' difference

Where the transaction price in a non-active market is different with the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial instruments at FVPL

Financial instruments at FVPL include financial assets and liabilities held for trading purposes, financial assets and financial liabilities designated upon initial recognition as at FVPL, and derivative instruments.

Financial instruments held for trading

Financial instruments held for trading (HFT) include government and corporate debt securities purchased and held principally with the intention of selling them in the near term. These securities are carried at fair value, and realized and unrealized gains and losses on these instruments are recognized as 'Trading and securities gain - net' in the statement of income. Interest earned or incurred on financial instruments held for trading is reported in the statement of income under 'Interest income' (for financial assets) and 'Interest expense' (for financial liabilities).

Financial instruments designated at FVPL

Financial instruments are designated as at FVPL by management on initial recognition when any of the following criteria is met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial instruments at FVPL are recorded in the balance sheet at fair value. Changes in fair value are recognized in 'Trading and securities gain - net' in the statement of income. Interest earned or incurred is reported in the statement of income under 'Interest income' or 'Interest expense', respectively, while dividend income is reported in the statement of income under 'Miscellaneous income' when the right to receive payment has been established.

As of December 31, 2017 and 2016, financial assets designated as at FVPL consist of instruments in shares of stocks.

Derivative instruments

The Parent Company is a party to derivative instruments, particularly, forward exchange contracts, interest rate swaps (IRS) and warrants. These contracts are entered into as a service to customers and as a means of reducing and managing the Parent Company's foreign exchange risk, and interest rate risk as well as for trading purposes, but are not designated as hedges. Such derivative financial instruments are stated at fair value through profit or loss.

Any gains or losses arising from changes in fair value of derivative instruments that do not qualify for hedge accounting are taken directly to the statement of income under 'Foreign exchange gain (loss) - net' for forward exchange contracts and 'Trading and securities gain-net' for IRS and warrants.

Embedded derivatives that are bifurcated from the host financial and non-financial contracts are also accounted for as financial instruments at FVPL.

An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met: (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristic of the host contract; (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the hybrid or combined instrument is not recognized at fair value through profit or loss.

The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group first becomes a party to the contract. Reassessment of embedded derivatives is only done when there are changes in the contract that significantly modifies the contractual cash flows that would otherwise be required.

Held-to-maturity financial assets

HTM financial assets are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group's management has the positive intention and ability to hold to maturity. Where the Group would sell other than an insignificant amount of HTM financial assets, the entire category would be tainted and reclassified as AFS financial assets and the Group would be prohibited from classifying any financial asset under HTM category during the current year and two succeeding years thereafter unless for sales or reclassifications that:

- are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.

After initial measurement, these investments are subsequently measured at amortized cost using the effective interest method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate (EIR). The amortization is included in 'Interest income' in the statement of income. Gains and losses are recognized in income when the HTM financial assets are derecognized and impaired, as well as through the amortization process. The losses arising from impairment of such investments are recognized in the statement of income under 'Provision for impairment and credit losses'. The effects of translation of foreign currency-denominated HTM financial assets are recognized in the statement of income. This account consists of government and corporate debt securities.

Loans and receivable

This accounting policy relates to the balance sheet captions 'Due from BSP', 'Due from other banks', 'SPURA', 'Loans and receivables', 'Accrued interest receivable', 'Accounts receivable', 'Sales contract receivable' (SCR), 'Returned checks and other cash items' (RCOCI), and 'Miscellaneous financial assets'. These are financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Group intends to sell immediately or in the near term and those that the Group, upon initial recognition, designates as FVPL;
- those that the Group, upon initial recognition, designates as AFS; and
- those for which the Group may not cover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, these are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included under 'Interest income' in the statement of income. The losses arising from impairment are recognized under 'Provision for impairment and credit losses' in the statement of income.

Available-for-sale financial assets

AFS financial assets are those which are designated as such or do not qualify to be classified as financial assets at FVPL, HTM financial assets, or loans and receivables. They are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. They include equity investments, money market papers and government and corporate debt securities.

After initial measurement, AFS financial assets are subsequently measured at fair value. The effective yield component of AFS debt securities, as well as the impact of translation of foreign currency-denominated AFS debt securities, is reported in the statement of income. The unrealized gains and losses arising from the fair valuation of AFS financial assets are excluded, net of tax, from reported earnings and are reported as 'Net unrealized gains (losses) on AFS financial assets' under OCI.

When the security is disposed of, the cumulative gain or loss previously recognized in OCI is recognized as 'Trading and securities gain - net' in the statement of income. Interest earned on holding AFS debt securities are reported as 'Interest income' using the EIR. Dividends earned on holding AFS equity instruments are recognized in the statement of income as 'Miscellaneous income' when the right to the payment has been established. The losses arising from impairment of such investments are recognized as 'Provision for impairment and credit losses' in the statement of income.

Other financial liabilities

These are issued financial instruments or their components which are not designated as at FVPL and where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities not qualified and not designated as at FVPL are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

This accounting policy relates to the balance sheet captions 'Deposit liabilities', 'Bills payable', 'Manager's checks', and financial liabilities presented under 'Accrued interest and other expenses' and 'Other liabilities'.

Reclassification of Financial Assets

The Group may reclassify, in rare circumstances, non-derivative financial assets out of the HFT investments category and into the AFS financial assets, Loans and Receivables or HTM financial assets categories. The Group may also reclassify, in certain circumstances, financial instruments out of the AFS financial assets to loans and receivables category. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortized cost.

The Group may reclassify a non-derivative trading asset out of HFT investments and into the Loans and Receivable category if it meets the definition of loans and receivables, the Group has the intention and ability to hold the financial assets for the foreseeable future or until maturity and only in rare circumstances. If a financial asset is reclassified, and if the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

For a financial asset reclassified out of the AFS financial assets category, any previous gain or loss on that asset that has been recognized in OCI is amortized to profit or loss over the remaining life of the investment using the effective interest method. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the effective interest method. If the asset is subsequently determined to be impaired then the amount recorded in OCI is recycled to the statement of income. Reclassification is at the election of management, and is determined on an instrument by instrument basis. The Group does not reclassify any financial instrument into the FVPL category after initial recognition. An analysis of reclassified financial assets is disclosed in Note 9.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Impairment of Financial Assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR, adjusted for the original credit risk premium. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to the statement of income. Interest income continues to be recognized based on the original EIR of the asset. The financial assets, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized.

If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as industry, collateral type, past-due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with changes in related observable data from period to period (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to ‘Miscellaneous income’.

Financial assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Available-for-sale financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of income - is removed from OCI and recognized in the statement of income. Impairment losses on equity investments are not reversed through the statement of income. Increases in fair value after impairment are recognized directly in OCI.

In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of 'Interest income' in the statement of income. If, in subsequent years, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of income, the impairment loss is reversed through the statement of income.

Restructured loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original EIR, is recognized in 'Provision for impairment and credit losses' in the statement of income.

Investment in Associates

Associates pertain to all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20.00% and 50.00% of the voting rights. In the consolidated and parent company financial statements, investments in associates are accounted for under the equity method of accounting.

Under the equity method, an investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the associates. Goodwill, if any, relating to an associate is included in the carrying value of the investment and is not amortized. The statement of income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Profits or losses resulting from transactions between the Group and an associate are eliminated to the extent of the interest in the associate.

Dividends earned on this investment are recognized in the Parent Company's statement of income as a reduction from the carrying value of the investment.

The financial statements of the associate are prepared for the same reporting period as the Parent Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Investment in Subsidiaries

In the parent company financial statements, investment in subsidiaries is accounted for under the equity method of accounting similar to the investment in associates.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are charged to profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with PAS 39, either in profit or loss or as a charge to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase under 'Miscellaneous income'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment identified for segment reporting purposes.

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Cash Dividend and Non-cash Distribution to Equity Holders of the Parent Company

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the parent company when the distribution is authorized and the distribution is no longer at the discretion of the Group.

A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of income.

Bank Premises, Furniture, Fixtures and Equipment

Land is stated at cost less any impairment in value while depreciable properties such as buildings, leasehold improvements, and furniture, fixtures and equipment are stated at cost less accumulated depreciation and amortization, and any impairment in value. Such cost includes the cost of replacing part of the bank premises, furniture, fixtures and equipment when that cost is incurred and if the recognition criteria are met, but excluding repairs and maintenance costs.

Construction-in-progress is stated at cost less any impairment in value. The initial cost comprises its construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs. Construction-in-progress is not depreciated until such time that the relevant assets are completed and put into operational use.

Depreciation and amortization is calculated using the straight-line method over the estimated useful life (EUL) of the depreciable assets as follows:

	EUL
Buildings	50 years
Furniture, fixtures and equipment	3 to 5 years
Leasehold improvements	Shorter of 6 years or the related lease terms

The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of bank premises, furniture, fixtures and equipment and leasehold improvements.

An item of bank premises, furniture, fixtures and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

Investment Properties

Investment properties include real properties acquired in settlement of loans and receivables which are measured initially at cost, including certain transaction costs. Investment properties acquired through a nonmonetary asset exchange is measured initially at fair value unless (a) the exchange lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. The difference between the fair value of the investment property upon foreclosure and the carrying value of the loan is recognized under 'Gain on asset foreclosure and dacion transactions' in the statement of income. Subsequent to initial recognition, depreciable investment properties are stated at cost less accumulated depreciation and any accumulated impairment in value except for land which is stated at cost less impairment in value.

Expenditures incurred after the investment properties have been put into operation, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred.

Depreciation is calculated on a straight-line basis using the remaining EUL of the building and improvement components of investment properties which ranged from 10 to 33 years from the time of acquisition of the investment properties.

Investment properties are derecognized when they have either been disposed of or when the investment properties are permanently withdrawn from use and no future benefit is expected from their disposal. Any gains or losses on the derecognition of an investment property are recognized as 'Gain on sale of investment properties' in the statement of income in the year of derecognition.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

Intangible Assets

Intangible assets include software cost and branch licenses resulting from the Parent Company's acquisition of CBSI, Unity Bank and PDB (Notes 11 and 14).

Software costs

Costs related to software purchased by the Group for use in operations are amortized on a straight-line basis over 3 to 10 years. The amortization method and useful life are reviewed periodically to ensure that the method and period of amortization are consistent with the expected pattern of economic benefits embodied in the asset.

Branch licenses

The branch licenses are initially measured at fair value as of the date of acquisition and are deemed to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group.

Such intangible assets are not amortized, instead they are tested for impairment annually either individually or at the CGU level. Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the intangible asset relates. Recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in earnings when the asset is derecognized.

Impairment of Nonfinancial Assets

At each reporting date, the Group assesses whether there is any indication that its nonfinancial assets (e.g., investment in associates, investment properties, bank premises, furniture, fixtures and equipment, goodwill and intangible assets) may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount.

Recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged to operations in the year in which it arises.

For nonfinancial assets, excluding goodwill and branch licenses, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed, except for goodwill, only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- (a) there is a change in contractual terms, other than a renewal or extension of the arrangement; or
- (b) a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term; or
- (c) there is a change in the determination of whether fulfillment is dependent on a specified asset; or
- (d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) above, and at the date of renewal or extension period for scenario (b).

Group as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term and included in 'Occupancy cost' in the statement of income.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Capital Stock

Capital stocks are recorded at par. Proceeds in excess of par value are recognized under equity as 'Capital paid in excess of par value' in the balance sheet. Incremental costs incurred which are directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as FVPL and AFS financial assets, interest income is recorded at EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, as applicable, but not future credit losses. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

a. *Fee income earned from services that are provided over a certain period of time*

Fees earned for the provision of services over a period of time that are accrued over that period. These fees include investment fund fees, custodian fees, fiduciary fees, commission income, credit related fees, asset management fees, portfolio and other management fees, and advisory fees. Loan commitment fees for loans that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the EIR on the loan. If the commitment expires without the Group making the loan, the commitment fees are recognized as other income on expiry.

b. *Fee income from providing transactions services*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as underwriting fees, corporate finance fees and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. Loan syndication fees are recognized in the statement of income when the syndication has been completed and the Group retains no part of the loans for itself or retains part at the same EIR as for the other participants.

Service charges and penalties

Service charges and penalties are recognized only upon collection or accrued where there is a reasonable degree of certainty as to their collectability.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

Trading and securities gain

This represents results arising from trading activities including all gains and losses from changes in fair value of financial assets held for trading and designated at FVPL. It also includes gains and losses realized from sale of AFS financial assets.

Other income

Income from sale of service is recognized upon rendition of the service. Income from sale of properties is recognized when risks and rewards have been transferred and when the collectability of the sales price is reasonably assured.

Expense Recognition

Expense is recognized when it is probable that a decrease in future economic benefits related to a decrease in an asset or an increase in liability has occurred and the decrease in economic benefits can be measured reliably. Revenues and expenses that relate to the same transaction or other event are recognized simultaneously.

Interest expense

Interest expense for all interest-bearing financial liabilities are recognized in 'Interest expense' in the statement of income using the EIR of the financial liabilities to which they relate.

Other expenses

Expenses encompass losses as well as those expenses that arise in the ordinary course of business of the Group. Expenses are recognized when incurred.

Retirement Benefits*Defined benefit plan*

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets and adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The defined benefit obligation is calculated annually by an independent actuary. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds that have terms to maturity approximating the terms of the related retirement liability. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- (a) service cost;
- (b) net interest on the net defined benefit liability or asset; and
- (c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on Philippine government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Parent Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain. If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the reporting date.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associates.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

Earnings per Share

Basic earnings per share (EPS) is computed by dividing net income for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock splits, stock dividends declared and stock rights exercised during the year, if any.

The Parent Company has no outstanding dilutive potential common shares.

Dividends on Common Shares

Dividends on common shares are recognized as a liability and deducted from equity when approved by the respective shareholders of the Parent Company and its subsidiaries. Dividends declared during the year that are approved after the reporting date are dealt with as an event after the reporting date.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 31. The Group's revenue producing assets are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Parent Company acts in a fiduciary capacity such as nominee, trustee or agent.

Events after the Reporting Period

Any post year-end events that provide additional information about the Group's position at the reporting date (adjusting event) are reflected in the Group's financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Standards Issued but Not Yet Effective

Effective beginning on or after January 1, 2018

Amendments to PFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

The above amendments have no impact on the Group's financial statements as the Group does not have share-based payment schemes.

Amendments to PFRS 4, Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4

The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in OCI, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021.

These amendments are not expected to have any significant impact on the Group.

PFRS 9, Financial Instruments

PFRS 9 replaces PAS 39, *Financial Instruments: Recognition and Measurement* and is effective for annual periods beginning on or after January 1, 2018. Early application is permitted if an entity applies all the requirements of the standard.

PFRS 9 is required to be applied on a retrospective basis, with certain exceptions. As permitted, the Group will not restate the Group prior period comparative consolidated financial statements when the Group adopts the requirements of the new standard. Differences in the carrying amounts of financial instruments resulting from the adoption of PFRS 9 will be recognized in the opening January 1, 2018 surplus and OCI as if the Group had always followed the new requirements.

In the period of initial application, the requirements of PFRS 9 on the classification and measurement of financial assets and on the recognition of expected credit losses will have an impact on the Group's and Parent Company's financial statements. The opening January 1, 2018 surplus and OCI in the Group's and Parent Company's statement of financial position are expected to change as a result of applying PFRS 9's requirements on classification and measurement of financial assets. This change will result from reclassifications of financial assets depending on the Group's and the Parent Company's application of its business models and its assessment of the financial assets' cash flow characteristics. The opening January 1, 2018 surplus and OCI in the Group's and Parent Company's statement of financial position are also expected to change as a result of applying PFRS 9's requirements on the recognition of expected credit losses. This change depends on whether there have been significant increases in the credit risk of the Group's and Parent Company's financial assets since initial recognition and on the Group's and Parent Company's evaluation of factors relevant to the measurement of expected credit losses such as a range of possible outcomes and information about past events, current conditions and forecasts of future economic conditions. During 2018, PFRS 9's requirements will have an impact on the Group's and Parent Company's financial statements depending on certain factors such as the financial assets' corresponding business models, cash flow characteristics, and changes in credit risks. The Group is still completing its assessment of the impact of PFRS 9.

In the period of initial application, the requirements of PFRS 9 on the classification and measurement of financial liabilities and on the application of hedge accounting are not expected to have an impact on the Group's and Parent Company's financial statements.

The key changes to the Group's accounting policies resulting from the adoption of PFRS 9 are described below.

Classification and measurement

The PFRS 9 classification and measurement model requires that all debt financial assets that do not meet the "solely payment of principal and interest" (SPPI) test, including those that contain embedded derivatives, be classified at initial recognition as at fair value through profit or loss (FVPL). The intent of the SPPI test is to ensure that debt instruments that contain non-basic lending features, such as conversion options and equity linked pay-outs, are measured at FVPL. Subsequent measurement of instruments classified as FVPL under PFRS 9 operates in a similar manner to financial instruments held for trading under PAS 39.

For debt financial assets that meet the SPPI test, classification at initial recognition will be determined based on the business model under which these instruments are managed. Debt instruments that are managed on a "held for trading" or "fair value" basis will be classified as at FVPL. Debt instruments that are managed on a "hold to collect and for sale" basis will be classified as at fair value through OCI (FVOCI) for debt. Debt instruments that are managed on a "hold to collect" basis will be classified as at amortized cost. Subsequent measurement of instruments classified as at FVOCI and amortized cost classifications under PFRS 9 operate in a similar manner to AFS financial assets for debt financial assets and loans and receivables, respectively, under existing PAS 39, except for the impairment provisions which are discussed below.

For those debt financial assets that would otherwise be classified as at FVOCI or amortized cost, an irrevocable designation can be made at initial recognition to instead measure the debt instrument at FVPL under the fair value option (FVO) if doing so eliminates or significantly reduces an accounting mismatch.

All equity financial assets are required to be classified at initial recognition as at FVPL unless an irrevocable designation is made to classify the instrument as at FVOCI for equities. Unlike AFS for equity securities under PAS 39, the FVOCI for equities category results in all realized and unrealized gains and losses being recognized in OCI with no recycling to profit and loss. Only dividends will continue to be recognized in profit and loss.

The classification and measurement of financial liabilities remain essentially unchanged from the current PAS 39 requirements, except that changes in fair value of FVO liabilities attributable to changes in own credit risk are to be presented in OCI, rather than profit and loss.

Derivatives will continue to be measured at FVPL under PFRS 9.

Impairment

The new impairment guidance sets out an expected credit loss (ECL) model applicable to all debt instrument financial assets classified as amortized cost or FVOCI. In addition, the ECL model applies to loan commitments and financial guarantees that are not measured at FVPL.

Expected Credit Loss Methodology

The application of ECL will significantly change the Group credit loss methodology and models. ECL allowances represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances will be measured at amounts equal to either: (i) 12-month ECL; or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition or when there is objective evidence of impairment. This compares to the present incurred loss model that incorporates a single best estimate, the time value of money and information about past events and current conditions and which recognizes lifetime credit losses when there is objective evidence of impairment and also allowances for incurred but not identified credit losses.

Stage Migration and Significant Increase in Credit Risk

Financial instruments subject to the ECL methodology are categorized into three stages.

For non-impaired financial instruments:

Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL. In contrast to stage 1 and stage 2, inherent within the incurred loss methodology under PAS 39, allowances are provided for non-impaired financial instruments for credit losses that are incurred but not yet identified.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument or a portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the current requirements under PAS 39 for impaired financial instruments.

PFRS 15, Revenue from Contracts with Customers

PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. The Group plans to adopt the modified retrospective method.

The Group is currently assessing the impact of adopting this standard.

Amendments to PAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014 - 2016 Cycle)

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

These amendments are not expected to have any impact on the Group.

Amendments to PAS 40, Investment Property, Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

The Group does not expect any effect on its financial statements upon adoption of these amendments.

Philippine Interpretation IFRIC-22, Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Group does not expect any effect on its financial statements upon adoption of these amendments.

Effective beginning on or after January 1, 2019

PFRS 16, Leases

Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with PAS 17, Leases. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

Entities may early adopt PFRS 16 but only if they have also adopted PFRS 15. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

The Group is currently assessing the impact of adopting this standard.

Amendments to PFRS 9, Prepayment Features with Negative Compensation

The amendments to PFRS 9 allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

Amendments to PAS 28, Long-term Interests in Associates and Joint Ventures

The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

The amendment are not expected to have any impact on the Group.

Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Group is currently assessing the impact of adopting this interpretation.

Deferred effectivity

Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities at reporting date. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

a. Fair value of financial instruments

The Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination of whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions conducted on an arm's length basis.

Where the fair values of financial assets and financial liabilities recorded on the balance sheet or disclosed in the notes cannot be derived from active markets, they are determined using discounted cash flow model, incorporating inputs such as current market rates of comparable instruments. The carrying values and corresponding fair values of financial instruments, as well as the manner in which fair values were determined, are discussed in more detail in Note 5.

b. HTM financial assets

The classification to HTM financial assets requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than in certain specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire portfolio as part of AFS financial assets. The investments would therefore be measured at fair value and not at amortized cost.

Details of AFS financial assets reclassified to HTM are disclosed in Note 9.

c. Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the financial statements (Note 30). It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Estimates

a. Credit losses on loans and receivables

The Group reviews its loans and receivables at each reporting date to assess whether an allowance for credit losses should be recorded in the balance sheet and any changes thereto in the statement of income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors such as the financial condition of the borrower, estimated future cash flows, observable market prices and estimated net selling prices of the related collateral. Actual results may also differ, resulting in future changes to the allowance.

In addition to specific allowance against individually significant loans and receivables, the Group also makes a collective impairment assessment on exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. The resulting collective allowance is based on historical loss experience adjusted on the basis of current observable data for assets with similar credit risk characteristics.

The carrying values of loans and receivables and the related allowance for credit losses of the Group and the Parent Company are disclosed in Notes 10 and 16.

b. Impairment of goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit CGU to which the goodwill relates. The recoverable amount of the CGU is determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. For VIU, the Group estimates the discount rate used for the computation of the net present value by reference to industry cost of capital. Impairment assessment process requires significant judgement and based on assumptions, specifically loan and deposit growth rates, discount rate and the terminal value growth rates.

Where the recoverable amount is less than the carrying amount of the CGU to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The carrying values of the Group's goodwill are disclosed in Note 14.

c. Impairment of branch licenses

The Group conducts an annual review for any impairment in the value of branch licenses. Branch licenses are written down for impairment where the recoverable value is insufficient to support the carrying value. The recoverable amount of branch licenses is the higher between fair value less costs of disposal (FVLCD) and its value-in-use (VIU). FVLCD of branch licenses is based on the special licensing fee of BSP on branches operating on identified restricted areas. The recoverable amount of the CGU is determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. For VIU, the Group estimates the discount rate used for the computation of the net present value by reference to industry cost of capital. Impairment assessment process requires significant judgement and based on assumptions, specifically loan and deposit growth rates, discount rate and the terminal value growth rates.

The carrying values of the Group's branch licenses are disclosed in Note 14.

d. *Net plan assets and retirement expense*

The determination of the Group's net plan assets and annual retirement expense is dependent on the selection of certain assumptions used in calculating such amounts. These assumptions include, among others, discount rates and salary rates.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the reporting date.

The present value of the retirement obligation and fair value of plan assets, including the details of the assumptions used in the calculation are disclosed in Note 24.

e. *Recognition of deferred income taxes*

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management discretion is required to determine the amount of deferred tax assets that can be recognized, based on the forecasted level of future taxable profits and the related future tax planning strategies. Key assumptions used in forecast of future taxable income include loan portfolio and deposit growth rates.

The Group believes it will be able to generate sufficient taxable income in the future to utilize its recorded deferred tax assets. Taxable income is sourced mainly from interest income from lending activities and earnings from service charge, fees, commissions and trust activities.

The recognized and unrecognized deferred tax assets are disclosed in Note 27.

f. *Impairment on non-financial assets*

The Group assesses impairment on its nonfinancial assets (e.g., investment properties and bank premises, furniture, fixtures and equipment) and considers the following impairment indicators:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Except for investment properties where recoverable amount is determined based on fair value less cost to sell, the recoverable amount of all other nonfinancial assets is determined based on the asset's value in use computation which considers the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

The carrying values of the Group's nonfinancial assets are disclosed in Notes 12 and 13.

4. FINANCIAL INSTRUMENT CATEGORIES

The following table presents the total carrying amount of the Group's and the Parent Company's financial instruments per category:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Financial assets				
Cash and other cash items	P12,685,984	P12,010,543	P11,160,173	P10,580,748
Financial assets at FVPL	16,238,888	7,703,899	16,056,823	7,232,882
AFS financial assets	46,445,391	33,873,723	42,937,083	31,153,750
HTM financial assets	65,286,267	57,404,800	61,533,493	54,069,021
Loans and receivables:				
Due from BSP	98,490,014	91,964,495	91,717,037	85,307,128
Due from other banks	15,641,476	11,332,236	14,066,620	9,689,165
SPURA	18,751,845	3,451,543	17,347,522	2,958,465
Loans and receivables	448,970,942	386,827,300	386,554,498	329,069,859
Accrued interest receivable	3,718,505	3,014,529	3,189,083	2,666,353
Other assets	3,645,678	4,933,768	1,594,757	2,990,134
	589,218,460	501,523,871	514,469,517	432,681,104
Total financial assets	P729,874,990	P612,516,836	P646,157,089	P535,717,505

*Other assets include accounts receivables, SCR, RCOI and miscellaneous financial assets (Note 15).

	Consolidated		Parent Company	
	2017	2016	2017	2016
Financial liabilities				
Other financial liabilities:				
Deposit liabilities	P635,093,393	P541,583,018	P559,235,979	P470,961,992
Bills payable	20,118,031	16,954,998	20,118,031	16,954,998
Manager's checks	2,441,042	2,029,778	1,709,248	1,445,585
Accrued interest and other expenses*	1,381,441	870,204	1,068,572	577,550
Other liabilities**	5,399,076	5,238,408	3,509,795	4,089,817
	664,432,983	566,676,406	585,641,625	494,029,942
Financial liabilities at FVPL:				
Derivative liabilities	267,533	243,198	267,533	243,198
Total financial liabilities	P664,700,516	P566,919,604	P585,909,158	P494,273,140

*Accrued interest and other expenses includes accrued interest payable and accrued other expenses payable (Note 19).

**Other liabilities exclude withholding taxes payable and retirement liabilities (Note 20).

5. FAIR VALUE MEASUREMENT

The Group has assets and liabilities in the consolidated 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 FVPL and AFS financial assets. Non-recurring fair value measurements are those that another PFRS requires or permits to be recognized in the balance sheet in particular circumstances. For example, PFRS 5 requires an entity to measure an asset held for sale at the lower of its carrying amount and fair value less costs to sell. Since the asset's fair value less costs to sell is only recognized in the balance sheet when it is lower than its carrying amount, that fair value measurement is non-recurring.

As of December 31, 2017 and 2016, 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:

	Consolidated			
	2017		2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
HTM financial assets (Note 9)				
Government bonds	P52,998,477	P51,488,294	P42,638,409	P40,492,328
Private bonds	12,287,790	12,110,870	14,766,391	14,581,086
Loans and receivables (Note 10)				
Corporate and commercial loans	365,117,654	349,880,762	315,140,091	294,494,449
Consumer loans	71,577,984	74,207,566	58,528,805	53,251,627
Trade-related loans	12,062,711	12,041,107	12,767,908	12,945,460
Others	212,593	196,307	390,496	309,048
Sales contracts receivable (Note 15)	918,147	1,060,191	893,084	876,406
Financial Liabilities				
Deposit liabilities (Note 17)	292,083,031	282,586,204	265,164,139	257,683,489
Bills payable (Note 18)	-	-	16,954,998	16,409,581

	Parent Company			
	2017		2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
HTM financial assets (Note 9)				
Government bonds	¥50,263,703	¥48,754,016	¥39,952,630	¥37,832,994
Private bonds	11,269,790	11,354,669	14,116,391	13,939,793
Loans and receivables (Note 10)				
Corporate and commercial loans	333,430,383	315,853,285	283,740,901	264,258,587
Consumer loans	42,556,905	41,952,821	34,149,927	29,357,086
Trade-related loans	10,513,204	10,417,129	11,110,851	11,289,013
Others	54,006	63,198	68,180	79,805
Sales contracts receivable (Note 15)	184,092	200,134	224,149	267,688
Financial Liabilities				
Deposit liabilities (Note 17)	240,712,750	236,777,045	215,924,029	207,506,093
Bills payable (Note 18)	—	—	16,954,998	16,409,581

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

Cash and other cash items, due from BSP and other banks, 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 for which no reliable basis for fair value measurement is available, these are carried at cost net of impairment, if any.

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 securities.

Derivative instruments (included under FVPL) - 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.

Bills payable - 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.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs that are not based on observable market data or unobservable inputs.

As of December 31, 2017 and 2016, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

	Consolidated			
	2017			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements^(a)				
Financial assets at FVPL				
Held-for-trading				
Government bonds	P5,792,345	P119,314	P–	P5,911,659
Treasury notes	1,413,940	479,252	–	1,893,192
Treasury bills	315,996	1,709,371	–	2,025,367
Private bonds	2,663,397	–	–	2,663,397
Financial assets designated at FVPL	3,411,686	–	–	3,411,686
Derivative assets	–	333,587	–	333,587
AFS financial assets				
Government bonds	25,761,577	9,467,927	–	35,229,504
Quoted private bonds	11,051,657	38,781	–	11,090,438
Quoted equity shares	67,903	–	–	67,903
	P50,478,501	P12,148,232	P–	P62,626,733
Financial liabilities at FVPL				
Derivative liabilities	P–	P267,533	P–	P267,533
	P–	P267,533	P–	P267,533
Fair values of assets carried at amortized cost/cost^(a)				
HTM financial assets				
Government bonds	P51,488,294	P–	P–	P51,488,294
Private bonds	12,110,870	–	–	12,110,870
Loans and receivables				
Corporate and commercial loans	–	–	349,880,762	349,880,762
Consumer loans	–	–	74,207,566	74,207,566
Trade-related loans	–	–	12,041,107	12,041,107
Others	–	–	196,307	196,307
Sales contracts receivable	–	–	1,060,191	1,060,191
Investment properties ^(b)				
Land	–	–	7,091,280	7,091,280
Buildings and improvements	–	–	2,406,887	2,406,887
	P63,599,164	P–	P446,884,100	P510,483,264
Fair values of liabilities carried at amortized cost^(a)				
Deposit liabilities	P–	P–	P625,596,566	P625,596,566
Bills payable	P–	P–	P19,825,796	P19,825,796
	P–	P–	P645,422,362	P645,422,362

(a) valued as of December 31, 2017

(b) valued at various dates in 2017 and 2016

	Consolidated			
	2016			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements^(a)				
Financial assets at FVPL				
Held-for-trading				
Government bonds	P2,322,038	P82,011	P–	P2,404,049
Treasury notes	307,455	724,220	–	1,031,675
Treasury bills papers	–	994,203	–	994,203
Private bonds	594,798	–	–	594,798
Financial assets designated at FVPL	2,462,886	–	–	2,462,886
Derivative assets	–	216,288	–	216,288
AFS financial assets				
Government bonds	21,822,016	–	–	21,822,016
Quoted private bonds	4,735,050	6,682,562	–	11,417,612
Quoted equity shares	80,947	–	–	80,947
	P32,325,190	P8,699,284	P–	P41,540,049
Financial liabilities at FVPL				
Derivative liabilities	P–	P243,198	P–	P243,198
	P–	P243,198	P–	P243,198
Fair values of assets carried at amortized cost/cost^(a)				
HTM financial assets				
Government bonds	P40,492,328	P–	P–	P40,492,328
Private bonds	14,581,086	–	–	14,581,086
Loans and receivables				
Corporate and commercial loans	–	–	294,494,449	294,494,449
Consumer loans	–	–	53,251,627	53,251,627
Trade-related loans	–	–	12,945,460	12,945,460
Others	–	–	309,048	309,048
Sales contracts receivable	–	–	876,406	876,406
Investment properties ^(b)				
Land	–	–	6,763,387	6,763,387
Buildings and improvements	–	–	2,221,151	2,221,151
	P55,073,414	P–	P370,861,528	P425,934,942
Fair values of liabilities carried at amortized cost^(a)				
Deposit liabilities	P–	P–	P534,102,368	P534,102,368
Bills payable	–	–	16,409,581	16,409,581
	P–	P–	P550,511,949	P550,511,949

(a) valued as of December 31, 2016

(b) valued at various dates in 2016 and 2015

	Parent Company			
	2017			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements^(a)				
Financial assets at FVPL				
Held-for-trading				
Government bonds	P5,757,518	P119,314	P–	P5,876,832
Treasury notes	1,313,369	479,252	–	1,792,621
Treasury bills	315,996	1,709,371	–	2,025,367
Private bonds	2,616,730	–	–	2,616,730
Financial assets designated at FVPL	3,411,686	–	–	3,411,686
Derivative assets	–	333,587	–	333,587
AFS financial assets				
Government bonds	22,905,417	9,467,927	–	32,373,344
Quoted private bonds	10,483,794	–	–	10,483,794
Quoted equity shares	67,903	–	–	67,903
	P46,872,413	P12,109,451	P–	P58,981,864
Financial liabilities at FVPL				
Derivative liabilities	P–	P267,533	P–	P267,533
	P–	P267,533	P–	P267,533
Fair values of assets carried at amortized cost/cost^(a)				
HTM financial assets				
Government bonds	P48,754,016	P–	P–	P48,754,016
Private bonds	11,354,669	–	–	11,354,669
Loans and receivables				
Corporate and commercial loans	–	–	315,853,285	315,853,285
Consumer loans	–	–	41,952,821	41,952,821
Trade-related loans	–	–	10,417,129	10,417,129
Others	–	–	63,198	63,198
Sales contracts receivable	–	–	200,134	200,134
Investment properties ^(b)				
Land	–	–	4,225,706	4,225,706
Buildings and improvements	–	–	970,099	970,099
	P60,108,685	P–	P373,682,372	P433,791,057
Fair values of liabilities carried at amortized cost				
Deposit liabilities	P–	P–	P549,154,172	P549,154,172
Bills payable	–	–	19,825,796	19,825,796
	P–	P–	P568,979,968	P568,979,968

(a) valued as of December 31, 2017

(b) valued at various dates in 2017 and 2016

	Parent Company			
	2016			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements^(a)				
Financial assets at FVPL				
Held-for-trading				
Government bonds	¥2,158,476	¥82,012	¥–	¥2,240,488
Treasury notes	–	724,219	–	724,219
Treasury bills	–	994,203	–	994,203
Private bonds	594,798	–	–	594,798
Financial assets designated at FVPL	2,462,886	–	–	2,462,886
Derivative assets	–	216,288	–	216,288
AFS financial assets				
Government bonds	20,561,662	–	–	20,561,662
Quoted private bonds	3,809,166	6,682,562	–	10,157,258
Quoted equity shares	80,947	–	–	80,947
	¥29,667,935	¥8,699,284	¥–	¥38,032,749
Financial liabilities at FVPL				
Derivative liabilities	¥–	¥243,198	¥–	¥243,198
	¥–	¥243,198	¥–	¥243,198
Fair values of assets carried at amortized cost/cost^(a)				
HTM financial assets				
Government bonds	¥37,832,994	¥–	¥–	¥37,832,994
Private bonds	13,939,793	–	–	13,939,793
Loans and receivables				
Corporate and commercial loans	–	–	264,258,587	264,258,587
Consumer loans	–	–	29,357,086	29,357,086
Trade-related loans	–	–	11,289,013	11,289,013
Others	–	–	79,805	79,805
Sales contracts receivable	–	–	267,688	267,688
Investment properties ^(b)				
Land	–	–	4,526,165	4,526,165
Buildings and improvements	–	–	1,074,228	1,074,228
	¥51,772,787	¥–	¥310,852,572	¥362,625,359
Fair values of liabilities carried at amortized cost				
Deposit liabilities	¥–	¥–	¥462,544,056	¥462,544,056
Bills payable	–	–	16,409,581	16,409,581
	¥–	¥–	¥478,953,637	¥478,953,637

(a) valued as of December 31, 2016

(b) valued at various dates in 2016 and 2015

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements in 2017 and 2016.

The inputs used in the fair value measurement based on Level 2 are as follows:

Government securities - interpolated rates based on market rates of benchmark securities as of reporting date.

Private bonds and commercial papers - quoted market price of comparable investments with credit risk premium that is insignificant to the entire fair value measurement.

Derivative assets and liabilities - fair values are calculated by reference to the prevailing interest differential and spot exchange rate as of the reporting date, taking into account the remaining term to maturity of the derivative assets and liabilities.

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair values of the Group's and Parent Company's investment properties have been determined by the appraisal method by independent external and in-house appraisers based on highest and best use of property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

The table below summarizes the valuation techniques used and the significant unobservable inputs valuation for each type of investment properties held by the Group and the Parent Company:

	Valuation Techniques	Significant Unobservable Inputs
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Land and Building	Market Data Approach and Cost Approach	Reproduction Cost New

Description of the valuation techniques and significant unobservable inputs used in the valuation of the Group and the Parent Company's investment properties are as follows:

Valuation Techniques

Market Data Approach A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.

Cost Approach It is an estimate of the investment required to duplicate the property in its present condition. It is reached by estimating the value of the building "as if new" and then deducting the depreciated cost. Fundamental to the Cost Approach is the estimate of Reproduction Cost New of the improvements.

Significant Unobservable Inputs

Reproduction Cost New The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.

Size Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.

Shape Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.

Location Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.

Time Element "An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.

Discount Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

Corner influence Bounded by two (2) roads.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 unavoidable 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 (i.e. interest rate risk, foreign currency risk and equity price 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 gravity of the risks, the magnitude of the financial instruments involved, and regulatory requirements are primary considerations to 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 process. 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 implementation of the risk management process which includes, among others, the development of various risk strategies and principles, control guidelines policies and procedures, implementation of risk measurement tools, monitoring of key risk indicators, and the imposition and monitoring of risk limits and thresholds. The ROC is composed of three members of the BOD, two of whom are independent directors.

The Risk Management Group (RMG) is the direct support of the ROC in the day-to-day risk management and the implementation of the risk management strategies approved by the ROC. 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 risk measurement and monitoring to make sure that the Parent Company, in its transactions and dealings, engages only in acceptable and manageable financial risks. The RMG also ensures that risk measurements are accurately and completely captured on a timely basis in the management reporting system of the Parent Company. The RMG regularly reports the results of the risk measurements to the ROC. The RMG is headed by the Chief Risk Officer (CRO).

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 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 and other members of the RMG report to the ROC and are a resource to the Management Committee (ManCom) on a monthly and a weekly basis, respectively. 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 key risk indicators were formulated on the basis of the financial risks faced by the Parent Company. The key risk 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) 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 single-name and sectoral concentration is included in the discussion with the ROC. On the other hand, the Chief Internal Auditor 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 in its 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 front line 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.

Based on the approved Operational Risk Assessment Program, RMG spearheaded the bankwide (all Head Office units and branches) risk identification and self-assessment process. This would enable determination of priority risk areas, assessment of mitigating controls in place, and institutionalization of additional measures to ensure a controlled operating environment. RMG was also mandated to maintain and update 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 Parent Company 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 2016 to a new version which include 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 Bank uses Historical Simulation VaR approach for all treasury traded instruments, including fixed income bonds, foreign exchange swaps and forwards, interest rate swaps and equity securities. Market risk exposures are measured and monitored through reports from the Market Risk Management System which has been implemented in 2016 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 commercial 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 5, 2017, the BOD approved the inclusion of cybersecurity as part of the priority risks related to Information Technology. This is in addition to the priority risks set in the 2009 Risk Self-assessment Survey and voting conducted among selected members of the BOD and Senior Management which were retained on the basis that there is no significant change in either the business model of the Bank or its ownership structure. In addition, the BOD also approved the changes in the trigger events for the review of Capital Ratios MAT and the retention of the methodology for the CET1 ratio limit and the Management Action Trigger (MAT) on capital ratios. There were no changes made in the approved trigger events for the review of Priority Risks.

The Parent Company submitted its annually updated ICAAP document, in compliance with BSP requirements on March 31, 2017. The document disclosed that the Parent Company has an appropriate level of internal capital relative to the Group's risk profile.

For the ICAAP document submitted on March 31, 2017, 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 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.

Credit Risk

Credit Risk and Concentration of Assets and Liabilities and Off-Balance Sheet Items

Credit risk is the risk of financial loss on account of a counterparty to a financial product failing to honor its obligation. The Group faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (i.e., investment securities issued by either sovereign or corporate entities) or enters into either market-traded or over-the-counter derivatives, through implied or actual contractual agreements (i.e., on or off-balance sheet exposures). The Group manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual credit or transaction).

The Group established risk limits and thresholds for purposes of monitoring and managing credit risk from individual counterparties and/or groups of counterparties, as well as industry divisions. It also conducts periodical assessment of the creditworthiness of its counterparties. In addition, the Group obtains collateral where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures.

In compliance with BSP requirements, the Group established an internal Credit Risk Rating System (CRRS) for the purpose of measuring credit risk for corporate borrowers in a consistent manner, as accurately as possible, and thereafter uses the risk information for business and financial decision making. The CRRS covers corporate borrowers with total assets, total facilities, or total credit exposures amounting to ₱15.00 million and above.

Further, the CRRS was designed within the technical requirements defined under BSP Circular No. 439. It has two components, namely: a) Borrower Risk Rating which provides an assessment of the creditworthiness of the borrower, without considering the proposed facility and security arrangements, and b) Loan Exposure Rating which provides an assessment of the proposed facilities as mitigated or enhanced by security arrangements. The CRRS rating scale consists of ten grades, six of which fall under unclassified accounts, with the remaining four falling under classified accounts in accordance with regulatory provisioning guidelines.

On March 5, 2014, the Parent Company approved the engagement of a third-party consultant, Moody's Analytics, for the quantitative and qualitative validation of the internal CRRS. The validation engagement was completed in December 2014 followed by the model recalibration, closing the project in December 2015.

Aside from the internal CRRS, the Parent Company launched in 2011 the Borrower Credit Score (BCS), a credit scoring system designed for retail small and medium entities and individual loan accounts. In 2016, RMG completed the statistical validation of the BCS using the same methodology applied to the validation of the corporate risk rating model. The validation process was conducted with the assistance of Teradata which provided the analytics platform, tools and technical guidance for both credit model performance assessment and recalibration.

Furthermore, RMG also developed a Sovereign Risk Rating Model, which provided the tool for the Bank to assess the strength of the country rated in reference to its economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events. The Model was approved by the Board on September 7, 2016.

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Parent Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Parent Company's policies and procedures include specific guidelines focusing on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The distribution of the Group's and Parent Company's assets and liabilities, and credit commitment items (Note 30) by geographic region as of December 31, 2017 and 2016 (in millions) follows:

	Consolidated					
	2017			2016		
	Assets	Liabilities	Commitment	Assets	Liabilities	Commitment
Geographic Region						
Philippines	₱711,801	₱651,283	₱58,135	₱557,597	₱549,944	₱56,813
Asia	8,530	3,850	20,151	8,065	13,200	3,629
Europe	5,442	2,952	5,431	3,608	1,050	808
United States	499	6,616	2,794	33,336	1,240	6,287
Others	3,603	–	4	9,911	1,486	14
	₱729,875	₱664,701	₱86,515	₱612,517	₱566,920	₱67,551
	Parent Company					
	2017			2016		
	Assets	Liabilities	Commitment	Assets	Liabilities	Commitment
Geographic Region						
Philippines	₱629,802	₱572,601	₱187,151	₱480,892	₱477,297	₱52,965
Asia	6,905	3,740	20,151	8,065	13,200	3,629
Europe	5,442	2,952	5,431	3,608	1,050	808
United States	405	6,616	2,794	33,242	1,240	6,287
Others	3,603	–	4	9,911	1,486	14
	₱646,157	₱585,909	₱215,531	₱535,718	₱494,273	₱63,703

Information on credit concentration as to industry of loans and receivables is presented in Note 10 to the financial statements.

Maximum exposure to credit risk

The tables below provide the analysis of the maximum exposure to credit risk of the Group and the Parent Company's financial instruments, excluding those where the carrying values as reflected in the balance sheets and related notes already represent the financial instrument's maximum exposure to credit risk, before and after taking into account collateral held or other credit enhancements:

Consolidated			
2017			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	P448,970,942	P237,847,050	P211,123,892
SPURA	18,751,845	1,865	18,749,980
Sales contracts receivable	894,843	–	894,843
	P468,617,630	P237,848,915	P230,768,715
Consolidated			
2016			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	P386,827,300	P209,916,716	P176,779,137
SPURA	3,451,543	343	3,451,200
Sales contracts receivable	893,084	–	893,084
	P391,171,927	P209,917,059	P181,123,421
Parent Company			
2017			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	P386,554,498	P229,957,505	P126,596,993
SPURA	17,347,522	2,000	17,345,522
Sales contracts receivable	184,091	–	184,091
	P404,086,111	P229,960,505	P144,216,606
Parent Company			
2016			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows			
Loans and receivables	P329,069,859	P189,224,249	P139,845,609
SPURA	2,958,465	341	2,958,124
Sales contracts receivable	224,149	–	224,149
	P332,252,473	P189,224,590	P143,027,882

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to P330.43 billion and P1.34 billion, respectively, as of December 31, 2017 and P250.62 billion and P1.60 billion, respectively, as of December 31, 2016.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to P294.54 billion and P1.04 billion, respectively, as of December 31, 2017 and P202.74 billion and P1.36 billion, respectively, as of December 31, 2016.

Credit risk, in respect of derivative financial products, is limited to those with positive fair values, which are included under financial assets at FVPL (Note 9). As a result, the maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts on the balance sheet plus commitments to customers such as unused commercial letters of credit, outstanding guarantees and others as disclosed in Note 30 to the financial statements.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented with regard to the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions - cash or securities
- For consumer lending - real estate and chattel over vehicle
- For corporate lending and commercial lending- real estate, chattel over properties, assignment of deposits, shares of stocks, bonds, and guarantees

Management requests additional collateral in accordance with the underlying agreement and takes into consideration the market value of collateral during its review of the adequacy of allowance for credit losses.

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In most cases, the Parent Company does not occupy repossessed properties for business use.

Credit quality per class of financial assets

The credit quality of financial assets is managed by the Group using an internal credit rating system for the purpose of measuring credit risk in a consistent manner as accurately as possible. The model on risk ratings is assessed regularly because the Group uses this information as a tool for business and financial decision making. Aside from the periodic review by the Bank's Internal Audit Group, the Bank likewise engaged the services of third-party consultants in 2014, 2015, and 2016 for purposes of conducting an independent validation of the credit risk rating model.

It is the Parent Company's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Parent Company's rating policy. The attributable risk ratings are assessed and monitored regularly. The standard credit rating equivalent grades are relevant only for certain exposures in each risk rating class.

The following table shows the description of the internal CRRS grade:

CRRS Grade	Description
1	Excellent
2	Strong
3	Good
4	Satisfactory
5	Acceptable
6	Watchlist
7	Especially Mentioned
8	Substandard
9	Doubtful
10	Loss

The credit grades are defined as follows:

Excellent - This category applies to a borrower with a very low probability of going into default in the coming year. The borrower has a high degree of stability, substance, and diversity. It has access to raise substantial amounts of funds through the public markets at any time. The borrower has a very strong debt service capacity and a conservative use of balance sheet leverage. The track record in profit terms is very good. The borrower is of highest quality under virtually all economic conditions.

Strong - This category applies to a borrower with a low probability of going into default in the coming year. The borrower normally has a comfortable degree of stability, substance, and diversity. Under normal market conditions, the borrower in this category has good access to public markets to raise funds. The borrower has a strong market and financial position with a history of successful performance. The overall debt service capacity as measured by cash flow to total debt service is deemed very strong; the critical balance sheet ratios (vis-à-vis industry) are conservative.

Good - This category covers the smaller corporations with limited access to public capital markets or access to alternative financial markets. This access is however limited to favorable economic and/or market conditions. Typical for this type of borrower is the combination of comfortable asset protection and acceptable balance sheet structure (vis-à-vis industry). The debt service capacity, as measured based on cash flows, is strong.

Satisfactory - This category represents the borrower where clear risk elements exist and the probability of default is somewhat greater. This probability is reflected in volatility of earnings and overall performance. The borrower in this category normally has limited access to public financial markets. The borrower should be able to withstand normal business cycles, but any prolonged unfavorable economic period would create deterioration beyond acceptable levels. Typical for this kind of borrower is the combination of reasonably sound asset and cash flow protection. The debt service capacity as measured by cash flow is deemed adequate. The borrower has reported profits for the past fiscal year and is expected to report a profit in the current year.

Acceptable - The risk elements for the Parent Company are sufficiently pronounced, although the borrower should still be able to withstand normal business cycles. Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels.

Watchlist - This category represents the borrower for which unfavorable industry or company-specific risk factors represent a concern. Operating performance and financial strength may be marginal and it is uncertain whether the borrower can attract alternative sources of financing. The borrower will find it very hard to cope with any significant economic downturn and a default in such a case is more than a possibility. It includes the borrower where the credit exposure is not a risk of loss at the moment, but the performance of the borrower has weakened, and unless present trends are reversed, could lead to losses.

Especially Mentioned - This category applies to the borrower that is characterized by a reasonable probability of default, manifested by some or all the following: (a) evidence of weakness in the borrower's financial condition or creditworthiness; (b) unacceptable risk is generated by potential or emerging weaknesses as far as asset protection and/or cash flow is concerned; (c) the borrower has reached a point where there is a real risk that the borrower's ability to pay the interest and repay the principal timely could be jeopardized; (d) the borrower is expected to have financial difficulties and exposure may be at risk. Closer account management attention is warranted.

Concerted efforts should be made to improve lender's position (e.g., demanding additional collateral or reduction of account exposure). These potential weaknesses, if left uncorrected or unmitigated, would affect the repayment of the loan and, thus, increase credit risk to the Parent Company.

Substandard - This category represents the borrower where one or more of the following factors apply: (a) the collection of principal or interest becomes questionable regardless of scheduled payment date, by reason of adverse developments on account of a financial, managerial, economic, or political nature, or by important weaknesses in cover; (b) the probability of default is assessed at up to 50%. Substandard loans are loans or portions thereof which appear to involve a substantial and unreasonable degree of risk to the Parent Company because of unfavorable record or unsatisfactory characteristics. There exists in such loans the possibility of future loss to the Parent Company unless given closer supervision.

Doubtful - This category includes the borrower with "non-performing loan" status or with any portion of interest and/or principal payment is in arrears for more than ninety (90) days. The borrower is unable or unwilling to service debt over an extended period of time and near future prospects of orderly debt service is doubtful. Doubtful loans are loans or portions thereof which have the weaknesses inherent in those classified as "Substandard", with the added characteristics that existing facts, conditions, and values make collection or liquidation in full highly improbable and in which substantial loss is probable.

Loss - This category represents the borrower whose prospect for re-establishment of creditworthiness and debt service is remote. It also applies where the Parent Company will take or has taken title to the assets of the borrower and is preparing a foreclosure and/or liquidation of the borrower's business. These are loans or portions thereof which are considered uncollectible or worthless and of such little value that their continuance as bankable assets is not warranted although the loans may have some recovery or salvage value.

The ratings of the borrowers covered by the BCS were mapped to the abovementioned CRRS grades in accordance with the approved guidelines by the BOD.

The Group's loans and receivables from customers were classified according to credit quality as follows:

Credit Quality Rating	Criteria
Neither Past Due Nor Impaired	
High	Loans with risk rating of 1 and 2
Standard	Loans with risk rating of 3 to 5
Sub-Standard	Generally, loans with risk rating of 6 to 8
Past Due and Impaired	
Past Due but not Impaired	Those that were classified as Past Due per BSP guidelines or those that are still in current status but have objective evidence of impairment; Generally, loans with risk rating of 9 to 10
Impaired	

The table below shows the Group's and the Parent Company's loans and receivables, excluding other receivables (gross of allowance for impairment and credit losses and unearned discounts) as of December 31, 2017 and 2016 (in millions) classified according to credit quality:

Consolidated							
2017							
Neither Past Due nor Impaired				Past Due But Not Impaired	Past Due and Impaired	Total	
High Grade	Standard Grade	Substandard Grade	Unrated*				
Corporate and commercial lending	P56,547	P222,688	P81,679	P1,654	P2,341	P4,235	P369,144
Consumer lending	28,208	6,650	4,088	31,631	3,149	134	73,860
Trade-related lending	2,397	8,117	1,671	–	37	28	12,250
Others	18	1	3	164	27	152	365
Total	P87,170	P237,456	P87,441	P33,448	P5,554	P4,549	P455,619

* Includes auto/housing loans to individuals and credit card exposures that have been subjected to application scorecards resulting in PASS or FAIL assessments instead of credit grades

Consolidated							
2016							
Neither Past Due nor Impaired				Past Due But Not Impaired	Past Due and Impaired	Total	
High Grade	Standard Grade	Substandard Grade	Unrated*				
Corporate and commercial lending	P51,949	P194,211	P63,431	P2,941	P1,051	P6,150	P319,733
Consumer lending	22,997	5,989	3,308	24,388	3,155	579	60,416
Trade-related lending	2,122	9,861	961	20	6	76	13,046
Others	317	1	–	212	5	8	543
Total	P77,385	P210,062	P67,700	P27,561	P4,217	P6,813	P393,738

* Includes auto/housing loans to individuals and credit card exposures that have been subjected to application scorecards resulting in PASS or FAIL assessments instead of credit grades

Parent Company							
2017							
Neither Past Due nor Impaired				Past Due But Not Impaired	Past Due and Impaired	Total	
High Grade	Standard Grade	Substandard Grade	Unrated*				
Corporate and commercial lending	P27,318	P222,621	P81,297	P1,654	P1,395	P2,867	P337,152
Consumer lending	16	6,538	4,083	31,631	1,636	133	44,037
Trade-related lending	835	8,118	1,670	–	37	28	10,688
Others	–	1	–	53	–	–	54
Total	P28,169	P237,278	P87,050	P33,338	P3,068	P3,028	P391,931

* Includes auto/housing loans to individuals and credit card exposures that have been subjected to application scorecards resulting in PASS or FAIL assessments instead of credit grades

	Parent Company						
	2016						
	Neither Past Due nor Impaired						
	High Grade	Standard Grade	Substandard Grade	Unrated*	Past Due But Not Impaired	Past Due and Impaired	Total
Corporate and commercial lending	P23,263	P194,185	P63,039	P2,942	P761	P3,932	P288,122
Consumer lending	10	5,968	3,308	24,388	1,157	578	35,409
Trade-related lending	453	9,861	961	20	6	76	11,377
Others	–	1	–	68	–	–	69
Total	P23,726	P210,015	P67,308	P27,418	P1,924	P4,586	P334,977

* Includes auto/housing loans to individuals and credit card exposures that have been subjected to application scorecards resulting in PASS or FAIL assessments instead of credit grades

Depository accounts with the BSP and counterparty banks, Trading and Investment Securities

For these financial assets, outstanding exposure is rated primarily based on external risk rating (i.e. Standard and Poor's (S&P), otherwise, rating is based on risk grades by a local rating agency or included under "Unrated", when the counterparty has no available risk grade.

The external risk rating of the Group's depository accounts with the BSP and counterparty banks, trading and investment securities, is grouped as follows:

Credit Quality Rating	External Credit Risk Rating	Credit Rating Agency
High grade	AAA, AA+, AA, AA-	S&P
	Aaa, Aa1, Aa2, Aa3	Moody's
	AAA, AA+, AA, AA-	Fitch
Standard grade	A+, A, A-, BBB+, BBB, BBB-	S&P
	A1, A2, A3, Baa1, Baa2, Baa3	Moody's
	A+, A, A-, BBB+, BBB, BBB-	Fitch
Substandard grade	BB+, BB, BB-, B/B+, CCC, R, SD & D	S&P
	Ba1, Ba2, Ba3, B1, B2, R, SD & D	Moody's
	BB+, BB, BB-, B/B+, CCC, R, SD & D	Fitch

Following is the credit rating scale applicable for foreign banks, and government securities (aligned with S&P ratings):

AAA - An obligor has extremely strong capacity to meet its financial commitments.

AA - An obligor has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors at a minimal degree.

A - An obligor has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB and below:

BBB - An obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

BB - An obligor is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

B - An obligor is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

CCC - An obligor is currently vulnerable and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments.

CC - An obligor is currently vulnerable. The rating is used when a default has not yet occurred, but expects default to be a virtual certainty, regardless of the anticipated time to default.

R - An obligor is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.

SD and D - An obligor is in default on one or more of its financial obligations including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms.

The tables below show the credit quality of deposits and investments as of December 31, 2017 and 2016 (in millions), based on external risk ratings (gross of allowance for credit losses).

Consolidated				
2017				
	High Grade	Standard Grade	Substandard Grade	Total
Due from BSP	P-	P98,490	P-	P98,490
Due from other banks	4,245	10,787	13	15,045
SPURA	-	18,752	-	18,752
Financial assets at FVPL	1,194	10,013	85	11,292
AFS financial assets	8,062	28,528	1,515	38,105
HTM financial assets	320	57,917	1,416	59,653
	P13,821	P224,487	P3,029	P241,337

Consolidated				
2016				
	High Grade	Standard Grade	Substandard Grade	Total
Due from BSP	P-	P91,964	P-	P91,964
Due from other banks	1,527	6,569	875	8,971
SPURA	-	3,452	-	3,452
Financial assets at FVPL	36	4,622	237	4,895
AFS financial assets	10,119	13,970	1,593	25,682
HTM financial assets	318	48,513	3,056	51,887
	P12,000	P169,090	P5,761	P186,851

Parent Company				
2017				
	High Grade	Standard Grade	Substandard Grade	Total
Due from BSP	P-	P91,717	P-	P91,717
Due from other banks	4,124	9,921	13	14,058
SPURA	-	17,348	-	17,348
Financial assets at FVPL	1,194	9,877	85	11,156
AFS financial assets	8,062	25,672	1,485	35,219
HTM financial assets	320	55,182	1,166	56,668
	P13,700	P209,717	P2,749	P226,166

Parent Company				
2016				
	High Grade	Standard Grade	Substandard Grade	Total
Due from BSP	P-	P85,307	P-	P85,307
Due from other banks	1,527	6,394	1,624	9,545
SPURA	-	2,958	-	2,958
Financial assets at FVPL	36	4,151	237	4,424
AFS financial assets	10,117	11,614	1,592	23,323
HTM financial assets	319	45,177	3,056	48,552
	P11,999	P155,601	P6,509	P174,109

Due from other banks and government securities

The external risk rating of the Group's depository accounts with counterparty banks, trading and investment securities, is grouped as follows (aligned with the Philippine Ratings System):

Credit Quality Rating	External Credit Risk Rating
High grade	PRSAAA, PRSAA+, PRSAA, PRSAA-
Standard grade	PRSA+, PRSA, PRSA-, PRSBaa+, PRSBaa, PRSBaa-
Substandard grade	PRSBa+, PRSBa, PRSBa-, PRSB+, PRSB, PRSB-, PRSCaa+, PRSCaa, PRSCaa-, PRSCa+, PRSCa, PRSCa-, PRSC+, PRSC, PRSC-

PRSAAA - The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

PRSAA - The obligor's capacity to meet its financial commitment on the obligation is very strong.

PRSA - With favorable investment attributes and are considered as upper-medium grade obligations. Although obligations rated 'PRSA' are somewhat more susceptible to the adverse effects of changes in economic conditions, the obligor's capacity to meet its financial commitments on the obligation is still strong.

PRSBaa - An obligation rated 'PRSBaa' exhibits adequate protection parameters. However, adverse economic conditions and changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. PRSBaa-rated issues may possess certain speculative characteristics.

PRSBa - An obligation rated 'PRSBa' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties relating to business, financial or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

PRSB - An obligation rated 'PRSB' is more vulnerable to nonpayment than obligations rated 'PRSBa', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse economic conditions will likely impair the obligor's capacity to meet its financial commitment on the obligation. The issue is characterized by high credit risk.

PRSCaa - An obligation rated 'PRSCaa' is presently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation. The issue is considered to be of poor standing and is subject to very high credit risk.

PRSCa - An obligation rated "PRSCa" is presently highly vulnerable to nonpayment. Likely already in or very near default with some prospect for partial recovery of principal or interest.

PRSC - An obligation is already in default with very little prospect for any recovery of principal or interest.

The tables below show the credit quality of deposits and investments, by class, as of December 31, 2017 and 2016 (in millions), based on risk grades of a local rating agency (gross of allowance for credit losses).

Consolidated				
2017				
	High Grade	Standard Grade	Substandard Grade	Total
Due from other banks	P308	P-	P-	P308
Financial assets at FVPL	652	P-	-	652
AFS financial assets	3,011	P-	-	3,011
HTM financial assets	1,078	P-	-	1,078
Total	P5,049	P-	P-	P5,049

Consolidated				
2016				
	High Grade	Standard Grade	Substandard Grade	Total
Due from other banks	P145	P-	P-	P145
Financial assets at FVPL	487	P-	-	487
AFS financial assets	1,470	P-	-	1,470
HTM financial assets	534	P-	-	534
Total	P2,636	P-	P-	P2,636

Parent Company				
2017				
	High Grade	Standard Grade	Substandard Grade	Total
Financial assets at FVPL	P652	P–	P–	P652
AFS financial assets	2,636	–	–	2,636
HTM financial assets	610	–	–	610
Total	P3,898	P–	P–	P3,898

Parent Company				
2016				
	High Grade	Standard Grade	Substandard Grade	Total
Due from other banks	P144	P–	P–	P144
Financial assets at FVPL	487	–	–	487
AFS financial assets	1,435	–	–	1,435
HTM financial assets	534	–	–	534
Total	P2,600	P–	P–	P2,600

The table below shows the breakdown of unrated deposits and investments (gross of allowance for credit losses) as of December 31, 2017 and 2016 (in millions):

	Consolidated		Parent Company	
	2017	2016	2017	2016
Due from other banks	P287	P2,216	P9	P–
Financial assets at FVPL	4,295	2,322	4,248	2,322
AFS financial assets	5,368	6,760	5,089	6,402
HTM financial assets	4,556	4,983	4,256	4,983
Other assets*	4,413	5,652	2,136	3,605
Total	P18,919	P21,933	P15,738	P17,312

*Other assets include accounts receivables, sales contract receivable, RCOI and miscellaneous financial assets (Note 15).

The tables below show the aging analysis of gross past due but not impaired loans and receivables that the Group and Parent Company held as of December 31, 2017 and 2016 (in millions). Under PFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due.

	Consolidated				
	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total
December 31, 2017					
Loans and receivables					
Corporate and commercial lending	P919	P186	P296	P940	P2,341
Consumer lending	120	148	366	2,515	3,149
Trade-related lending	5	2	30	–	37
Others	–	–	–	27	27
Total	P1,044	P336	P692	P3,482	P5,554

	Consolidated				
	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	Total
December 31, 2016					
Loans and receivables					
Corporate and commercial lending	P567	P70	P86	P328	P1051
Consumer lending	296	113	317	2,429	3,155
Trade-related lending	–	–	–	6	6
Others	–	–	–	5	5
Total	P863	P183	P403	P2,768	P4,217

December 31, 2017	Parent Company				Total
	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	
Loans and receivables					
Corporate and commercial lending	P872	P122	P211	P189	P1,394
Consumer lending	105	127	196	1,208	1,636
Trade-related lending	6	2	30	–	38
Total	P983	P251	P437	P1,398	P3,068

December 31, 2016	Parent Company				Total
	Less than 30 days	31 to 60 days	61 to 90 days	More than 91 days	
Loans and receivables					
Corporate and commercial lending	P530	P69	P71	P91	P761
Consumer lending	213	56	204	684	1,157
Trade-related lending	–	–	–	6	6
Total	P743	P125	P275	P781	P1,924

The following table presents the carrying amount of financial assets of the Group and Parent Company as of December 31, 2017 and 2016 that would have been considered past due or impaired if not renegotiated:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Loans and advances to customers				
Corporate and commercial lending	P807,247	P773,888	P224,743	P358,760
Consumer lending	42,487	14,669	37,587	9,777
Total renegotiated financial assets	P849,734	P788,557	P262,330	P368,537

Impairment assessment

The main considerations for the loan impairment assessment include whether any payment of principal or interest is overdue by more than 90 days, or there are known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. The Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

Individually assessed allowances

The Group determines the allowances appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the realizable value of collateral, and the timing of the expected cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Collectively assessed allowances

Allowances are assessed collectively for losses on loans and advances that are not individually significant (including residential mortgages and unsecured consumer lending) and for individually significant loans and advances where there is no objective evidence of individual impairment yet. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

The collective assessment takes account of impairment that is likely to be present in the portfolio even though there is no objective evidence of the impairment yet per an individual assessment. Impairment losses are estimated by taking into consideration the following information: historical losses on the portfolio, current economic conditions, the approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance, and expected receipts and recoveries once impaired.

Management is responsible for deciding the length of this period which can extend for as long as one year. The impairment allowance is then reviewed by credit management to ensure alignment with the Group's overall policy.

Credit Review

In accordance with BSP Circular 855, credit reviews are conducted on loan accounts to evaluate whether loans are granted in accordance with the Bank's policies, to assess loan quality and appropriateness of classification and adequacy of loan loss provisioning. Results of credit reviews are promptly reported to management to apprise them of any significant findings for proper corrective actions.

Market Risk

Market risk is the risk of loss that may result from changes in the value of a financial product. The Parent Company's market risk originates from its holdings of domestic and foreign-denominated debt securities, foreign exchange instruments, equities, foreign exchange derivatives and interest rate derivatives.

The RMG of the Parent Company is responsible for assisting the ROC with its responsibility for identifying, measuring, managing and controlling market risk. Market risk management measures the Parent Company market risk exposures through the use of VaR. VaR is a statistical measure that estimates the maximum potential loss from a portfolio over a holding period, within a given confidence level.

VaR assumptions

The Parent Company calculates the Bankwide VaR in certain trading activities. The Parent Company uses the Historical Simulation Full Valuation approach to measure VaR for all treasury traded instruments, using a 99.00% confidence level and a 1-day holding period.

The use of a 99.00% confidence level means that, within a one day horizon, losses exceeding the VaR figure should occur, on average, not more than once every hundred days. The validity of the VaR model is verified through back testing, which examines how frequently actual and hypothetical daily losses exceeds daily VaR. The Parent Company measures and monitors the VaR and profit and loss on a daily basis.

Since VaR is an integral part of the Parent Company's market risk management, VaR limits have been established for all trading positions and exposures are reviewed daily against the limits by management. Further, stress testing is performed for monitoring extreme events.

Limitations of the VaR Methodology

The VaR models are designed to measure market risk in a normal market environment using equally weighted historical data. The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow the same distribution. Due to the fact that VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the assumptions. VaR may also be under- or over-estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99.00% confidence level.

In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Group would withstand an extreme market event.

A summary of the VaR position of the trading portfolio of the Parent Company is as follows:

	Interest Rate ¹	Foreign Exchange ²	Equity ³	Interest Rate ⁴	Interest Rate ⁵
	(In Millions)				
2017					
31 December	¥120.05	¥7.78	¥45.24	¥4.00	¥1.76
Average daily	82.27	28.20	23.34	3.78	5.29
Highest	146.71	73.74	46.21	6.97	9.21
Lowest	37.58	2.99	3.43	1.44	1.48
2016					
31 December	¥44.79	¥24.31	¥11.70	¥6.17	¥8.95
Average daily	52.60	7.79	18.43	3.72	1.82
Highest	109.59	29.59	53.39	10.12	9.17
Lowest	16.00	1.30	0.01	0.77	0.55

¹ Interest rate VaR for debt securities (Interest rate VaR for foreign currency denominated debt securities are translated to PHP using daily closing rate)

² FX VaR is the bankwide foreign exchange risk

³ Price VaR for equity securities

⁴ Interest rate VaR for FX swaps and FX forwards

⁵ Interest rate VaR for IRS

Interest Rate Risk

The Group's interest rate risk originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. The Parent Company follows prudent policies in managing its exposures to interest rate fluctuations, and constantly monitors its assets and liabilities.

As of December 31, 2017 and 2016, 64.76% and 51.89% of the Group's total loan portfolio, respectively, comprised of floating rate loans which are repriced periodically by reference to the transfer pool rate which reflects the Group's internal cost of funds. In keeping with banking industry practice, the Group aims to achieve stability and lengthen the term structure of its deposit base, while providing adequate liquidity to cover transactional banking requirements of customers.

Interest is paid on demand accounts, which constituted 24.29% and 24.98% of total deposits of the Parent Company as of December 31, 2017 and 2016, respectively.

Interest is paid on savings accounts and time deposits accounts, which constitute 29.72% and 45.99%, respectively, of total deposits of the Parent Company as of December 31, 2017, and 26.06% and 48.96%, respectively, as of December 31, 2016.

Savings account interest rates are set by reference to prevailing market rates, while interest rates on time deposits and special savings accounts are usually priced by reference to prevailing rates of short-term government bonds and other money market instruments, or, in the case of foreign currency deposits, inter-bank deposit rates and other benchmark deposit rates in international money markets with similar maturities.

The Group is likewise exposed to fair value interest rate risk due to its holdings of fixed rate government bonds as part of its AFS and FVPL portfolios. Market values of these investments are sensitive to fluctuations in interest rates.

The following table provides for the average effective interest rates of the Group and of the Parent Company as of December 31, 2017 and 2016:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Peso				
Assets				
Due from BSP	0.13%	0.39%	0.13%	0.30%
Due from banks	0.24%	0.24%	0.19%	0.22%
Investment securities*	4.21%	4.00%	4.10%	3.95%
Loans and receivables	5.53%	5.65%	5.22%	5.34%
Liabilities				
Deposit liabilities	1.15%	1.01%	1.04%	0.85%
Bills payable	2.99%	7.86%	2.99%	7.86%
USD				
Assets				
Due from banks	0.17%	0.11%	0.16%	0.08%
Investment securities*	3.60%	4.36%	3.61%	4.90%
Loans and receivables	3.40%	3.56%	3.40%	3.48%
Liabilities				
Deposit liabilities	1.13%	1.23%	1.12%	1.24%
Bills payable	1.94%	1.94%	1.94%	1.91%

* Consisting of financial assets at FVPL, AFS financial assets and HTM financial assets.

The asset-liability gap analysis method is used by the Group to measure the sensitivity of its assets and liabilities to interest rate fluctuations. This analysis measures the Group's susceptibility to changes in interest rates. The repricing gap is calculated by first distributing the assets and liabilities contained in the Group's balance sheet into tenor buckets according to the time remaining to the next repricing date (or the time remaining to maturity if there is no repricing), and then obtaining the difference between the total of the repricing (interest rate sensitive) assets and the total of repricing (interest rate sensitive) liabilities.

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities.

Accordingly, during a period of rising interest rates, a bank with a positive gap would be in a position to invest in higher yielding assets earlier than it would need to refinance its interest rate sensitive liabilities. During a period of falling interest rates, a bank with a positive gap would tend to see its interest rate sensitive assets repricing earlier than its interest rate sensitive liabilities, restraining the growth of its net income or resulting in a decline in net interest income.

The following tables set forth the repricing gap position of the Group and Parent Company as of December 31, 2017 and 2016 (in millions):

	Consolidated			
	2017			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets				
Due from BSP	P98,490	P–	P–	P98,490
Due from other banks	15,641	–	–	15,641
Investment securities	9,702	471	117,797	127,970
Loans and receivables	243,419	32,312	173,240	448,971
Total financial assets	367,252	32,783	291,037	691,072
Financial Liabilities				
Deposit liabilities	256,633	14,206	364,254	635,093
Bills payable	20,118	–	–	20,118
Total financial liabilities	276,751	14,206	364,254	655,211
Repricing gap	P90,501	P18,577	(P73,217)	P35,861

	Consolidated			
	2016			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets				
Due from BSP	P91,964	P–	P–	P91,964
Due from other banks	11,332	–	–	11,332
Investment securities	11,216	77	87,689	98,982
Loans and receivables	195,911	38,156	152,760	386,827
Total financial assets	310,423	38,233	240,449	589,105
Financial Liabilities				
Deposit liabilities	236,806	15,099	289,678	541,583
Bills payable	13,685	2,718	552	16,955
Total financial liabilities	250,491	17,817	290,230	558,538
Repricing gap	P59,932	P20,416	(P49,781)	P30,567

	Parent Company			
	2017			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets				
Due from BSP	P91,717	P–	P–	P91,717
Due from other banks	14,067	–	–	14,067
Investment securities	7,364	466	112,697	120,527
Loans and receivables	218,899	23,005	144,651	386,555
Total financial assets	332,047	23,471	257,348	612,866
Financial Liabilities				
Deposit liabilities	215,735	12,112	331,389	559,236
Bills payable	20,118	–	–	20,118
Total financial liabilities	235,853	12,112	331,389	579,354
Repricing gap	P96,194	P11,359	(P74,042)	P33,512

	Parent Company 2016			Total
	Up to 3 Months	>3 to 12 Months	>12 Months	
Financial Assets				
Due from BSP	₱85,307	₱–	₱–	₱85,307
Due from other banks	9,689	–	–	9,689
Investment securities	9,678	–	82,778	92,456
Loans and receivables	179,102	26,169	123,799	329,070
Total financial assets	283,776	26,169	206,577	516,522
Financial Liabilities				
Deposit liabilities	199,467	12,083	259,412	470,962
Bills payable	13,685	2,718	552	16,955
Total financial liabilities	213,152	14,801	259,964	487,917
Repricing gap	₱70,624	₱11,368	(₱53,387)	₱28,605

The Group also monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its interest income. This is done by modeling the impact to the Group's interest income and interest expenses to parallel changes in the interest rate curve in a given 12-month period.

The following tables set forth the estimated change in the Group's and Parent Company's annualized net interest income due to a parallel change in the interest rate curve as of December 31, 2017 and 2016:

	Consolidated			
	2017			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱1,046	₱523	(₱523)	(₱1,046)
As a percentage of the Group's net interest income for the year ended December 31, 2017	5.33%	2.66%	(2.66%)	(5.33%)
	Consolidated			
	2016			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱752	₱376	(₱376)	(₱752)
As a percentage of the Group's net interest income for the year ended December 31, 2016	4.50%	2.25%	(2.25%)	(4.50%)
	Parent Company			
	2017			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱1,049	₱525	(₱525)	(₱1,049)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2017	6.46%	3.23%	(3.23%)	(6.46%)
	Parent Company			
	2016			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱791	₱396	(₱396)	(₱791)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2016	5.75%	2.88%	(2.88%)	(5.75%)

The following tables set forth the estimated change in the Group's and Parent Company's income before tax and equity due to a reasonably possible change in the market prices of quoted bonds classified under financial assets at FVPL and AFS financial assets, brought about by movement in the interest rate curve as of December 31, 2017 and 2016 (in millions):

Consolidated				
2017				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P146)	(P58)	P58	P146
Change in equity	(637)	(255)	255	637
Consolidated				
2016				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P47)	(P19)	P19	P47
Change in equity	(377)	(151)	151	377
Parent Company				
2017				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P145)	(P58)	P58	P145
Change in equity	(600)	(240)	240	600
Parent Company				
2016				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P40)	(P16)	P16	P40
Change in equity	(339)	(136)	136	339

Foreign Currency Risk

The Group's foreign exchange risk originates from its holdings of foreign currency-denominated assets (foreign exchange assets) and foreign currency-denominated liabilities (foreign exchange liabilities).

Foreign exchange liabilities generally consist of foreign currency-denominated deposits in the Group's FCDU account made in the Philippines or generated from remittances to the Philippines by persons overseas who retain for their own benefit or for the benefit of a third party, foreign currency deposit accounts with the Group.

Foreign currency liabilities are generally used to fund the Group's foreign exchange assets which generally consist of foreign currency-denominated loans and investments in the FCDU. Banks are required by the BSP to match the foreign currency-denominated assets with liabilities held in the FCDU that are denominated in the same foreign currency. In addition, the BSP requires a 30.00% liquidity reserve on all foreign currency-denominated liabilities held in the FCDU.

The Group's policy is to maintain foreign currency exposure within existing regulations, and within acceptable risk limits. The Group believes in ensuring its foreign currency is at all times within limits prescribed for financial institutions who are engaged in the same types of businesses in which the Group and its subsidiaries are engaged.

The table below summarizes the Group's and Parent Company's exposure to foreign exchange risk. Included in the table are the Group's and Parent Company's assets and liabilities at carrying amounts (stated in US Dollars), categorized by currency:

	Consolidated							
	2017				2016			
	USD	Other Currencies	Total	PHP	USD	Other Currencies	Total	PHP
Assets								
Cash and other cash items	\$2,447	\$3,173	\$5,620	₱1,101,805	\$15,366	\$2,781	\$18,147	₱896,335
Due from other banks	64,664	15,524	80,188	12,250,862	141,279	8,623	150,352	7,422,444
Financial assets at FVPL	60,427	–	60,427	11,237,326	95,587	7	95,594	4,752,967
AFS financial assets	71,057	6,324	77,381	24,952,423	460,901	–	460,901	22,859,924
HTM financial assets	31,952	9,791	41,743	36,580,224	702,957	8,560	711,517	35,252,391
Loans and receivables	30,809	7,385	38,194	41,199,173	658,657	913	659,570	32,771,104
Accrued interest receivable	992	133	1,125	1,151,126	18,691	55	18,746	929,765
Other assets	24,851	2	24,853	1,770,016	38,175	7	38,182	1,898,142
	287,199	42,332	329,531	130,242,955	2,132,064	20,941	2,153,011	106,783,072
Liabilities								
Deposit liabilities	59,445	36,388	95,833	108,853,092	\$1,631,011	\$18,875	\$1,649,886	81,835,829
Bills payables	128,720	132,510	261,230	20,118,031	341,865	–	341,865	16,997,522
Accrued interest and other expenses	512	7	519	242,686	2,897	2	2,899	143,929
Other liabilities	11,317	877	12,194	2,007,057	60,462	840	61,302	2,981,638
	199,994	169,782	369,776	131,220,866	2,036,235	19,717	2,055,952	101,958,918
Currency spot	(8,054)	–	(8,054)	(402,136)	(3,027)	51	(2,976)	(148,562)
Currency forwards	(59,709)	136,301	76,591	3,526,925	(59,371)	10,790	(48,581)	(2,414,102)
Net Exposure	\$19,442	\$8,851	\$28,292	₱2,146,878	\$32,980	\$12,070	\$45,050	₱2,261,490

	Parent Company							
	2017				2016			
	USD	Other Currencies	Total	PHP	USD	Other Currencies	Total	PHP
Assets								
Cash and other cash items	\$250	\$3,173	\$3,423	₱992,120	\$13,224	\$2,781	\$16,005	₱795,534
Due from other banks	56,536	15,524	72,060	11,845,037	121,834	8,62	130,457	6,486,192
Financial assets at FVPL	59,729	–	59,729	11,202,500	95,587	7	95,594	4,752,967
AFS financial assets	49,997	6,324	56,321	23,900,888	439,821	–	439,821	21,867,906
HTM financial assets	–	9,791	9,791	34,984,879	670,955	8,560	679,515	33,746,382
Loans and receivables	23,323	7,385	30,708	40,825,401	650,077	913	650,990	32,367,332
Accrued interest receivable	96	133	229	1,106,380	17,827	55	17,882	889,109
Other assets	24,790	2	24,792	1,766,967	38,098	7	38,105	1,894,483
	214,721	42,332	257,053	126,624,172	2,047,423	20,946	2,068,370	102,799,905
Liabilities								
Deposit liabilities	501	36,388	36,889	105,910,018	1,557,612	18,875	1,576,487	78,381,671
Bills payables	128,720	132,510	261,230	20,118,031	341,865	–	341,865	16,997,522
Accrued interest and other expenses	418	7	425	238,020	2,825	2	2,827	140,518
Other liabilities	9,050	877	9,927	1,893,891	54,153	840	54,993	2,684,710
	138,689	169,782	308,471	128,159,960	1,956,455	19,717	1,976,172	98,204,421
Currency spot	(8,054)	–	(8,054)	(402,136)	(3,027)	51	(2,976)	(148,562)
Currency forwards	(59,709)	136,301	76,591	3,526,925	(59,371)	10,790	(48,581)	(2,414,102)
Net Exposure	\$8,269	\$8,851	\$17,119	₱1,589,001	\$28,570	\$12,070	\$40,640	₱2,032,020

The following table sets forth, for the period indicated, the impact of the range of reasonably possible changes in the US\$ exchange rate and other currencies per Philippine peso on the pre-tax income and equity (in millions).

	Consolidated		
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity
2017			
USD	2%	134	595
Other	1%	3	3
USD	(2%)	(134)	(595)
Other	(1%)	(3)	(3)
2016			
USD	2%	54	164
Other	1%	—	—
USD	(2%)	(54)	(164)
Other	(1%)	—	—
	Parent Company		
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity
2017			
USD	2%	133	573
Other	1%	3	3
USD	(2%)	(133)	(573)
Other	(1%)	(3)	(3)
2016			
USD	2%	51	143
Other	1%	—	—
USD	(2%)	(51)	(143)
Other	(1%)	—	—

The impact in pre-tax income and equity is due to the effect of foreign currency behaviour to Philippine peso.

Equity Price Risk

Equity price risk is the risk that the fair values of equities change as a result of movements in both the level of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio.

The effect on the Group and Parent Company's equity as a result of a change in the fair value of equity instruments held as AFS due to a reasonably possible change in equity indices, with all other variables held constant, is as follows (in millions):

	Consolidated	
	Change in equity index	Effect on Equity
2017	+10%	10.5
	-10%	4.1
2016	+10%	19.8
	-10%	12.1

	Parent Company	
	Change in equity index	Effect on Equity
2017	+10%	10.5
	-10%	4.1
2016	+10%	19.8
	-10%	12.1

Liquidity Risk and Funding Management

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Parent Company's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The Parent Company's liquidity management involves maintaining funding capacity to accommodate fluctuations in asset and liability levels due to changes in the Parent Company's business operations or unanticipated events created by customer behavior or capital market conditions. The Parent Company seeks to ensure liquidity through a combination of active management of liabilities, a liquid asset portfolio composed of deposits reserves and high quality securities, the securing of money market lines, and the maintenance of repurchase facilities to address any unexpected liquidity situations.

The tables below show the maturity profile of the Parent Company's assets and liabilities, based on contractual undiscounted cash flows (in millions):

	December 31, 2017					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	P11,160	P–	P–	P–	P–	P11,160
Due from BSP	91,717	–	–	–	–	91,717
Due from other banks	14,067	–	–	–	–	14,067
SPURA	–	17,348	–	–	–	17,348
Financial assets at FVPL	–	2,673	844	760	14,001	18,278
AFS financial assets	–	8,360	4,802	4,786	35,082	53,030
Loans and receivables	–	149,393	23,651	25,443	268,251	466,738
	106,944	177,774	29,297	30,989	317,334	672,338
Financial Liabilities						
Deposit liabilities						
Demand	138,930	–	–	–	–	138,930
Savings	179,593	–	–	–	–	179,593
Time	–	235,825	799	5,012	348	241,984
Bills payable	–	20,177	–	–	–	20,177
Manager’s checks	–	1,709	–	–	–	1,709
Accrued interest and other expenses	–	1,062	–	–	–	1,062
Derivative liabilities	–	268	–	–	–	268
Other liabilities:						
Accounts payable	–	1,828	–	–	–	1,828
Acceptances payable	–	470	–	–	–	470
Due to PDIC	–	532	–	–	–	532
Margin deposits	–	3	–	–	–	3
Other credits - dormant	–	214	–	–	–	214
Due to the Treasurer of the Philippines	–	34	–	–	–	34
Miscellaneous	–	510	–	–	–	510
Total liabilities	318,523	262,632	799	5,012	348	587,314
Net Position	(P211,580)	(P84,858)	P28,498	P25,977	P317,398	P85,186

	December 31, 2016					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	P10,581	P–	P–	P–	P–	P10,581
Due from BSP	85,307	–	–	–	–	85,307
Due from other banks	9,689	–	–	–	–	9,689
SPURA	–	2,958	–	–	–	2,958
Financial assets at FVPL	–	583	326	1,484	5,400	7,793
AFS financial assets	–	12,192	1,676	3,705	19,709	37,282
Loans and receivables	–	141,925	17,948	21,115	195,228	376,216
	105,577	157,658	19,950	26,304	220,337	529,826
Financial Liabilities						
Deposit liabilities						
Demand	122,266	–	–	–	–	122,266
Savings	132,772	–	–	–	–	132,772
Time	–	211,755	3,440	724	962	216,881
Bills payable	–	9,236	7,813	–	–	17,049
Manager’s checks	–	1,446	–	–	–	1,446
Accrued interest and other expenses	–	578	–	–	–	758
Derivative liabilities	–	243	–	–	–	243
Other liabilities:	–	–	–	–	–	–
Accounts payable	–	1,731	–	–	–	1,731
Acceptances payable	–	1,172	–	–	–	1,172
Due to PDIC	–	428	–	–	–	428
Margin deposits	–	2	–	–	–	2
Other credits - dormant	–	304	–	–	–	304
Due to the Treasurer of the Philippines	–	24	–	–	–	24
Miscellaneous	–	429	–	–	–	289
Total liabilities	255,038	227,348	11,253	724	962	495,325
Net Position	(P149,461)	(P69,690)	P8,697	P25,580	P219,375	P34,501

Liquidity risk is monitored and controlled primarily by a gap analysis of maturities of relevant assets and liabilities reflected in the MCO report, as well as an analysis of available liquid assets. Instead of relying solely on contractual maturities profile, the Parent Company uses Behavioral MCO to capture a going concern view. Furthermore, internal liquidity ratios and monitoring of large funds providers have been set to determine sufficiency of liquid assets over deposit liabilities. In 2016, the Bank started submitting quarterly Liquidity Coverage Ratio as prescribed by the BSP for a 2 year observation period. Liquidity is managed by the Parent and subsidiaries on a daily basis, while scenario stress tests are conducted periodically.

7. DUE FROM BSP AND OTHER BANKS

Due from BSP

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Demand deposit account	P95,790,000	P84,480,394	P89,017,023	P78,773,027
Special deposit account	2,700,000	7,450,000	2,700,000	6,500,000
Others	14	34,101	14	34,101
	P98,490,014	P91,964,495	P91,717,037	P85,307,128

Due from Other Banks

This comprises of deposit accounts with:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Local banks	P6,600,456	P6,296,727	P6,479,014	P4,747,467
Foreign banks	9,041,020	5,035,509	7,587,605	4,941,698
	P15,641,476	P11,332,236	14,066,620	P9,689,165

Interest Income on Due from BSP and Other Banks

This account consists of:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Due from BSP	P213,879	P266,204	P209,395	P112,851	P246,888	P161,994
Due from other banks	138,850	221,843	95,399	50,296	115,528	20,657
	P352,729	P488,047	P304,794	P163,147	P362,416	P182,651

8. SECURITIES PURCHASED UNDER RESALE AGREEMENT

This account represents overnight placements with the BSP where the underlying securities cannot be sold or repledged to parties other than the BSP.

In 2017, 2016 and 2015, the interest rates of SPURA equals to 3.50%, 2.90%, and range from 0.01% to 2.20%, respectively, for the Group and Parent Company.

9. TRADING AND INVESTMENT SECURITIES

Financial Assets at FVPL

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Held for trading				
Government bonds (Note 28)	P5,911,659	P2,404,049	P5,876,832	P2,240,488
Treasury notes	1,893,192	1,031,675	1,792,621	724,219
Treasury bills	2,025,367	994,203	2,025,367	994,203
Private bonds	2,663,397	594,798	2,616,730	594,798
	12,493,615	5,024,725	12,311,550	4,553,708
Financial assets designated at FVPL	3,411,686	2,462,886	3,411,686	2,462,886
Derivative assets (Note 25)	333,587	216,288	333,587	216,288
Total	P16,238,888	P7,703,899	P16,056,823	P7,232,882

Financial assets designated at FVPL of the Parent Company consist of investments in shares of stocks which contain multiple embedded derivatives which are deemed not clearly and closely related to its equity host. In this regard, PAS 39 provides that if a contract contains one or more embedded derivatives, an entity may designate the entire hybrid contract at FVPL unless the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract, or it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative is prohibited. On this basis, management has determined that the investments shall be designated as at FVPL.

Dividends earned by the Parent Company from its investment in shares designated at FVPL amounted to P82.83 million, P182.13 million, and P247.10 million in 2017, 2016 and 2015, respectively (Note 21).

As of December 31, 2017 and 2016, HFT securities include fair value loss of P65.56 million and P63.97 million, respectively, for the Group, and fair value loss of P69.22 million and P51.06 million, respectively, for the Parent Company.

Effective interest rates for peso-denominated financial assets at FVPL for both the Group and the Parent Company range from 0.64% to 5.49% in 2017, 2.08% to 6.88% in 2016 and from 1.63% to 13.75% in 2015. Effective interest rates for foreign currency-denominated financial assets at FVPL for the Group range from 2.29% to 10.16% in 2017, 0.99% to 7.24% in 2016, and from 1.37% to 10.63% in 2015. Effective interest rates for foreign currency-denominated financial assets at FVPL for the Parent Company range from 2.29% to 10.16% in 2017, from 0.99% to 6.80% in 2016, and from 2.50% to 10.63% in 2015.

AFS Financial Assets

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Quoted				
Government bonds (Notes 18 and 28)	P35,229,504	P22,337,592	P32,373,344	P20,561,662
Private bonds	11,090,438	11,417,612	10,483,794	10,491,728
Equities	67,903	80,947	67,903	80,947
	46,387,845	33,836,150	42,925,041	31,134,337
Unquoted				
Equities - net *	57,546	37,572	12,042	19,413
	57,546	37,572	12,042	19,413
Total	P46,445,391	P33,873,722	P42,937,083	P31,153,750

* Includes fully impaired equity investments with acquisition cost of P38.83 million for the Group and P6.32 million for the Parent Company as of December 31, 2017 and 2016 (Note 16).

Unquoted equity securities

This account comprises of shares of stocks of various unlisted private corporations.

Net unrealized gains (losses)

AFS financial assets include fair value losses of P1.81 billion for the Group and Parent Company as of December 31, 2017, and fair value losses of P1.60 billion for the Group and Parent Company as of December 31, 2016. The fair value gains or losses are recognized under OCI. Impairment loss on AFS financial assets of the Group, which was charged to operations, amounted to P0.06 million in 2015. No impairment loss was recognized in 2017 and 2016.

Effective interest rates for peso-denominated AFS financial assets for the Group range from 2.95% to 8.92% in 2017, 1.34% to 7.00% in 2016, and from 2.14% to 7.25% in 2015. Effective interest rates for peso-denominated AFS financial assets for the Parent Company range from 2.95% to 8.92% in 2017, 2.08% to 7.00% in 2016, and from 2.14% to 7.25% in 2015.

Effective interest rates for foreign currency-denominated AFS financial assets for both the Group and Parent Company range from 0.99% to 5.75% in 2017, 0.37% to 7.45% in 2016, and from 1.50% to 7.45% in 2015.

HTM Financial Assets

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Government bonds (Note 18)	P46,718,014	P38,610,521	P44,032,555	P36,243,699
Private bonds	11,465,164	12,180,159	10,697,164	11,530,159
	58,183,178	50,790,680	54,729,719	47,773,858
Unamortized premium - net	7,103,089	6,614,120	6,803,774	6,295,163
	P65,286,267	P57,404,800	P61,533,493	P54,069,021

Effective interest rates for peso-denominated HTM financial assets for the Group range from 2.82% to 7.75% in 2017, 2.05% to 6.63% in 2016, and from 1.35% to 9.13% in 2015. Effective interest rates for foreign currency-denominated HTM financial assets range from 0.21% to 8.50% in 2017, 0.21% to 8.93% in 2016, and from 2.26% to 10.72% in 2015.

Effective interest rates for peso-denominated HTM financial assets of the Parent Company range from 2.82% to 5.53% in 2017, 2.82% to 5.25% in 2016 and from 4.13% to 9.13% in 2015. Effective interest rates for foreign currency-denominated HTM financial assets range from 0.21% to 8.50% in 2017, 0.21% to 8.93% in 2016, and from 2.26% to 10.72% in 2015.

Reclassification of Financial Assets

2016 Reclassification

The Group transferred certain securities from AFS financial assets to HTM financial assets on various dates in November 2016 (reclassification dates). The decision to effect this transfer was reached by balancing the need to reduce the market risk sensitivity of the balance sheet without reducing the portfolio of liquid assets.

Details of reclassified financial assets follow:

Consolidated						
2017						
	Face Value	Carrying Value at Reclassification Date	Carrying Value as of December 31	Fair Value at Reclassification Date	Unamortized Net Unrealized Loss Deferred in Equity	Amortization
(in original currency)						
Philippine peso denominated government bonds	P10,106,378	P11,636,529	P10,977,243	P11,039,842	(P544,126)	P52,561
US dollar denominated government bonds	USD103,371	135,851	126,762	129,074	(6,372)	405
Consolidated						
2016						
	Face Value	Carrying Value at Reclassification Date	Carrying Value as of December 31	Fair Value at Reclassification Date	Unamortized Net Unrealized Loss Deferred in Equity	Amortization
(in original currency)						
Philippine peso denominated government bonds	P10,106,378	P11,636,529	P11,032,214	P11,039,842	(P591,635)	P5,052
US dollar denominated government bonds	USD103,371	135,851	128,776	129,074	(6,731)	46
Parent						
2017						
	Face Value	Carrying Value at Reclassification Date	Carrying Value as of December 31	Fair Value at Reclassification Date	Unamortized Net Unrealized Loss Deferred in Equity	Amortization
(in original currency)						
Philippine peso denominated government bonds	P9,856,378	P11,350,542	P10,704,207	P10,765,719	(P533,349)	P51,474
US dollar denominated government bonds	USD96,871	126,204	118,144	120,350	(5,556)	298
Parent						
2016						
	Face Value	Carrying Value at Reclassification Date	Carrying Value as of December 31	Fair Value at Reclassification Date	Unamortized Net Unrealized Loss Deferred in Equity	Amortization
(in original currency)						
Philippine peso denominated government bonds	P9,856,378	P11,350,542	P10,758,190	P10,765,719	(P579,859)	P4,964
US dollar denominated government bonds	USD96,871	126,204	120,063	120,350	(5,812)	42

Had these securities not been transferred to HTM, additional fair value gain on Philippine peso denominated government bonds that would have been charged against the statement of comprehensive income amounted to P14.92 million and P7.86 million in 2017, and P172.13 million and P167.44 million in 2016, for the Group and the Parent Company, respectively. Additional fair value gain of USD2.85 million (P142.30 million) and USD2.67 million (P133.31 million) for the Group and Parent Company, respectively, in 2017, and fair values losses of USD8.21 million (P408.20 million) and USD7.11 million (P353.51 million) for the Group and Parent Company, in 2016 would have been charged against the statement of comprehensive income on US dollar denominated government bonds.

The effective interest rates on Philippine peso denominated government bond at reclassification dates range from 4.05% to 5.07% for both the Group and Parent Company. The effective interest rates for US dollar denominated bonds range from 2.82% to 4.17% at the time of their reclassification for both the Group and Parent Company. The Group and Parent Company expect to recover 100% of the principal and the interest due on these transferred assets. These securities are also unimpaired as of December 31, 2017.

The unrealized losses deferred under 'Net unrealized gains (losses) on AFS Financial Assets' at reclassification date amounted to P584.82 million and USD5.85 million for Philippine peso denominated and US dollar denominated government bonds, respectively.

2008 Reclassification

In 2008, as approved by its BOD, the Parent Company identified assets for which it had a clear change of intent to hold the investments to maturity rather than to exit or trade these investments in the foreseeable future and reclassified those investments from AFS financial assets to HTM financial assets effective October 2, 2008.

As of October 2, 2008, the total carrying value of AFS financial assets reclassified to HTM financial assets amounted to P9.04 billion, with unrealized losses of P47.44 million deferred under 'Net unrealized gains (losses) on AFS financial assets'. HTM financial assets reclassified from AFS financial assets with total face amount of P798.13 million and P1.57 billion matured in 2017 and 2016, respectively.

As of December 31, 2017 and 2016, HTM financial assets reclassified from AFS financial assets consist of government bonds which have the following balances:

	Face Value*	Original Cost	Carrying Value as of December 31	Fair Value at reclassification date	Unamortized Net Unrealized Loss Deferred in Equity	Amortization
2017	P491,811	P592,315	P509,646	P531,918	(P4,427)	P24,016
2016	1,284,516	1,553,572	1,311,014	1,367,155	(8,127)	6,496

*Consist of US dollar-denominated bonds with face value of \$9.85 million and \$25.84 million as of December 31, 2017 and 2016, respectively.

Had these securities not been reclassified to HTM financial assets, additional fair value gain that would have been credited to the statement of comprehensive income amounted to P22.27 million, P395.74 million, and P324.67 million in 2017, 2016 and 2015, respectively. Effective interest rate on the reclassified securities is 6.21%. The Parent Company expects to recover 100.00% of the principal and interest due on the reclassified investments. No impairment loss was recognized on these securities in 2017, 2016 and 2015.

Interest Income on Trading and Investment Securities

This account consists of:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Financial assets at FVPL	P410,889	P204,882	P262,027	P398,777	P179,406	P232,464
AFS financial assets	1,309,755	1,538,173	1,840,978	1,176,831	1,439,037	1,785,184
HTM financial assets	2,246,355	1,539,908	997,797	2,098,194	1,441,882	929,266
	P3,966,999	P3,282,963	P3,100,802	P3,673,802	P3,060,325	P2,946,914

10. LOANS AND RECEIVABLES

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Loans and discounts				
Corporate and commercial lending	₱369,145,536	₱319,733,478	₱337,153,332	₱288,122,032
Consumer lending	73,858,213	60,416,106	44,035,292	35,409,327
Trade-related lending	12,249,287	13,045,531	10,688,002	11,376,697
Others*	364,975	543,021	54,551	68,870
	455,618,011	393,738,136	391,931,177	334,976,926
Unearned discounts	(307,886)	(255,841)	(267,099)	(198,042)
	455,310,125	393,482,295	391,664,078	334,778,884
Allowance for impairment and credit losses (Note 16)	(6,339,183)	(6,654,995)	(5,109,580)	(5,709,025)
	₱448,970,942	₱386,827,300	₱386,554,498	₱329,069,859

*Others include employee loans and foreign bills purchased.

The Group's and Parent Company's loans and discounts under corporate and commercial lending include unquoted debt securities with carrying amount of ₱1.10 billion and ₱1.00 billion as of December 31, 2017, respectively, and ₱4.08 billion and ₱3.98 billion as of December 31, 2016, respectively.

BSP Reporting

Information on the amounts of secured and unsecured loans and receivables (gross of unearned discounts and allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated				Parent Company			
	2017		2016		2017		2016	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Loans secured by								
Real estate	₱71,900,048	15.78	₱55,840,410	14.18	₱44,232,910	11.29	₱33,443,459	9.98
Chattel mortgage	30,900,443	6.78	29,496,094	7.49	18,831,553	4.80	19,713,062	5.88
Deposit hold out	3,980,670	0.87	3,806,062	0.97	2,893,239	0.74	2,251,423	0.67
Shares of stock of other banks	5,060,000	1.11	2,710,000	0.69	5,060,000	1.29	2,710,000	0.81
Guarantee by the Republic of the Philippines	7,082,500	1.55	8,487,000	2.16	7,082,500	1.81	8,487,000	2.53
Others	80,947,148	17.77	76,814,028	19.49	78,703,585	20.08	73,171,797	21.86
	199,870,809	43.87	177,153,594	44.98	156,803,787	40.01	139,776,741	41.73
Unsecured loans	255,747,202	56.13	216,584,543	55.02	235,127,390	59.99	195,200,185	58.27
	₱455,618,011	100.00	₱393,738,136	100.00	₱391,931,177	100.00	₱334,976,926	100.00

Information on the concentration of credit as to industry of the Group and Parent Company follows:

	Consolidated			
	2017		2016	
	Amounts	%	Amounts	%
Real estate, renting and business services	₱113,424,302	24.89	₱97,201,490	24.69
Wholesale and retail trade	53,818,092	11.81	57,498,702	14.60
Electricity, gas and water	53,514,587	11.75	40,385,429	10.26
Financial intermediaries	52,341,750	11.49	40,750,252	10.35
Transportation, storage and communication	40,464,073	8.88	33,885,852	8.61
Manufacturing	29,583,222	6.49	27,602,087	7.01
Arts, entertainment and recreation	13,959,186	3.06	7,511,725	1.91
(Forward)				

	Consolidated			
	2017		2016	
	Amounts	%	Amounts	%
Accommodation and food service activities	₱12,260,862	2.69	₱8,227,872	2.09
Construction	8,732,720	1.92	10,167,766	2.58
Public administration and defense	6,232,000	1.37	7,544,000	1.92
Agriculture	6,051,546	1.33	5,782,267	1.47
Professional, scientific and technical activities	4,079,383	0.90	5,760,184	1.46
Education	3,869,247	0.85	3,819,309	0.97
Mining and quarrying	887,231	0.19	1,419,481	0.36
Others*	56,399,810	12.38	46,181,720	11.73
	₱455,618,011	100.00	₱393,738,136	100.00

*Others consist of administrative and support service, health, household and other activities.

	Parent Company			
	2017		2016	
	Amounts	%	Amounts	%
Real estate, renting and business services	₱91,809,744	23.42	₱76,873,563	22.95
Electricity, gas and water	52,050,493	13.28	40,103,651	11.97
Financial intermediaries	49,950,420	12.74	37,826,049	11.29
Wholesale and retail trade	46,238,179	11.80	49,143,056	14.67
Transportation, storage and communication	38,376,551	9.79	31,858,356	9.51
Manufacturing	25,622,331	6.54	23,465,857	7.01
Arts, entertainment and recreation	13,895,619	3.55	7,470,098	2.23
Accommodation and food service activities	10,285,048	2.62	6,511,668	1.94
Construction	7,349,908	1.88	8,829,298	2.64
Public administration and defense	6,232,000	1.59	7,544,000	2.25
Professional, scientific and technical activities	3,760,091	0.96	5,318,354	1.59
Agriculture	4,442,522	1.13	3,762,789	1.12
Education	2,845,294	0.73	2,807,735	0.84
Mining and quarrying	884,686	0.23	1,257,731	0.38
Others*	38,188,291	9.74	32,204,721	9.61
	₱391,931,177	100.00	₱334,976,926	100.00

*Others consist of administrative and support service, health, household and other activities.

The BSP considers that loan concentration exists when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. As of December 31, 2017 and 2016, the Parent Company does not have credit concentration in any particular industry.

As of December 31, 2017 and 2016, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Secured	₱3,164,209	₱3,038,413	₱687,318	₱1,086,882
Unsecured	3,237,418	4,274,659	2,235,931	2,642,103
	₱6,401,627	₱7,313,072	₱2,923,249	₱3,728,985

Generally, NPLs refer to loans whose principal and/or interest is unpaid for thirty (30) days or more after due date or after they have become past due in accordance with existing BSP rules and regulations. This shall apply to loans payable in lump sum and loans payable in quarterly, semi-annual, or annual installments, in which case, the total outstanding balance thereof shall be considered nonperforming.

In the case of loans that are payable in monthly installments, the total outstanding balance thereof shall be considered nonperforming when three (3) or more installments are in arrears.

In the case of loans that are payable in daily, weekly, or semi-monthly installments, the total outstanding balance thereof shall be considered nonperforming at the same time that they become past due in accordance with existing BSP regulations, i.e., the entire outstanding balance of the receivable shall be considered as past due when the total amount of arrearages reaches twenty percent (20.00%) of the total loan balance.

Loans are classified as nonperforming in accordance with BSP regulations, or when, in the opinion of management, collection of interest or principal is doubtful. Loans are not reclassified as performing until interest and principal payments are brought current or the loans are restructured in accordance with existing BSP regulations, and future payments appear assured.

Loans which do not meet the requirements to be treated as performing loans shall also be considered as NPLs. Gross and net NPLs of the Parent Company as reported to BSP amounted to ₱2.92 billion and ₱0.98 billion, respectively, in 2017 and ₱3.73 billion and ₱1.42 billion, respectively, in 2016. Gross and net NPL ratios of the Parent Company are 0.76% and 0.25%, respectively, in 2017 and 1.12% and 0.43%, respectively, in 2016.

Interest Income on Loans and Receivables

This account consists of:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Receivables from customers	₱21,663,571	₱17,812,793	₱15,813,206	₱17,455,018	₱14,055,123	₱12,257,457
Unquoted debt securities	88,076	76,459	87,521	81,999	67,164	67,502
	₱21,751,647	₱17,889,252	₱15,900,727	₱17,537,017	₱14,122,287	₱12,324,959

As of December 31, 2017 and 2016, 65.01% and 52.53%, respectively, of the total receivables from customers of the Group were subject to interest repricing. As of December 31, 2017 and 2016, 67.67% and 53.29%, respectively, of the total receivables from customers of the Parent Company were subject to interest repricing. Remaining receivables carry annual fixed interest rates ranging from 2.08% to 10.50% in 2017, from 1.00% to 11.00% in 2016, and from 1.82% to 8.00% in 2015 for foreign currency-denominated receivables and from 0.95% to 30.00% in 2017, and from 1.00% to 30.00% in 2016 and 2015 for peso-denominated receivables.

11. EQUITY INVESTMENTS

This account consists of investments in:

A. Subsidiaries

	2017	2016
Equity Method:		
Balance at beginning of the year		
CBSI	₱11,047,530	₱8,486,452
CBCC	732,541	300,000
CBC Forex Corporation	—	50,000
CBC-PCCI	22,853	12,805
CIBI	366,113	291,922
	12,169,037	9,141,179
Share in net income		
CBSI	514,396	153,260
CBCC	276,161	231,514
CBC-PCCI	5,851	8,915
CIBI	39,596	71,310
	836,004	464,999
Share in Other Comprehensive Income		
Items that recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on AFS		
CBSI	24,765	(119,626)
CBCC	1,926	1,027
CIBI	(4,196)	(2,211)
	22,495	(120,811)

(Forward)

	2017	2016
Cumulative translation adjustments		
CBSI	P13,058	P26,575
	13,058	26,575
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Remeasurement gain on defined benefit assets		
CBSI	18,964	9,001
CBCC	2,272	–
CBC-PCCI	(798)	1,134
CIBI	(298)	5,091
	20,140	15,226
Surplus Reserves		
CBSI	–	(8,584)
	–	(8,584)
Additional Investments		
CBSI	–	2,500,452
CBCC	500,000	200,000
	500,000	2,700,452
Divestments		
CBC Forex Corporation	–	(50,000)
	–	(50,000)
Balance at end of the year		
CBSI	11,618,713	11,047,530
CBCC	1,512,899	732,541
CBC-PCCI	27,905	22,853
CIBI	401,215	366,113
	P13,560,733	P12,169,037

B. Associates:

	2017	2016
Equity Method:		
Balance at beginning of the year	P276,559	P371,399
Share in net income (loss)	73,133	(89,384)
Share in OCI:		
<i>Items that do not recycle to profit or loss in subsequent periods</i>		
Remeasurement loss on life insurance reserves	(12,221)	–
<i>Items that recycle to profit or loss in subsequent periods:</i>		
Net unrealized loss on AFS	(8,050)	(5,456)
Balance at end of the year	P329,422	P276,559

CBSI

Cost of investment includes the original amount incurred by the Parent Company from its acquisition of CBSI in 2007 amounting to P1.07 billion. The capital infusions to CBSI in 2016 amounting to P1.50 billion and P1.00 billion were approved by the Parent Company's Executive Committee on December 1, 2016 and September 21, 2016, respectively.

Merger of CBSI with PDB

The BOD of both CBSI and PDB, in their meeting held on June 26, 2014, approved the proposed merger of PDB with CBSI, with the latter as the surviving bank. The terms of the Plan of Merger of CBSI with PDB were approved by CBSI and PDB's stockholders owning at least 2/3 of each corporation's outstanding common stocks in separate meetings held on August 14, 2014. The Plan of Merger permits the issuance of 1.23 PDB common shares for every CBSI common share.

On November 6, 2015, the BSP issued the Certificate of Authority on the Articles of Merger and the Plan of Merger, as amended, of CBSI and PDB.

On December 17, 2015, CBSI obtained SEC's approval of its merger with PDB, whereby the entire assets and liabilities of PDB shall be transferred to and absorbed by CBSI.

Acquisition of PDB

In 2014, the Parent Company made tender offers to non-controlling stockholders of PDB. As of December 31, 2014, the Parent Company owns 99.85% and 100.00% of PDB's outstanding common and preferred stocks, respectively.

As of December 31, 2014, the Parent Company's cost of investment in PDB consists of:

Acquisition of majority of PDB's capital stock	₱1,421,346
Additional capital infusion	1,300,000
Tender offers	255,354
	<u>₱2,976,700</u>

On March 31, 2015, the Parent Company made additional capital infusion to PDB amounting to ₱1.70 billion. Of the total cost of investment, the consideration transferred for the acquisition of PDB follows:

Acquisition of majority of PDB's capital stock	₱1,421,346
Tender offers	255,354
	<u>₱1,676,700</u>

In 2015, the MB of the BSP granted to the Group investment and merger incentives in the form of waiver of special licensing fees for 67 additional branch licenses in restricted areas. This is in addition to the initial investment and merger incentives of 30 new branches in restricted areas and 35 branches to be transferred from unrestricted to restricted areas granted to the Parent Company by the MB in 2014. These branch licenses were granted under the Strengthening Program for Rural Bank (SPRB) Plus Framework.

The branch licenses have the following fair values:

114 Commercial Bank branch licenses	₱2,280,000
18 Thrift Bank branch licenses	270,000
	2,550,000
Deferred tax liability	765,000
	<u>₱1,785,000</u>

On April 6, 2016, the Parent Company's BOD has approved the allocation of the 67 additional branch licenses in restricted areas as follows: 49 to the Parent Company and 18 to CBSI. Pursuant to a memorandum dated March 18, 2016, the 67 branch licenses were awarded as incentives by the Monetary Board as a result of the Parent Company's acquisition of PDB. Goodwill from acquisition of PDB is computed as follows:

Consideration transferred	₱1,676,700
Less: Fair value of identifiable assets and liabilities acquired (Note 15)	
Net liabilities of PDB	(₱725,207)
Branch licenses, net of deferred tax liability (Note 13)	1,785,000
	<u>1,059,793</u>
	<u>₱616,907</u>

CBCC

On April 1, 2015, the BOD approved the investment of the Parent Company in an investment house subsidiary, CBCC, up to the amount of ₱500.00 million, subject to the requirements of relevant regulatory agencies. On April 30, 2015, the BSP approved the request of the Parent Company to invest up to 100% or up to ₱500.00 million common shares in CBCC, subject to certain conditions. On November 27, 2015, the SEC approved the Articles of Incorporation and By-Laws of CBCC. It also granted CBCC the license to operate as an investment house. Actual capital infusion to CBCC amounted to ₱200.00 million and ₱300.00 million in 2016 and 2015, respectively.

On January 19, 2017, the BOD of CBCC approved the increase in authorized capital stock of CBCC from ₱500.00 million to ₱2.00 billion to enable CBCC to handle bigger deals. The approval was ratified by the BOD of the Parent Company on February 1, 2017. On April 27, 2017, the Parent Company paid CBCC ₱500.00 million for additional subscription of 50,000,000 shares.

CBCC acquisition of CBCSec (formerly ATC Securities, Inc.)

On May 19, 2016, the BOD of CBCC approved the acquisition of ATC Securities, Inc. (ATC).

On June 29, 2016, CBCC and the shareholders of ATC (the Original Shareholders) entered into an Agreement for the Purchase of Shares (Agreement), whereby CBCC agreed to buy, and the Original Shareholders agreed to sell, 3,800,000 shares representing 100% of the issued and outstanding shares of ATC.

The initial purchase price for the acquisition of ATC was set at ₱21,767,997.50, payable as follows:

- a. 10% – on signing date of the Agreement (June 29, 2016)
- b. 70% of the purchase price – on closing date (March 6, 2017)
- c. 10% of the purchase price – upon receipt of Certificates Authorizing Registration and Tax Clearance Certificates
- d. 10% of the purchase price – one year from the closing date (March 6, 2018), subject to any deduction for certain losses

On February 22, 2017, the Philippine Stock Exchange approved ATC's application for change in controlling interest through CBCC's acquisition of 100% of the issued and outstanding shares of ATC.

In view of the prolonged period since the Agreement was signed and the resulting change in the financial position, prospects, and other circumstances of ATC and its Original Shareholders, the parties agreed to negotiate an adjustment to the purchase price that is mutually acceptable to CBCC and the Original Shareholders.

On March 6, 2017, CBCC and the Original Shareholders agreed to fix the final purchase price of the acquisition at ₱26,704,341, and the Original Shareholders executed deeds of absolute sale of their respective shares in ATC in favor of CBCC. By virtue of this transaction, CBCC assumed ownership and control of ATC.

On March 6, 2017, CBCC and ATC entered into a Subscription Agreement, whereby CBCC subscribed to 7,200,000 common shares of ATC at a price of ₱10.00 per share or a total subscription price of ₱72.00 million.

The fair values of identifiable assets and liabilities arising from the acquisition as of March 6, 2017 are as follows:

Assets	
Cash and cash equivalents	₱9,196,017
Accounts receivable	348,024
Computer software (net)	559,375
Office equipment (net)	149,264
Trading rights	8,500,000
Prepaid expenses	1,755,945
Condominium	12,063,309
Other assets	3,004,295
Total Assets	35,576,228
Liabilities	
Accounts payable	406,250
Payable to customer	2,256,733
Payable to clearing house	61,519
Other liabilities	56,820
Total Liabilities	2,781,321
Net Book Value	₱32,794,907

The acquisition by CBCC of ATC Securities, Inc. resulted in recognition of gain on bargain purchase which is determined as follows:

Cost of acquisition	₱26,704,341
Less net assets recognized	32,794,907
Gain on bargain purchase	₱6,090,566

The gain from a bargain purchase identified as the excess of the fair value of the net assets of ATC Securities, Inc. over the cost of acquisition is mainly attributable to the mutually agreed price that accounts for intention of the Original Shareholders to ultimately retire from the business, prevention of further outlay of funds from the Original Shareholders to ensure compliance with regulatory capital requirements and their relative ability to divest of the said shares in an expeditious manner.

Gain on bargain purchase is included under 'Miscellaneous income' in the consolidated statements of income (Note 21).

Cash flow on acquisition follows:

Cash and cash equivalents acquired from ATC Securities, Inc.	₱9,196,017
Cash paid	24,033,906
Net Cash Outflow	₱14,837,889

From the date of acquisition, CBCSec's operating income and net income included in the consolidated statement of comprehensive income amounted to ₱6.37 million. If the acquisition had taken place at the beginning of the year, the Group's total operating income and net income would have increased by ₱5.69 million.

On July 6, 2017, the SEC approved the change of name from ATC Securities, Inc. to China Bank Securities Corporation.

On August 23, 2017, CBCC subscribed to the remaining 4,000,000 unissued common shares of CBCSec at a price of ₱10.00 per share or a total subscription price of ₱40.00 million, to provide CBCSec with sufficient capital buffer as its transition and ramps up its operations as the equities brokerage house of the Group.

CBC Assets One (SPC) Inc.

CBC Assets One (SPC) Inc. was incorporated on June 15, 2016 as a wholly-owned special purpose company of CBCC for asset-backed securitization. It has not yet commenced commercial operations.

CBC Forex Corporation

On May 5, 2009, the BOD approved to dissolve the operations of CBC Forex by shortening its corporate life until December 31, 2009. On December 28, 2015, the Parent Company obtained the approval from the SEC of its Certificate of Filing of Amended Articles of Incorporation (Amending the Article IV by shortening the term of its existence, thereby dissolving the Corporation) dated November 6, 2015. On December 19, 2016, the Parent Company's investment with CBC Forex Corporation amounting ₱50.00 million was liquidated.

Investment in Associates

Investment in associates in the consolidated and Parent Company's financial statements pertain to investment in MCB Life and CBC-PCCI's investment in Urban Shelters (accounted for by CBC-PCCI in its financial statements as an investment in an associate) which is carried at nil amount as of December 31, 2017 and 2016.

The following tables show the summarized financial information of MCB Life:

	2017	2016
Total assets	₱31,656,389	₱26,419,046
Total liabilities	30,834,456	25,727,647
Equity	821,933	691,398
	2017	2016
Revenues	₱6,268,406	₱7,663,417
Benefits, claims and operating expenses	6,066,765	7,860,618
Income (loss) before income tax	201,641	(197,201)
Net income (loss)	182,833	(223,460)

MCB Life

On August 2, 2006, the BOD approved the joint project proposal of the Parent Company with Manufacturers Life Insurance Company (Manulife). Under the proposal, the Parent Company will invest in a life insurance company owned by Manulife, and such company will be offering innovative insurance and financial products for health, wealth and education through the Parent Company's branches nationwide. The life insurance company was incorporated as The Pramerica Life Insurance Company Inc. in 1998. The name was changed to Manulife China Bank Life Assurance Corporation on March 23, 2007. The Parent Company acquired 5.00% interest in MCB Life on August 8, 2007. This investment is accounted for as an investment in an associate by virtue of the Bancassurance Alliance Agreement which provides the Parent Company to be represented in MCB Life's BOD and, thus, exercise significant influence over the latter.

The BSP requires the Parent Company to maintain a minimum of 5.00% ownership over MCB Life in order for MCB Life to be allowed to continue distributing its insurance products through the Parent Company's branches.

On September 12, 2014, the BSP approved the request of the Parent Company to raise its capital investment in MCB Life from 5.00% to 40.00% of its authorized capital through purchase of 1.75 million common shares.

Commission income earned by the Parent Company from its bancassurance agreement with MCB Life amounting to ₱360.01 million, ₱383.48 million and ₱337.41 million in 2017, 2016 and 2015, respectively, is included under 'Miscellaneous income' in the statements of income (Note 21).

12. BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT

The composition of and movements in this account follow:

	Consolidated					2017 Total
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	
Cost						
Balance at beginning of year	P3,345,404	P7,163,737	P1,893,525	P1,482,415	P86,405	P13,971,486
Additions	–	988,658	73,800	679,305	10,410	1,752,173
Disposals/transfers*	–	(258,867)	(25,583)	(306,155)	(35,326)	(625,931)
Balance at end of year	3,345,404	7,893,528	1,941,742	1,855,565	61,489	15,097,728
Accumulated Depreciation and Amortization						
Balance at beginning of year	–	5,562,502	1,013,296	897,049	–	7,472,847
Depreciation and amortization	–	674,334	74,625	183,435	–	932,394
Disposals/transfers*	–	(157,787)	15,729	(42,467)	–	(184,525)
Balance at end of year	–	6,079,049	1,103,650	1,038,017	–	8,220,716
Allowance for Impairment Losses (Note 16)						
Balance at beginning of year	–	–	2,371	–	–	2,371
Reclassification	–	–	(1,223)	–	–	(1,223)
Balance at end of year	–	–	1,148	–	–	1,148
Net Book Value at End of Year	P3,345,404	P1,814,479	P836,944	P817,548	P61,489	P6,875,864

*Includes transfers from investment properties amounting to P10.82 million.

	Consolidated					2016 Total
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	
Cost						
Balance at beginning of year	P3,347,222	P6,601,919	P1,832,834	P1,338,260	P90,873	P13,211,108
Additions	–	809,311	99,911	215,122	11,307	1,135,651
Disposals/transfers*	(1,818)	(247,493)	(39,220)	(70,967)	(15,775)	(375,273)
Balance at end of year	3,345,404	7,163,737	1,893,525	1,482,415	86,405	13,971,486
Accumulated Depreciation and Amortization						
Balance at beginning of year	–	5,097,654	895,859	861,406	–	6,854,919
Depreciation and amortization	–	624,690	114,196	103,330	–	842,216
Disposals/transfers*	–	(159,842)	3,241	(67,687)	–	(224,288)
Balance at end of year	–	5,562,502	1,013,296	897,049	–	7,472,847
Allowance for Impairment Losses (Note 16)						
Balance at beginning of year	–	–	2,070	–	–	2,070
Reclassification	–	–	301	–	–	301
Balance at end of year	–	–	2,371	–	–	2,371
Net Book Value at End of Year	P3,345,404	P1,601,235	P877,858	P585,366	P86,405	P6,496,268

*Includes transfers from investment properties amounting to P4.69 million

	Parent Company					
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	2017 Total
Cost						
Balance at beginning of year	P2,786,310	P6,082,009	P1,077,608	P1,093,494	P80,139	P11,119,560
Additions	–	786,776	40,422	550,076	10,410	1,387,684
Disposals/transfers*	–	(200,484)	(32,362)	(291,701)	(29,063)	(553,610)
Balance at end of year	2,786,310	6,668,301	1,085,668	1,351,869	61,486	11,953,634
Accumulated Depreciation and Amortization						
Balance at beginning of year	–	4,775,377	517,491	682,711	–	5,975,579
Depreciation and amortization	–	537,338	26,456	115,273	–	679,067
Disposals/transfers*	–	(123,299)	(72)	(42,223)	–	(165,594)
Balance at end of year	–	5,189,416	543,875	755,761	–	6,489,052
Net Book Value at End of Year	P2,786,310	P1,478,885	P541,793	P596,108	P61,486	P5,464,582

*Includes transfers from investment properties amounting to P10.82 million.

	Parent Company					
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	2016 Total
Cost						
Balance at beginning of year	P2,786,350	P5,612,477	P1,027,236	P999,819	P88,054	P10,513,936
Additions	–	675,734	89,359	169,256	7,701	942,050
Disposals/transfers*	(40)	(206,202)	(38,987)	(75,581)	(15,616)	(336,426)
Balance at end of year	2,786,310	6,082,009	1,077,608	1,093,494	80,139	11,119,560
Accumulated Depreciation and Amortization						
Balance at beginning of year	–	4,386,057	462,552	668,125	–	5,516,734
Depreciation and amortization	–	482,832	27,819	85,160	–	595,811
Disposals/transfers*	–	(93,512)	27,120	(70,574)	–	(136,966)
Balance at end of year	–	4,775,377	517,491	682,711	–	5,975,579
Net Book Value at End of Year	P2,786,310	P1,306,632	P560,117	P410,783	P80,141	P5,143,981

*Includes transfers from investment properties amounting to P4.69 million.

The Group adopted the deemed cost model as of January 1, 2004 and considered the carrying value of the land determined under its previous accounting method (revaluation method) as the deemed cost of the asset as of January 1, 2005. Accordingly, revaluation increment amounting to P1.28 billion was closed to surplus (Note 23) in 2011.

As of December 31, 2017 and 2016, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to P2.89 billion for the Group and P2.31 billion for the Parent Company.

Gain on sale of furniture, fixtures and equipment amounting to P2.11 million, P2.97 million and P0.89 million in 2017, 2016 and 2015, respectively, for the Group and P1.69 million, P2.17 million and P0.50 million in 2017, 2016 and 2015, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 21).

In 2015, depreciation and amortization amounting to P822.76 million and P580.06 million for the Group and Parent Company, respectively, are included in the statements of income under 'Depreciation and amortization' account.

13. INVESTMENT PROPERTIES

The composition of and movements in this account follow:

		Consolidated	
	Land	Buildings and Improvements	2017 Total
Cost			
Balance at beginning of year	¥4,730,076	¥2,788,397	¥7,518,473
Additions	299,806	279,283	579,089
Disposals/write-off/transfers*	(424,821)	(421,131)	(845,952)
Balance at end of year	4,605,061	2,646,549	7,251,610
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	755,763	755,763
Depreciation and amortization	–	191,338	191,338
Disposals/write-off/transfers*	–	(205,030)	(205,030)
Balance at end of year	–	742,071	742,071
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	1,028,013	384,958	1,412,971
Disposals/write-off/reclassification*	–	24,412	24,412
Balance at end of year	1,028,013	409,370	1,437,383
Net Book Value at End of Year	¥3,577,048	¥1,495,108	¥5,072,156

*Includes transfers to bank premises amounting to ¥10.82 million (Note 12).

		Consolidated	
	Land	Buildings and Improvements	2016 Total
Cost			
Balance at beginning of year	¥4,810,128	¥2,588,845	¥7,398,973
Additions	363,175	421,240	784,415
Disposals/write-off/transfers*	(443,227)	(221,688)	(664,915)
Balance at end of year	4,730,076	2,788,397	7,518,473
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	713,023	713,023
Depreciation and amortization	–	173,007	173,007
Disposals/write-off/transfers*	–	(130,267)	(130,267)
Balance at end of year	–	755,763	755,763
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	1,023,837	263,974	1,287,811
Reversal during the year	–	(797)	(797)
Disposals/write-off/reclassification*	4,176	121,781	125,957
Balance at end of year	1,028,013	384,958	1,412,971
Net Book Value at End of Year	¥3,702,063	¥1,647,676	¥5,349,739

*Includes transfers to bank premises amounting to ¥4.69 million (Note 12).

	Parent Company		
	Land	Buildings and Improvements	2017 Total
Cost			
Balance at beginning of year	P2,019,065	P1,511,349	P3,530,414
Additions	40,573	86,079	126,652
Disposals/write-off/transfers*	(200,283)	(199,760)	(400,043)
Balance at end of year	1,859,355	1,397,668	3,257,023
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	563,120	563,120
Depreciation and amortization	–	104,638	104,638
Disposals/write-off/transfers*	–	(167,656)	(167,656)
Balance at end of year	–	500,102	500,102
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	1,004,729	201,689	1,206,418
Net Book Value at End of Year	P854,626	P695,877	P1,550,503

*Includes transfers to bank premises amounting to P10.82 million (Note 12).

	Parent Company		
	Land	Buildings and Improvements	2016 Total
Cost			
Balance at beginning of year	P2,176,474	P1,520,017	P3,696,491
Additions	164,833	132,011	296,844
Disposals/write-off/transfers*	(322,242)	(140,679)	(462,921)
Balance at end of year	2,019,065	1,511,349	3,530,414
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	590,211	590,211
Depreciation and amortization	–	98,915	98,915
Disposals/write-off/transfers*	–	(126,006)	(126,006)
Balance at end of year	–	563,120	563,120
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	1,004,729	201,689	1,206,418
Net Book Value at End of Year	P1,014,336	P746,540	P1,760,876

*Includes transfers to bank premises amounting to P4.69 million (Note 12).

The Group's investment properties consist entirely of real estate properties acquired in settlement of loans and receivables. The difference between the fair value of the investment property upon foreclosure and the carrying value of the loan is recognized under 'Gain on asset foreclosure and dacion transactions' in the statements of income.

In 2015, depreciation and amortization amounting to P142.28 million and P81.85 million for the Group and Parent Company, respectively, are included in the statements of income under 'Depreciation and amortization' account.

Details of rental income earned and direct operating expenses incurred on investment properties follow:

	Consolidated		
	2017	2016	2015
Rent income on investment properties	P32,499	P20,190	P31,100
Direct operating expenses on investment properties generating rent income	924	4,767	2,392
Direct operating expenses on investment properties not generating rent income	52,029	67,619	52,429

	Parent Company		
	2017	2016	2015
Rent income on investment properties	₱8,250	₱39,734	₱7,020
Direct operating expenses on investment properties generating rent income	799	886	1,069
Direct operating expenses on investment properties not generating rent income	33,405	44,089	35,270

Rent income earned from leasing out investment properties is included under 'Miscellaneous income' in the statements of income (Note 21).

On August 26, 2011, the Parent Company was registered as an Economic Zone Information Technology (IT) Facilities Enterprise with the Philippine Economic Zone Authority (PEZA) to operate and maintain a proposed 17-storey building located inside the CBP-IT Park in Barangays Mabolo, Luz, Hipodromo, Carreta, and Kamputhaw, Cebu City, for lease to PEZA-registered IT enterprises, and to be known as Chinabank Corporate Center. This registration is under PEZA Registration Certificate No. 11-03-F.

Under this registration, the Parent Company is entitled to five percent (5.00%) final tax on gross income earned from locator IT enterprises and related operations in accordance with existing PEZA rules. The Parent Company shall also be exempted from the payment of all national and local taxes in relation to this registered activity.

14. GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the acquisition costs over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

The Group attributed the goodwill arising from its acquisition of CBSI and PDB to factors such as increase in geographical presence and customer base due to the branches acquired. None of the goodwill recognized is expected to be deductible for income tax purposes. CBSI as surviving entity from the merger with PDB, is the identified CGU for this goodwill. The Parent Company's Retail Banking Business (RBB) has been identified as the CGU for impairment testing of the goodwill from its acquisition of CBSI.

As of December 31, 2017 and 2016, amount of goodwill per CGU follows:

	Consolidated	Parent Company
RBB	₱222,841	₱222,841
CBSI	616,907	–
Total	₱839,748	₱222,841

The recoverable amount of the CGUs have been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period, which do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. The significant assumptions, and the most sensitive, used in computing for the recoverable values of the CGUs follow:

	RBB	CBSI
Growth rates		
Loans	9.84%	16.90%
Deposits	13.56%	16.40%
Discount rate	6.41%	7.83%
Terminal value growth rate	1.00%	1.00%

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount as of December 31, 2017 and 2016.

Branch Licenses

Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. As of December 31, 2017 and 2016, details of branch licenses in the Group's and Parent Company's financial statements follow:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Branch license from CBSI acquisition	₱420,600	₱477,600	₱398,000	₱455,000
Branch license from Unity Bank acquisition	347,400	347,400	–	–
Branch license from PDB acquisition (Note 11)	2,839,500	2,839,500	–	–
Total	₱3,607,500	₱3,664,500	₱398,000	₱455,000

The individual branches have been identified as the CGU for impairment testing of the branch licenses. The recoverable amounts of the CGUs for impairment testing of the branch licenses have been determined based on the higher between fair value less cost to sell and value-in-use calculations.

FVLCD is based on special licensing fee of BSP on branches operating on identified restricted areas. Value-in-use calculation uses cash flow projections from financial budgets approved by senior management covering a five-year period, which do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. The significant assumptions used in computing for the recoverable values of the CGUs follow:

Growth rates	
Loans	10.00%
Deposits	10.00%
Discount rate	6.41%
Terminal value growth rate	1.00%

The calculation of the value-in-use of the CGU is most sensitive to the following assumptions:

- Discount rates
- Terminal value growth rate used to extrapolate cash flows beyond the budget period

With regard to the assessment of value-in-use of the CGU, the Parent Company recognized an impairment loss related to certain unrestricted branch licenses from the acquisition of CBSI amounting to ₱57.00 million as of December 31, 2017.

Capitalized software costs

The movements in the account follow:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Cost				
Balance at beginning of year	₱549,156	₱322,186	₱445,444	₱322,186
Additions	165,074	226,970	145,814	123,258
Balance at end of year	714,230	549,156	591,258	445,444
Accumulated Depreciation and Amortization				
Balance at beginning of year	123,940	143,777	94,861	14,378
Depreciation and amortization	93,757	109,563	93,535	80,484
Balance at end of year	217,697	123,940	188,396	94,862
Net Book Value at End of Year	₱496,533	₱425,216	₱402,862	₱350,582

15. OTHER ASSETS

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Financial assets				
Accounts receivable	₱2,884,628	₱4,153,356	₱1,686,205	₱3,120,990
SCR	979,046	953,734	208,496	254,485
RCOCI	179,935	107,193	83,636	92,651
Others	369,034	437,919	157,380	136,374
	4,412,643	5,652,202	2,135,717	3,604,500

(Forward)

	Consolidated		Parent Company	
	2017	2016	2017	2016
Nonfinancial assets				
Net plan assets (Note 24)	P995,050	P754,754	P991,386	P754,754
Prepaid expenses	124,526	155,016	114,121	146,036
Creditable withholding taxes	378,143	266,599	321,231	211,159
Security deposit	231,838	194,043	205,400	175,224
Documentary stamps	309,642	244,272	182,778	164,057
Sundry debits	235,136	84,824	71,552	62,736
Miscellaneous	298,882	263,371	—	—
	2,573,217	1,962,879	1,886,468	1,513,966
	6,985,860	7,615,081	4,022,185	5,118,466
Allowance for impairment and credit losses (Note 16)	(766,965)	(718,434)	(540,960)	(614,366)
	P6,218,895	P6,896,647	P3,481,225	P4,504,100

Accounts receivable

As of December 31, 2016, about 41.92% of the Group's accounts receivable represents final withholding taxes (FWT) imposed by the Bureau of Internal Revenue (BIR) and withheld by the Bureau of Treasury (BTr) from the proceeds collected by the Group upon maturity of the Poverty Eradication and Alleviation Certificates (PEACe) bonds on October 18, 2011.

On October 17, 2011, the Parent Company together with seven other banks filed a joint petition against the BIR's decision to impose 20.00% FWT on PEACe bonds. The Supreme Court (SC) issued a temporary restraining order in favor of these banks on the same day and ordered these banks to place in escrow an amount equivalent to the disputed withholding tax until final decision is rendered. However, the BTr withheld the 20.00% FWT from the proceeds of the PEACe bonds and held it in an escrow account with the Land Bank of the Philippines.

On January 13, 2015, the SC ordered the BTr to release to the investor banks the amount corresponding to the 20.00% final withholding tax. On March 13, 2015, the BIR filed a motion for reconsideration and clarification. Pursuant to a resolution dated April 21, 2015 by the SC, the banks filed a consolidated comment on the motions filed by the respondents.

In an en banc ruling received on October 5, 2016, the SC upheld its October 2011 decision ordering the BTr to return the P4.97 billion to the petitioners and for the BTr to pay legal interest for failure to comply with the SC's earlier ruling in favor of the holders of the said bonds. In late October 2016, the Government filed a motion for partial reconsideration with regard to the October 2016 ruling.

In an en banc ruling received on January 17, 2017, the SC denied the motion for partial reconsideration. No further pleadings or motions shall be entertained by the SC.

On April 11, 2017, the BTr paid the Parent Company together with the seven banks the withheld amount and 4.00% interest per annum from October 19, 2011 to April 10, 2017. Total settlement amount were paid in the form of 3-year Retail Treasury Bonds with interest of 4.25% per annum. The settlement resulted in gain amounting to P381.65 million and P356.77 million for the Group and Parent Company, respectively, which is presented under 'Miscellaneous income' (Note 21).

Accounts receivable also includes non-interest bearing advances to officers and employees, with terms ranging from 1 to 30 days and receivables of the Parent Company from automated teller machine (ATM) transactions of clients of other banks that transacted through any of the Parent Company's ATM terminals.

Sales Contract Receivable

This refers to the amortized cost of assets acquired in settlement of loans through foreclosure or dation in payment and subsequently sold on installment basis whereby the title to the said property is transferred to the buyers only upon full payment of the agreed selling price.

SCR bears fixed interest rate per annum in 2017 and 2016 ranging from 5.00% to 10.25% and 5.00% and 12.25%, respectively.

Miscellaneous

Miscellaneous consists mainly of unissued stationery and supplies, inter-office float items, and deposits for various services.

16. ALLOWANCE FOR IMPAIRMENT AND CREDIT LOSSES

Changes in the allowance for impairment and credit losses are as follows:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Balances at beginning of year				
Loans and receivables	P6,654,995	P6,994,670	P5,709,025	P6,151,786
Investment properties	1,412,971	1,287,811	1,206,418	1,206,418
Accrued interest receivable	179,339	69,331	62,019	68,342
AFS financial assets	38,742	38,742	6,323	6,323
Bank premises, furniture, fixtures and equipment	2,371	2,070	–	–
Intangible assets	–	–	–	–
Other assets	718,434	741,589	614,366	626,103
	9,006,852	9,134,213	7,598,151	8,058,972
Provisions charged to operations	754,171	850,546	423,922	521,475
Accounts charged off and others	(1,012,065)	(977,907)	(1,100,523)	(982,296)
	(257,894)	(127,361)	(676,601)	(460,821)
Balances at end of year				
Loans and receivables (Note 10)	6,339,183	6,654,995	5,109,580	5,709,025
Investment properties (Note 13)	1,437,383	1,412,971	1,206,418	1,206,418
Accrued interest receivable	165,452	179,339	58,269	62,019
AFS financial assets (Note 9)	38,827	38,742	6,323	6,323
Bank premises, furniture, fixtures and equipment (Note 12)	1,148	2,371	–	–
Other assets (Note 15)	766,965	718,434	540,960	614,366
	P8,748,958	P9,006,852	P6,921,550	P7,598,151

At the current level of allowance for impairment and credit losses, management believes that the Group has sufficient allowance to cover any losses that may be incurred from the non-collection or non-realization of its loans and receivables and other risk assets.

The separate valuation allowance of acquired loans and receivables from PDB amounting to P1.59 billion was not recognized by the Group on the effectivity date of acquisition as these receivables were measured at fair value at acquisition date. Any uncertainties about future cash flows of these receivables were included in their fair value measurement (Note 11). Also, the separate valuation allowance of acquired investment properties from PDB amounting to P199.15 million was not recognized by the Group on the effectivity date of acquisition as these properties were measured at fair value on acquisition date.

A reconciliation of the allowance for credit losses on loans and receivables from customers, AFS financial assets and accrued interest receivable follows:

	Consolidated						
	2017						
	Loans and Receivables					AFS Financial Assets	
	Corporate and Commercial Lending	Consumer Lending	Trade-related Lending	Others	Total	Unquoted Equity Securities	Accrued Interest Receivable
Balance at beginning of year	₱4,593,387	₱1,631,460	₱277,623	₱152,525	₱6,654,995	₱38,742	₱179,339
Provisions during the year	224,815	453,404	158	–	678,377	–	37,821
Transfers/others	(897,841)	(5,000)	(91,205)	(143)	(994,189)	85	(51,708)
Balance at end of year	₱3,920,361	₱2,079,864	₱186,576	₱152,382	₱6,339,183	₱38,827	₱165,452
Individual impairment	950,102	925,165	54,429	151,836	2,081,532	38,827	165,452
Collective impairment	2,970,259	1,154,699	132,147	546	4,257,651	–	–
	₱3,920,361	₱2,079,864	₱186,576	₱152,382	₱6,339,183	₱38,827	₱165,452

Consolidated							
2016							
	Loans and Receivables					AFS Financial Assets	
	Corporate and Commercial Lending	Consumer Lending	Trade-related Lending	Others	Total	Unquoted Equity Securities	Accrued Interest Receivable
Balance at beginning of year	¥5,289,222	¥1,313,023	¥390,326	¥2,099	¥6,994,670	¥38,742	¥69,331
Provisions (recoveries) during the year	311,242	410,941	(258)	689	722,614	-	43,174
Transfers/others	(1,007,077)	(92504)	(112,445)	149,737	(1,062,289)	(4,464)	66,834
Balance at end of year	¥4,593,387	¥1,631,460	¥277,623	¥152,525	¥6,654,995	¥34,278	¥179,339
Individual impairment	1,462,699	729,796	145,476	151,836	2,489,807	38,302	179,339
Collective impairment	3,130,688	901,664	132,147	689	4,165,188	-	-
	¥4,593,387	¥1,631,460	¥277,623	¥152,525	¥6,654,995	¥38,302	¥179,339

Parent Company							
2017							
	Loans and Receivables					AFS Financial Assets	
	Corporate and Commercial Lending	Consumer Lending	Trade-related Lending	Others	Total	Unquoted Equity Securities	Accrued Interest Receivable
Balance at beginning of year	¥4,381,126	¥1,061,364	¥265,846	¥689	¥5,709,025	¥6,323	¥62,019
Provisions during the year	138,503	252,010	158	-	390,671	-	141
Transfers/others	(898,767)	-	(91,206)	(143)	(990,116)	-	(3,891)
Balance at end of year	¥3,620,862	¥1,313,374	¥174,798	¥546	¥5,109,580	¥6,323	¥58,269
Individual impairment	728,378	925,165	46,061	-	1,699,604	6,323	58,269
Collective impairment	2,892,484	388,209	128,737	546	3,409,976	-	-
	¥3,620,862	¥1,313,374	¥174,798	¥546	¥5,109,580	¥6,323	¥58,269

Parent Company							
2016							
	Loans and Receivables					AFS Financial Assets	
	Corporate and Commercial Lending	Consumer Lending	Trade-related Lending	Others	Total	Unquoted Equity Securities	Accrued Interest Receivable
Balance at beginning of year	¥5,053,830	¥707,616	¥390,327	¥14	¥6,151,786	¥6,323	¥68,342
Provisions (recoveries) during the year	266,007	230,000	(258)	689	496,437	-	(27)
Transfers/others	(938,711)	123,749	(124,222)	(14)	(939,198)	-	(6,296)
Balance at end of year	¥4,381,126	¥1,061,365	¥265,847	¥689	¥5,709,025	¥6,323	¥62,019
Individual impairment	1,292,911	729,796	137,109	-	2,159,816	6,323	62,019
Collective impairment	3,088,214	331,569	128,737	689	3,549,209	-	-
	¥4,381,125	¥1,061,365	¥265,846	¥689	¥5,709,025	¥6,323	¥62,019

The following tables present the reconciliation of the movement of the allowance for impairment and credit losses on other assets:

Consolidated				
	Accounts Receivable	SCR	Miscellaneous	2017 Total
Balance at beginning of year	¥436,751	¥60,650	¥221,033	¥718,434
Provisions (recoveries) during the year	33,175	-	4,798	37,973
Transfers/others (Note 10)	(75,426)	250	85,734	10,558
Balance at end of year	¥394,500	¥60,900	¥311,565	¥766,965

	Consolidated			
	Accounts Receivable	SCR	Miscellaneous	2016 Total
Balance at beginning of year	₱521,705	₱54,787	₱165,097	₱741,589
Provisions during the year	49,453	75	36,027	85,555
Transfers/others (Note 10)	(134,407)	5,788	19,909	(108,710)
Balance at end of year	₱436,751	₱60,650	₱221,033	₱718,434

	Parent Company			
	Accounts Receivable	SCR	Miscellaneous	2017 Total
Balance at beginning of year	₱396,592	₱30,336	₱187,438	₱614,366
Provisions (recoveries) during the year	33,175	–	(65)	33,110
Transfers/others (Note 10)	(98,904)	(5,932)	(1,680)	(106,516)
Balance at end of year	₱330,863	₱24,404	₱185,693	₱540,960

	Parent Company			
	Accounts Receivable	SCR	Miscellaneous	2016 Total
Balance at beginning of year	₱444,444	₱25,809	₱155,850	₱626,103
Provisions (recoveries) during the year	24,986	–	79	25,065
Transfers/others (Note 10)	(72,838)	4,527	31,509	(36,802)
Balance at end of year	₱396,592	₱30,336	₱187,438	₱614,366

17. DEPOSIT LIABILITIES

As of December 31, 2017 and 2016, 36.13% and 39.42% respectively, of the total deposit liabilities of the Group are subject to periodic interest repricing. The remaining deposit liabilities bear annual fixed interest rates ranging from 0.13% to 3.65% in 2017, 0.13% to 3.25% in 2016, 0.13% to 2.75% in 2015.

Interest Expense on Deposit Liabilities

This account consists of:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Demand	₱233,984	₱197,595	₱165,228	₱163,524	₱143,917	₱122,277
Savings	1,120,422	819,991	743,365	1,072,849	567,447	490,603
Time	5,167,529	3,813,969	3,099,695	3,974,430	2,917,763	2,268,286
	₱6,521,935	₱4,831,555	₱4,008,288	₱5,210,803	₱3,629,127	₱2,881,166

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2017 and 2016, due from BSP amounting to ₱95.90 billion and ₱84.52, respectively, for the Group and ₱89.17 billion and ₱78.78 billion, respectively, for the Parent Company were set aside as reserves for deposit liabilities per latest report submitted to the BSP. As of December 31, 2017 and 2016, the Group is in compliance with such regulation.

LTNCD

On August 3, 2016, the BOD of the Parent Company approved the issuance of Long Term Negotiable Certificates of Deposits (LTNCD) of up to ₱20.00 billion in tranches of ₱5.00 billion to ₱10.00 billion each and with tenors ranging from 5 to 7 years to support the Group's strategic initiatives and business growth. On October 27, 2016, the Monetary Board of the BSP approved the LTNCD issuances. On November 18, 2016, the Parent Company issued the first tranche at par with aggregate principal amount of ₱9.58 billion due May 18, 2022. The LTNCDs bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears. Subject to BSP rules, the Group has the option to pre-terminate the LTNCDs as a whole but not in part, prior to maturity and on any interest payment date at face value plus accrued interest covering the accrued and unpaid interest.

On June 2, 2017, the Parent Company issued at par LTNCDs with aggregate principal amount of P6.35 billion due December 22, 2022, representing the second tranche of the P20.00 billion.

The LTNCDs are included under the 'Time deposit liabilities' account.

18. BILLS PAYABLE

Bills Payable

The Group's and the Parent Company's bills payable consist of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Interbank loans payable	P16,378,274	P16,954,998	P16,378,274	P16,954,998
Trade finance	3,739,757	—	3,739,757	—
	P20,118,031	P16,954,998	P20,118,031	P16,954,998

Interbank loans payable

Interbank loans payable consists of short-term dollar-denominated borrowings of the Parent Company with annual interest ranging from 0.12% to 2.28% and from 1.25% to 1.68% in 2017 and 2016, respectively.

As of December 31, 2017, the carrying amount of foreign currency-denominated HTM and AFS financial assets pledged by the Parent Company as collateral for its interbank borrowings amounted to P3.43 billion and P3.72 billion, respectively. The carrying amount of peso-denominated HTM, AFS and HFT financial assets pledged by the Parent Company as collateral for its interbank borrowings amounted to P10.25 billion, P0.10 billion and P0.49 billion, respectively. The fair value of HTM financial assets pledged as collateral amounted to P13.24 billion as of December 31, 2017 (Note 9).

As of December 31, 2016, the carrying amount of foreign currency-denominated HTM and AFS financial assets pledged by the Parent Company as collateral for its interbank borrowings amounted to P8.96 billion and P0.53 billion, respectively. The fair value of HTM financial assets pledged as collateral amounted to P8.41 billion as of December 31, 2016 (Note 9).

As of December 31, 2017 and 2016, margin deposits amounting to P497.26 million and P74.68, respectively, are deposited with various counterparties to meet the collateral requirements for its interbank bills payable.

As of December 31, 2016, interbank loans payable includes a US\$158.00 million unsecured, three-year term loan facility from regional and international banks which will mature in June 2018. The facility carries an interest margin of 1.40% per annum over 3-month LIBOR. The term of the loan provides for a financial covenant such that the Parent Company shall ensure that its minimum capital adequacy ratio (CAR) will, at all times, be equal to or greater of (a) the percentage prescribed by BSP from time to time and (b) 10.00%. Otherwise, the loan shall become immediately due and payable. The borrowing was measured initially at fair value and was subsequently carried at amortized cost. As of December 31, 2016, the carrying value of the loan amounted to P7.81 billion.

The Parent Company paid one year ahead the US\$158.00 million borrowing. The strong growth in foreign currency deposits and favorable changes in market conditions enabled the Parent Company to raise the balance earlier than expected. The loan was paid in two tranches: US\$60.00 million was paid in March 2017 and the remaining balance in June 2017.

Trade finance

As of December 31, 2017, trade finance consists of the Parent Company's borrowings from financial institutions using bank trade assets as the basis for borrowing foreign currency. The refinancing amount should not exceed the aggregate amount of trade assets.

19. ACCRUED INTEREST AND OTHER EXPENSES

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Accrued payable for employee benefits	P963,774	P789,691	P956,348	P786,014
Accrued interest payable	813,068	552,881	707,342	464,741
Accrued lease payable	166,246	121,139	162,875	119,950
Accrued taxes and other licenses	116,158	87,156	96,153	77,837
Accrued other expenses payable	568,373	317,323	361,230	112,809
	P2,627,619	P1,868,190	P2,283,948	P1,561,351

20. OTHER LIABILITIES

This account consists of:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Financial liabilities				
Accounts payable	P3,131,826	P2,801,269	P1,827,956	P1,731,365
Due to PDIC	531,645	428,308	531,645	428,308
Acceptances payable	469,518	1,172,158	469,518	1,172,158
Other credits-dormant	281,008	318,701	213,681	304,036
Due to the Treasurer of the Philippines	43,174	28,131	33,950	23,716
Margin deposits	3,004	1,702	3,004	1,702
Miscellaneous (Note 23)	938,901	488,139	430,041	428,532
	5,399,076	5,238,408	3,509,795	4,089,817
Nonfinancial liabilities				
Withholding taxes payable	202,174	150,814	155,320	115,928
Retirement liabilities (Note 24)	119,451	144,686	–	–
	321,625	295,500	155,320	115,928
	P5,720,701	P5,533,908	P3,665,115	P4,205,745

Accounts payable includes payables to suppliers and service providers, and loan payments and other charges received from customers in advance.

Miscellaneous mainly includes sundry credits, inter-office float items, and dormant deposit accounts.

21. OTHER OPERATING INCOME AND MISCELLANEOUS EXPENSES

Service Charges, Fees and Commissions

Details of this account are as follows:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Service and collection charges:						
Deposits	P540,323	P597,294	P628,191	P539,941	P535,397	P572,448
Remittances	311,768	302,184	248,615	311,768	302,184	248,615
Loans	276,054	214,237	170,070	34,758	40,301	34,785
Others	112,725	114,791	169,744	99,116	93,452	90,019
	1,240,870	1,228,506	1,216,620	985,583	971,334	945,867
Fees and commissions	1,200,854	894,963	617,698	409,415	348,114	510,273
	P2,441,724	P2,123,469	P1,834,318	P1,394,998	P1,319,448	P1,456,140

Trading and Securities Gain - Net

This account consists of:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
AFS financial assets	P363,350	P918,673	P638,723	P340,351	P856,031	P629,642
Financial assets designated at FVPL (Note 9)	170,352	111,615	(120,134)	170,352	111,615	(120,134)
Held-for-trading (Note 9)	(55,257)	(135,709)	(50,330)	(112,458)	(138,286)	(48,087)
Derivative assets (Note 25)	(3,510)	23,510	(1,425)	(3,510)	23,510	(1,425)
HTM financial assets	5,025	–	–	5,025	–	–
	P479,960	P918,089	P466,834	399,760	P852,870	P459,996

Miscellaneous Income

Details of this account are as follows:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Bancassurance (Note 11)	P360,009	P383,483	P337,521	P360,009	P383,483	P337,407
Dividends (Note 9)	91,073	193,229	263,330	91,073	193,229	255,407
Rental on bank premises	111,651	91,591	51,731	83,911	67,134	39,516
Fund transfer fees	59,682	50,658	56,621	59,682	50,658	56,621
Rental safety deposit boxes	24,933	24,627	23,139	24,825	24,269	22,768
Recovery of charged off assets	199,014	18,734	15,620	184,272	10,523	7,943
Miscellaneous income (Notes 12, 13 and 15)	670,161	116,123	218,893	587,885	70,801	172,291
	P1,516,523	P878,445	P966,855	P1,391,657	P800,097	P891,953

Miscellaneous Expenses

Details of this account are as follows:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Information technology	P402,314	P108,458	P371,949	P339,214	P227,627	P280,973
Service charges	219,430	225,889	181,216	219,430	225,889	181,216
Litigations	176,602	117,363	100,947	22,815	43,261	26,486
Freight	38,909	34,331	25,534	27,953	27,354	21,338
Membership fees and dues	18,642	29,329	17,012	17,160	28,135	14,861
Clearing and processing fee	21,252	27,379	14,337	16,320	24,525	11,591
Broker's fee	39,129	12,403	22,970	39,128	12,403	22,970
Miscellaneous expense	951,274	518,834	267,969	808,638	352,295	241,307
	P1,867,552	P1,073,986	P1,001,934	P1,490,658	P941,489	P800,742

22. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The following tables present both the Group's and Parent Company's assets and liabilities as of December 31, 2017 and 2016 analyzed according to when they are expected to be recovered or settled within one year and beyond one year from the respective reporting date:

	Consolidated					
	2017			2016		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	P12,685,984	P-	P12,685,984	P12,010,543	P-	P12,010,543
Due from BSP	98,490,014	-	98,490,014	91,964,495	-	91,964,495
Due from other banks	15,641,476	-	15,641,476	11,332,236	-	11,332,236
SPURA	18,751,845	-	18,751,845	3,451,543	-	3,451,543
Financial assets at FVPL	12,730,270	3,508,618	16,238,888	7,703,899	-	7,703,899
AFS financial assets - gross	7,389,865	39,094,353	46,484,218	11,849,322	22,063,143	33,912,465
HTM financial assets	628,196	64,658,071	65,286,267	2,112,503	55,292,297	57,404,800
Loans and receivables - gross	163,581,848	292,036,163	455,618,011	150,962,924	242,775,212	393,738,136
Accrued interest receivable - gross	3,883,957	-	3,883,957	3,193,868	-	3,193,868
Other assets - gross	3,188,970	1,223,673	4,412,643	4,698,468	953,734	5,652,202
	336,972,425	400,520,878	737,493,303	299,279,801	321,084,386	620,364,187

(Forward)

	Consolidated					
	2017			2016		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Nonfinancial assets						
Bank premises, furniture, fixtures and equipment - net of accumulated depreciation and amortization	P-	P6,877,012	P6,877,012	P-	P6,498,639	P6,498,639
Investment properties - net of accumulated depreciation	-	6,509,539	6,509,539	-	6,762,710	6,762,710
Deferred tax assets	-	1,778,081	1,778,081	-	1,666,267	1,666,267
Investments in associates	-	329,422	329,422	-	278,752	278,752
Intangible assets	-	4,104,032	4,104,032	-	4,089,715	4,089,715
Goodwill	-	839,748	839,748	-	839,748	839,748
Other assets - gross	1,281,008	1,292,209	2,573,217	944,754	1,015,932	1,960,686
	1,281,008	21,730,043	23,011,051	944,754	21,151,763	22,096,517
Allowance for impairment and credit losses (Note 16)			(8,748,958)			(9,006,852)
Unearned discounts (Note 10)			(307,886)			(255,841)
			(9,056,844)			(9,262,693)
			P751,447,510			P633,198,011
Financial liabilities						
Deposit liabilities	602,734,404	32,358,989	635,093,393	P513,517,732	P28,065,286	P541,583,018
Bills payable	20,118,031	-	20,118,031	16,954,998	-	16,954,998
Manager's checks	2,441,042	-	2,441,042	2,029,778	-	2,029,778
Accrued interest and other expenses*	1,114,252	267,189	1,381,441	870,204	-	870,204
Derivative liabilities	267,533	-	267,533	243,198	-	243,198
Other liabilities	5,399,076	-	5,399,076	5,238,408	-	5,238,408
	632,074,338	32,626,178	664,700,516	538,854,318	28,065,286	566,919,604
Nonfinancial liabilities						
Accrued interest and other expenses	105,468	1,140,710	1,246,178	87,156	910,830	997,986
Deferred tax liabilities	-	1,161,653	1,161,653	-	1,161,414	1,161,414
Income tax payable	362,041	-	362,041	437,303	-	437,303
Other liabilities	202,174	119,451	321,625	150,814	144,686	295,500
	P632,744,021	P35,047,992	P667,792,013	P539,529,591	P30,282,216	P569,811,807

*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).

	Parent Company					
	2017			2016		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	P11,160,173	P-	P11,160,173	P10,580,748	P-	P10,580,748
Due from BSP	91,717,037	-	91,717,037	85,307,128	-	85,307,128
Due from other banks	14,066,620	-	14,066,620	9,689,165	-	9,689,165
SPURA	17,347,522	-	17,347,522	2,958,465	-	2,958,465
Financial assets at FVPL	12,633,520	3,423,303	16,056,823	7,232,882	-	7,232,882
AFS financial assets - gross	6,733,105	36,210,301	42,943,406	11,159,904	20,000,169	31,160,073
HTM financial assets	346,208	61,187,285	61,533,493	2,087,861	51,981,160	54,069,021
Loans and receivables - gross	136,176,920	255,754,257	391,931,177	131,527,458	203,449,468	334,976,926
Accrued interest receivable - gross	3,247,352	-	3,247,352	2,728,373	-	2,728,373
Other assets - gross	1,927,221	208,496	2,135,717	3,350,015	254,485	3,604,500
	295,355,678	356,783,642	652,139,320	266,621,999	275,685,282	542,307,281

(Forward)

	Parent Company					
	2017			2016		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Nonfinancial assets						
Bank premises, furniture, fixtures and equipment - net of accumulated depreciation and amortization	-	5,464,582	5,464,582	-	5,143,981	5,143,981
Investment properties - net of accumulated depreciation	-	2,756,921	2,756,921	-	2,967,294	2,967,294
Deferred tax assets	-	1,297,271	1,297,271	-	1,508,150	1,508,150
Investments in subsidiaries	-	13,560,733	13,560,733	-	12,169,037	12,169,037
Investment in associates	-	329,422	329,422	-	276,559	276,559
Intangible assets	-	800,861	800,861	-	805,582	805,582
Goodwill	-	222,841	222,841	-	222,841	222,841
Other assets - gross	895,082	991,386	1,886,468	759,212	754,754	1,513,966
	895,082	25,424,017	26,319,099	759,212	23,848,198	24,607,410
Allowances for impairment and credit losses (Note 16)			(6,921,550)			(7,598,152)
Unearned discounts (Note 10)			(267,099)			(198,042)
			(7,188,649)			(7,796,194)
			P671,269,770			P559,143,914
Financial liabilities						
Deposit liabilities	P534,657,559	P24,578,420	P559,235,979	P455,816,577	P15,145,414	P470,961,991
Bills payable	20,118,031	-	20,118,031	16,954,998	-	16,954,998
Manager's checks	1,709,248	-	1,709,248	1,445,585	-	1,445,585
Accrued interest and other expenses*	1,068,572	-	1,068,572	577,550	-	577,550
Derivative liabilities	267,533	-	267,533	243,198	-	243,198
Other liabilities	3,509,795	-	3,509,795	4,089,817	-	4,089,817
	561,330,738	24,578,420	585,909,158	479,127,725	15,145,414	494,273,139
Nonfinancial liabilities						
Accrued interest and other expenses	96,153	1,119,223	1,215,376	77,836	905,965	983,801
Income tax payable	339,155	-	339,155	354,212	-	354,212
Other liabilities	155,320	-	155,320	115,928	-	115,928
	P561,921,366	P25,697,643	P587,619,009	P479,675,701	P16,051,379	P495,727,080

*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).

23. EQUITY

The Parent Company's capital stock consists of (amounts in thousands, except for number of shares):

	2017		2016	
	Shares	Amount	Shares	Amount
Common stock - P10.00 par value				
Authorized - shares	3,300,000,000		2,500,000,000	
Issued and outstanding				
Balance at beginning of year	2,002,027,836	P20,020,278	1,853,728,497	P18,537,285
Stock rights	483,870,967	4,838,710	-	-
Stock dividends*	198,872,913	1,988,729	148,299,339	1,482,993
	2,684,771,716	P26,847,717	2,002,027,836	P20,020,278

*The stock dividends declared include fractional shares equivalent to 1,009 and 1,060 in 2017 and 2016, respectively.

The Parent Company shares are listed in the Philippine Stock Exchange.

Stock Rights Offering

On February 22, 2017, the BOD authorized the Parent Company to conduct a rights issue by way of offering common shares to certain eligible shareholders. The BSP approved the stock rights offering on March 6, 2017.

Each eligible shareholder was entitled to one share, at ₱31.00 apiece, per 4.1375 existing common shares as of April 19, 2017. The stock rights offering yielded a subscription of 483,870,967 common shares which were listed at the Philippine Stock Exchange on May 10, 2017. The total proceeds of the stock rights offering amounted to ₱14.9 billion, net of stock issuance cost of ₱52.09 million which was deducted from additional paid in capital.

The additional capital enabled the Parent Company to grow its loan portfolio, expand its branch network, and support its other strategic business initiatives.

Increase in the Parent Company's Authorized Capital Stock

On March 15, 2017 and May 4, 2017 the BOD approved and the stockholders ratified, respectively, the increase in the Parent Company's authorized capital stock from ₱25.00 billion to ₱33.00 billion, or from 2.50 billion to 3.30 billion shares with par value of ₱10.00 per share. The increase in the Parent Company's authorized capital stock was subsequently approved by the BSP and the SEC on August 2, 2017 and September 29, 2017, respectively.

On June 7, 2017, the Parent Company and the Trust and Asset Management Group (on behalf of the CBC Employees Retirement Plan) entered into a subscription agreement whereas the latter will subscribe to 1,128,096 new common shares of the Parent Company at a subscription price per share equal to the higher between the closing price of the Parent Company's stock dividend or the par value of ₱10.00 per share.

On January 24, 2018, the BOD of the Parent Company, during a special board meeting, confirmed the issuance of the shares to CBC Employees Retirement Plan in accordance with the subscription agreement which was paid at a subscription price of ₱33.40 per share (closing price of the Group's shares at the Philippine Stock Exchange on October 20, 2017 which is the record date of the Parent Company's stock dividend) recorded under "Other Liabilities."

The summarized information on the Parent Company's registration of securities under the Securities Regulation Code follows:

<u>Date of SEC Approval</u>	<u>Authorized Shares*</u>
April 12, 1991	100,000
October 7, 1993	150,000
August 30, 1994	200,000
July 26, 1995	250,000
September 12, 1997	500,000
September 5, 2005	1,000,000
September 14, 2007	1,600,000
September 5, 2008	2,000,000
August 29, 2014	2,500,000
September 29, 2017	3,300,000

* Restated to show the effects of the ten-for-one stock split in 2012

As reported by the Parent Company's transfer agent, Stock Transfer Service, Inc., the total number of stockholders is 1,934 and 1,959 as of December 31, 2017 and 2016, respectively.

Dividends

Details of the Parent Company's cash dividend payments follow:

Cash Dividends

<u>Date of Declaration</u>	<u>Date of Record</u>	<u>Date of Payment</u>	<u>Cash Dividend Per Share</u>
May 04, 2017	May 18, 2017	June 02, 2017	0.80
May 05, 2016	May 23, 2016	June 03, 2016	1.00
May 07, 2015	August 12, 2015	September 09, 2015	1.00
May 08, 2014	September 19, 2014	October 15, 2014	1.00
May 02, 2013	July 19, 2013	August 14, 2013	1.20

Stock Dividends

Date of Declaration	Date of Record	Date of Payment	Stock Dividend Per Share
March 15, 2017	October 20, 2017	November 03, 2017	8%
May 05, 2016	May 23, 2016	June 03, 2016	8%
May 07, 2015	August 12, 2015	September 09, 2015	8%
May 08, 2014	September 19, 2014	October 15, 2014	8%
May 02, 2013	July 19, 2013	August 14, 2013	10%

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

As of December 31, 2017 and 2016, surplus includes the amount of ₱1.28 billion, net of deferred tax liability of ₱547.40 million, representing transfer of revaluation increment on land which was carried at deemed cost when the Group transitioned to PFRS in 2005 (Note 12). This amount will be available to be declared as dividends upon sale of the underlying land.

In the consolidated financial statements, a portion of the Group's surplus corresponding to the net earnings of the subsidiaries and associates amounting to ₱851.57 million and ₱607.74 million as of December 31, 2017 and 2016, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

Reserves

In compliance with BSP regulations, 10.00% of the Parent Company's profit from trust business is appropriated to surplus reserve. This annual appropriation is required until the surplus reserves for trust business equals 20.00% of the Parent Company's authorized capital stock.

Capital Management

The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and that it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes as of December 31, 2017 and 2016.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the Parent Company's compliance with regulatory requirements and ratios is based on the amount of the Parent Company's unimpaired capital (regulatory capital) as reported to the BSP. This is determined on the basis of regulatory accounting policies which differ from PFRS in some respects.

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets (RWA), should not be less than 10.00% for both solo basis (head office and branches) and consolidated basis (Parent Company and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and RWA are computed based on BSP regulations. RWA consists of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.

On August 4, 2006, the BSP, under BSP Circular No. 538, issued the prescribed guidelines implementing the revised risk-based capital adequacy framework for the Philippine banking system to conform to Basel II capital adequacy framework. The BSP guidelines took effect on July 1, 2007. Thereafter, banks were required to compute their CAR using these guidelines.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on ratings by Standard & Poor's, Moody's and Fitch, while PhilRatings were used on peso-denominated exposures to Sovereigns, MDBs, Banks, LGUs, Government Corporations, Corporates.

On January 15, 2013, the BSP issued Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The circular took effect on January 1, 2014.

The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50%. It also introduces a capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and this ratio shall be maintained at all times.

Further, existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital upon the effectivity of Basel III. Capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals), starting January 1, 2011 and before the effectivity of BSP Circular No. 781, shall be recognized as qualifying capital until December 31, 2015. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

The CAR of the Group and the Parent Company as of December 31, 2017 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2017	2016	2017	2016
(Amounts in Million Pesos)				
CET 1 Capital	P78,086	P58,170	P77,161	P57,409
Less: Regulatory Adjustments	7,434	7,338	13,854	13,169
	70,652	50,832	63,307	44,240
Additional Tier 1 Capital	–	–	–	–
Less: Regulatory Adjustments	–	–	–	–
	–	–	–	–
Net Tier 1 Capital	70,652	50,832	63,307	44,240
Tier 2 Capital	3,970	4,076	3,410	3,514
Less: Regulatory Adjustments	–	–	–	–
Net Tier 2 Capital	3,970	4,076	3,410	3,514
Total Qualifying Capital	P74,622	P54,908	P66,717	P47,754

	Consolidated		Parent Company	
	2017	2016	2017	2016
(Amounts in Million Pesos)				
Credit RWA	P480,956	P414,381	P451,457	P352,651
Market RWA	7,665	4,575	7,540	4,339
Operational RWA	36,047	30,727	28,526	25,689
Total RWA	P524,668	P449,683	P487,523	P382,679

CET 1 capital ratio	13.47%	11.30%	14.02%	11.56%
Tier 1 capital ratio	13.47%	11.30%	14.02%	11.56%
Total capital ratio	14.22%	12.21%	14.78%	12.48%

The Parent Company has complied with all externally imposed capital requirements throughout the period.

The issuance of BSP Circular No. 639 covering the ICAAP in 2009 supplements the BSP's risk-based capital adequacy framework under Circular No. 538. In compliance with this circular, the Parent Company has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Parent Company. The level and structure of capital are assessed and determined in light of the Parent Company's business environment, plans, performance, risks and budget, as well as regulatory edicts. BSP requires submission of an ICAAP document every March 31. The Group has complied with this requirement.

24. RETIREMENT PLAN

The Group has separate funded noncontributory defined benefit retirement plans covering substantially all its officers and regular employees. The retirement plans are administered by the Parent Company's Trust Group which acts as the trustee of the plans. Under these retirement plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The latest actuarial valuation studies of the retirement plans were made as of December 31, 2017.

The Group's annual contribution to the retirement plan consists of a payment covering the current service cost, unfunded actuarial accrued liability and interest on such unfunded actuarial liability.

The amounts of net defined benefit asset in the balance sheets follow:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Net plan assets (Note 15)	¥995,050	¥754,754	¥991,386	¥754,754
Retirement liabilities (Note 20)	(119,451)	(144,686)	–	–
	¥875,599	¥610,068	¥991,386	¥754,754

The movements in the defined benefit asset, present value of defined benefit obligation and fair value of plan assets follow:

	Consolidated											
	2017											
	Net benefit cost				Remeasurements in OCI							
	January 1, 2017	Current service cost	Net interest	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Changes in remeasurement gains (losses)	Contribution by employer	December 31, 2017
	(a)	(c)	(d)	(e) = c + d	(f)	(g)	(h)	(i)		(j) = g + h + i	(k)	(l) = a + b + e + f + j + k
Fair value of plan assets	¥4,521,109	¥–	¥217,203	¥217,203	(¥288,014)	(¥153,076)	¥–	¥–	¥–	(¥153,076)	¥571,200	¥4,868,423
Present value of defined benefit obligation	3,911,041	375,598	188,654	564,252	(288,014)	–	48,675	(243,130)	–	(194,455)	–	3,992,824
Net defined benefit asset	¥610,068	(¥375,598)	¥28,549	(¥347,049)	¥–	(¥153,076)	(¥48,675)	¥243,130	¥–	¥41,379	¥571,200	¥875,599

*Presented under Compensation and fringe benefits in the statements of income.

	Consolidated											
	2016											
	Net benefit cost				Remeasurements in OCI							
	January 1, 2016	Current service cost	Net interest	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Changes in remeasurement gains (losses)	Contribution by employer	December 31, 2016
	(a)	(c)	(d)	(e) = c + d	(f)	(g)	(h)	(i)		(j) = g + h + i	(k)	(l) = a + b + e + f + j + k
Fair value of plan assets	¥4,472,990	¥-	¥179,522	¥179,522	(¥644,384)	¥278,115	¥-	¥-	¥-	¥278,115	¥234,867	¥4,521,109
Present value of defined benefit obligation	3,851,428	302,347	148,206	450,553	(644,384)	-	72,293	165,252	15,900	253,444	-	3,911,041
Net defined benefit asset	¥621,562	(¥302,347)	¥31,316	(¥271,031)	¥-	¥278,115	(¥72,293)	(¥165,252)	(¥15,900)	¥24,671	¥234,867	¥610,068

*Presented under Compensation and fringe benefits in the statements of income.

	Parent Company										
	2017										
	Net benefit cost				Remeasurements in OCI						
	January 1, 2017	Current service cost	Net interest	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Changes in remeasurement gains (losses)	Contribution by employer	December 31, 2017
	(a)	(c)	(d)	(e) = c + d	(f)	(g)	(h)	(i)	(j) = g + h + i	(k)	(l) = a + b + e + f + j + k
Fair value of plan assets	₪4,315,996	₪–	₪206,736	₪206,736	(₪273,001)	(₪141,532)	₪–	₪–	(₪141,532)	₪450,000	₪4,558,199
Present value of defined benefit obligation	3,561,242	264,989	170,583	435,573	(273,001)	–	50,525	(207,525)	(157,000)	–	3,566,813
Net defined benefit asset	₪754,754	(₪264,989)	₪36,153	(₪288,837)	₪–	(₪141,532)	(₪50,525)	₪207,525	₪15,468	₪450,000	₪991,386

*Presented under Compensation and fringe benefits in the statements of income.

Parent Company											
2016											
January 1, 2016	Net benefit cost			Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Changes in remeasurement gains (losses)	Contribution by employer	December 31, 2016	
	Current service cost	Net interest	Net pension expense*								
(a)	(c)	(d)	(e) = c + d	(f)	(g)	(h)	(i)	(j) = g + h + i	(k)	(l) = a + b + e + f + j + k	
Fair value of plan assets	₱3,892,350	₱–	₱173,210	₱173,210	(₱183,784)	₱284,221	₱–	₱–	₱284,221	₱150,000	₱4,315,997
Present value of defined benefit obligation	3,106,532	288,262	138,241	426,503	(183,784)	49,966	162,025	211,991			3,561,243
Net defined benefit asset	₱785,818	(₱288,262)	₱34,969	(₱253,293)	₱–	₱284,221	(₱49,966)	(₱162,025)	₱72,230	₱150,000	₱754,754

*Presented under Compensation and fringe benefits in the statements of income.

The Parent Company expects to contribute ₱459.49 million to its defined benefit pension plan in 2018.

In 2017 and 2016, the major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Parent Company shares (Note 29)	36.30%	40.13%	38.75%	42.04%
Equity instruments	20.97%	21.76%	21.59%	22.18%
Cash and cash equivalents	9.94%	6.13%	7.54%	3.57%
Debt instruments	14.74%	16.19%	12.93%	15.67%
Other assets	18.05%	15.79%	19.19%	16.54%
	100.00%	100.00%	100.00%	100.00%

As of December 31, 2017 and 2016, the retirement fund's ownership with the Parent Company is 1.98% and 2.29%, respectively.

The following table shows the breakdown of fair value of the plan assets:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Due from BSP	₱–	₱53,580	₱–	₱46,000
Deposits in banks	486,822	223,432	345,702	108,259
Financial assets at FVPL	993,381	976,684	967,053	956,163
AFS financial assets				
Quoted debt securities	513,233	555,553	404,197	515,123
Quoted equity securities	33,652	7,054	23,121	5,481
Parent Company shares	1,777,250	1,814,531	1,777,250	1,814,531
Investments in unit investment trust fund	199,557	167,840	179,913	152,278
Corporate bonds	8,750	8,750	8,750	8,750
Loans and receivable	688,029	553,339	685,179	552,379
Investment properties*	143,799	147,154	143,799	143,799
Other assets	52,078	13,284	51,219	13,234
	₱4,896,551	₱4,521,201	₱4,586,183	₱4,315,997

* Investment properties comprise properties located in Manila.

The carrying value of the plan assets of the Group and Parent Company amounted to ₱4.90 billion and ₱4.59 billion, respectively, as of December 31, 2017, and ₱4.52 billion and ₱4.32 billion, respectively, as of December 31, 2016.

The principal actuarial assumptions used in 2017 and 2016 in determining the retirement asset (liability) for the Group's and Parent Company's retirement plans are shown below:

	Parent	2017				
		CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate:						
January 1	4.79%	5.08%	5.14%	5.14%	5.19%	–
December 31	5.60%	5.63%	5.82%	5.82%	5.85%	5.85%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
2016						
	Parent	CBSI	PDB	CIBI	CBC-PCCI	
Discount rate:						
January 1	4.45%	4.99%	5.10%	5.10%	–	
December 31	4.79%	5.08%	5.14%	5.14%	5.19%	
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	

The sensitivity analysis below has been determined based on the impact of reasonably possible changes of each significant assumption on the defined benefit liability as of the end of the reporting period, assuming all other assumptions were held constant:

December 31, 2017	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate						
(+1%)	(P176,120)	(P39,471)	(P1,138)	(P6,434)	(P1,157)	(P218)
(-1%)	266,156	50,838	1,568	11,519	1,460	285
Salary increase rate						
(+1%)	250,898	48,520	1,504	11,019	1,414	272
(-1%)	(171,429)	(38,611)	(1,115)	(6,328)	(1,146)	(212)
December 31, 2016	Parent	CBSI	CIBI	CBC-PCCI	CBCC	
Discount rate						
(+1%)	(P246,034)	(P35,473)	(P1,566)	(P9,072)	(P814)	
(-1%)	330,859	45,560	2,073	12,454	1,025	
Salary increase rate						
(+1%)	310,338	43,290	1,946	11,854	983	
(-1%)	(237,969)	(34,585)	(1,522)	(8,860)	(799)	

The weighted average duration of the defined benefit obligation are presented below:

	December 31, 2017	December 31, 2016
Parent Company	13	13
CBSI	18	18
CIBI	19	19
CBC-PCCI	19	19
CBCC	23	22
CBSC	25	–

The maturity analyses of the undiscounted benefit payments as of December 31, 2017 and 2016 are as follows:

December 31, 2017	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
1 year and less	₱927,473	₱12,666	₱–	₱17,059	₱–	₱–
More than 1 year to 5 years	935,382	70,067	1,571	8,957	–	2,038
More than 5 years to 10 years	2,183,572	178,995	16,915	47,035	5,212	665
More than 10 years to 15 years	2,452,767	635,724	8,790	60,509	13,184	–
More than 15 years to 20 years	3,614,035	1,034,331	–	151,035	103,356	1,751
More than 20 years	22,632,896	10,283,386	477,064	1,267,884	402,263	164,340
December 31, 2016	Parent	CBSI	CIBI	CBC-PCCI	CBCC	
1 year and less	₱884,693	₱9,290	₱–	₱–	₱–	
More than 1 year to 5 years	846,426	64,223	1,571	20,508	–	
More than 5 years to 10 years	2,115,399	140,944	12,533	41,384	7,925	
More than 10 years to 15 years	2,680,694	541,073	25,081	41,182	13,494	
More than 15 years to 20 years	3,146,044	1,023,406	–	159,992	104,806	
More than 20 years	21,735,037	8,360,827	393,003	1,173,627	275,604	

25. DERIVATIVE FINANCIAL INSTRUMENTS

Occasionally, the Parent Company enters into forward exchange contracts as an accommodation to its clients. These derivatives are not designated as accounting hedges. The aggregate notional amounts of the outstanding buy US dollar currency forwards as of December 31, 2017 and 2016 amounted to US\$228.48 million and US\$148.58 million, respectively, while the sell US dollar forward contracts amounted to US\$164.89 million and US\$197.06 million, respectively. Weighted average buy US dollar forward rate as of December 31, 2017 is ₱51.13 and ₱46.76 in 2016, while the weighted average sell US dollar forward rates are ₱51.41 and ₱44.26, respectively.

The aggregate notional amounts of the outstanding buy Euro currency forwards as of December 31, 2017 and 2016 amounted to €113 million and €2 million, respectively while the aggregate notional amounts of the outstanding sell Euro currency forwards as of the December 31, 2017 and 2016 amounted to nil and €6 million, respectively. The weighted average buy Euro forward rates as of December 31, 2017 is ₱59.32 and ₱53.40 in December 31, 2016 while the weighted average sell Euro forward rate as of December 31, 2016 is ₱51.85.

The aggregate notional amounts of the outstanding buy Hongkong dollars (HKD) currency forwards as of December 31, 2017 and December 31, 2016 amounted to nil and HKD155.15 million, respectively. The weighted average buy HKD forward rates as of December 31, 2016 is ₱6.41.

The aggregate notional amounts of the outstanding sell Chinese Yuan (CNY) currency forwards as of December 31, 2017 and December 31, 2016 amounted to nil and CNY34.91 million. The weighted average sell CNY forward rates as of December 31, 2016 is ₱7.12.

The aggregate notional amounts of the outstanding IRS as of December 31, 2017 and 2016 amounted to ₱9.99 billion and ₱10.82 billion, respectively.

The aggregate notional amounts of the outstanding buy US Dollar NDF as of December 31, 2017 amounted to US\$5.00 million. The weighted average buy NDF rate as of December 31, 2017 is ₱49.85.

As of December 31, 2017 and 2016, the fair values of derivatives follow:

	2017		2016	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Currency forwards	₱294,873	₱235,787	₱176,513	₱213,788
IRS	28,963	31,746	30,065	29,410
Warrants	9,751	–	9,710	–
	₱333,587	₱267,533	₱216,288	₱243,198

Fair Value Changes of Derivatives

The net movements in fair value changes of derivative instruments are as follows:

	2017	2016
Balance at beginning of year	(P26,910)	P233,553
Fair value changes during the year	132,805	(183,640)
Settled transactions	(39,841)	(76,823)
Balance at end of year	P66,054	(P26,910)

The net movements in the value of the derivatives are presented in the statements of income under the following accounts:

	2017	2016	2015
Foreign exchange gain (loss)	P96,401	(P283,973)	P47,031
Trading and securities gain (loss)* (Note 21)	(3,437)	23,510	(1,425)
	P92,964	(P260,463)	P45,606

*Net movements in the value related to embedded credit derivatives and IRS.

26. LEASE CONTRACTS

The lease contracts are for periods ranging from one to 25 years from the dates of contracts and are renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00% to 10.00%.

Annual rentals on these lease contracts included in 'Occupancy cost' in the statements of income in 2017, 2016 and 2015 amounted to P782.30 million, P681.05 million and P615.00 million, respectively, for the Group, and P518.47 million, P450.53 million and P396.88 million, respectively, for the Parent Company.

Future minimum rentals payable of the Group and the Parent Company under non-cancelable operating leases follow:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Within one year	P601,876	P573,623	P551,239	P506,446
After one year but not more than five years	2,230,498	1,900,916	1,984,453	1,677,595
After five years	1,335,370	1,152,237	915,394	724,682
	P4,167,744	P3,626,776	P3,451,086	P2,908,723

The Group and the Parent Company have also entered into commercial property leases on its investment properties (Note 13).

Future minimum rentals receivable under noncancellable operating leases follow:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Within one year	P26,521	P5,044	P19,913	P4,865
After one year but not more than five years	19,246	22,047	1,042	2,977
After more than five years	7,810	27,653	–	–
	P53,577	P54,744	P20,955	P7,842

27. INCOME AND OTHER TAXES

Income taxes include corporate income tax and FCDU final taxes, as discussed below, and final tax paid at the rate of 20.00% on gross interest income from government securities and other deposit substitutes. These income taxes, as well as the deferred tax benefits and provisions, are presented as 'Provision for income tax' in the statements of income.

Republic Act (RA) No. 9337, An Act Amending National Internal Revenue Code, provides that RCIT rate shall be 30.00% while interest expense allowed as a deductible expense is reduced to 33.00% of interest income subject to final tax.

An MCIT of 2.00% on modified gross income is computed and compared with the RCIT. Any excess MCIT over RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, the NOLCO is allowed as a deduction from taxable income in the next three years from the year of inception.

Effective in May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with nonresidents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% gross income tax.

Interest income on deposit placements with other FCDUs and OBUs is taxed at 7.50%, while all other income of the FCDU is subject to the 30.00% corporate tax.

On March 15, 2011, the BIR issued Revenue Regulation (RR) No. 4-2011 which prescribes the attribution and allocation of expenses between FCDUs/EFCDUs or OBU and RBU and within RBU. Pursuant to the regulations, the Parent Company made an allocation of its expenses in calculating income taxes due for RBU and FCDU.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1.00% of the Parent Company's net revenue.

The provision for income tax consists of:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Current						
Final tax	P677,450	P498,750	P435,649	P607,136	P458,011	P417,227
RCIT	977,968	907,782	1,007,447	829,109	785,800	941,923
MCIT	—	—	29,935	—	—	—
	1,655,418	1,406,532	1,473,031	1,436,245	1,243,811	1,359,150
Deferred	(166,241)	(279,980)	(663,062)	206,239	(160,672)	(531,080)
	P1,489,177	P1,126,552	P809,969	P1,642,484	P1,083,139	P828,070

The details of net deferred tax assets (liabilities) follow:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Deferred tax assets (liabilities) on				
Allowance for impairment and credit losses	P2,585,512	P2,429,146	P2,076,465	P2,249,967
Revaluation Increment on land (Notes 11 and 22)	(547,405)	(547,405)	(547,405)	(547,405)
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	(210,800)	(91,030)	(222)	32,014
Net defined benefit asset	(297,416)	(183,020)	(297,416)	(226,426)
Fair value adjustments on net assets (liabilities) of PDB and Unity Bank	(805,515)	(1,102,839)	—	—
Others	(107,948)	—	65,849	—
	P616,428	P504,852	P1,297,271	P1,508,150

The Group did not set up deferred tax assets on the following temporary differences as it believes that it is highly probable that these temporary differences will not be realized in the near foreseeable future:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Allowance for impairment and credit losses	P2,306,353	P3,525,592	P—	P98,262
Accrued compensated absences	171,431	87,499	65,384	53,003
NOLCO	—	—	—	—
Excess of MCIT over RCIT	—	52,929	—	—
Others	371,427	67,793	—	—
	P2,849,211	P3,733,813	P65,384	P151,265

As of December 31, 2017, details of excess of MCIT over RCIT of the Group follow:

InceptionYear	Original Amount	Used Amount	Expired Amount	Remaining Balance	Expiry Year
2014	¥13,054	¥13,054	¥–	¥–	2017
2015	35,414	35,414	–	–	2018
2016	–	–	–	–	2019
2017	–	–	–	–	2020
	¥48,468	¥48,468	¥–	¥–	

The reconciliation of the statutory income tax to the provision for income tax follows:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Statutory income tax	¥2,703,632	¥2,276,256	¥1,923,764	¥2,746,937	¥2,262,431	¥2,002,359
Tax effects of						
FCDU income	(498,029)	(549,881)	(459,351)	(496,062)	(543,591)	(472,787)
Non-taxable income	(939,179)	(219,042)	(300,817)	(837,850)	(179,507)	(330,074)
Interest income subjected to final tax	(279,914)	(464,491)	(168,700)	(266,103)	(604,445)	(180,071)
Nondeductible expenses	771,915	243,937	(63,433)	612,065	146,205	(232,661)
Others	(269,248)	(160,227)	(121,494)	(116,503)	2,046	41,304
Provision for income tax	¥1,489,177	¥1,126,552	¥809,969	¥1,642,484	¥1,083,139	¥828,070

28. TRUST OPERATIONS

Securities and other properties (other than deposits) held by the Parent Company in fiduciary or agency capacities for clients and beneficiaries are not included in the accompanying balance sheets since these are not assets of the Parent Company (Note 30).

In compliance with the requirements of current banking regulations relative to the Parent Company's trust functions : (a) government bonds included under HFT financial assets and AFS financial assets with total face value of ¥1.176 billion and ¥994.05 million as of December 31, 2017 and 2016, respectively, are deposited with the BSP as security for the Parent Company's faithful compliance with its fiduciary obligations (Note 9); and (b) a certain percentage of the Parent Company's trust fee income is transferred to surplus reserve. This yearly transfer is required until the surplus reserve for trust function equals 20.00% of the Parent Company's authorized capital stock.

29. 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. The Group's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members,
- significant investors
- subsidiaries, joint ventures and associates and their respective subsidiaries, and
- post-employment benefit plans for the benefit of the Group's employees.

The Group has several business relationships with related parties. Transactions with such parties are normally made in the ordinary course of business and based on the terms and conditions discussed below.

Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Group 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 the Group and Parent Company from such services amounted to ¥42.89 million and ¥41.69 million, respectively, in 2017, ¥44.35 million and ¥41.41 million, respectively, in 2016, and ¥44.19 million and ¥41.35 million, respectively, in 2015.

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.

A summary of transactions with related party retirement plans follows:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Deposits in banks	P486,822	P223,432	P345,702	P108,259
AFS financial assets	1,777,250	1,814,531	1,777,250	1,814,531
Dividend income	47,751	44,214	47,751	44,214
Interest income	2,037	2,069	1,520	1,172
Total market value of shares	1,777,250	1,814,531	1,777,250	1,814,531
Number of shares held	51,571	47,751	51,571	47,751

In 2015, dividend income and interest income of the retirement plan from investments and placements in the Parent Company amounted to P40.94 million and P0.70 million, respectively, for the Group, and P40.94 million and P0.51 million, respectively, for the Parent Company.

AFS financial assets represent shares of stock of the Parent Company. Voting rights over the Parent Company's shares are exercised by an authorized trust officer.

Remunerations of Directors and other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group considers the members of the ManCom to constitute key management personnel for purposes of PAS 24.

Total remunerations of key management personnel are as follows:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Short-term employee benefits	P482,345	P380,394	P411,833	P408,311	P315,284	P325,324
Post-employment benefits	2,501	4,774	6,526	2,501	2,194	3,946
	P484,846	P385,168	P418,359	P410,812	P317,478	P329,270

Members of the BOD are entitled to a per diem of P500.00 for attendance at each meeting of the Board or of any committees and to four percent (4.00%) of the Parent Company's net earnings, with certain deductions in accordance with BSP regulation. Non-executive directors do not receive any performance-related compensation. Directors' remuneration covers all Parent Company's Board activities and membership of committees and subsidiary companies.

The Group also provides banking services to directors and other key management personnel and persons connected to them. These transactions are presented in the tables below.

Other Related Party Transactions

Transactions between the Parent Company and its subsidiaries meet the definition of related party transactions. Transactions between the Group and its associated companies also qualify as related party transactions. Details of the Parent Company's subsidiaries and associate are disclosed in Notes 1 and 10.

Group

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

Category	December 31, 2017		
	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables		P6,682,725	Partially secured Loans with interest rate of 2 - 5.12% and maturity of two to seven years.
Issuances	P5,624,213		
Repayments	(1,651,488)		
Deposit liabilities		257	These are checking accounts with annual average rate of 0.13%.
Deposits	3,164,475		
Withdrawals	(3,164,441)		

December 31, 2017			
Category	Amount / Volume	Outstanding Balance	Terms and Conditions
Associate			
Deposit liabilities		P77,722	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	P1,175,969		
Withdrawals	(1,386,319)		
Key Management Personnel			
Loans and receivables		39,312	Unsecured Officer's accounts from Credit card with interest of 3% and currently maturing and Fully secured OEL accounts with interest of 6%;Secured; no impairment; with annual fixed interest rates ranging from 0% to 5.50%
Issuances	417		
Repayments	2,238		
Deposit liabilities		18,772	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	279,554		
Withdrawals	(276,612)		
Other Related Parties			
Deposit liabilities		51,563	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	16,038,034		
Withdrawals	(16,008,489)		

December 31, 2016			
Category	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables		P2,710,000	These are secured loans with interest rate of 5.13% and maturity of four years; collateral includes shares of stocks with fair value of P28.44 billion.
Issuances	P-		
Repayments	-		
Deposit liabilities		223	These are checking accounts with annual average rate of 0.13%.
Deposits	2,053,853		
Withdrawals	(10,270,042)		
Associate			
Deposit liabilities		288,072	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	437,486		
Withdrawals	(1,097,863)		
Key Management Personnel			
Loans and receivables		11,703	This includes secured and unsecured loans amounting to P16.12 million and P8.02 million, respectively. Secured loans bear annual interest rate of 6.00% and maturity of 15 years. Collateral includes real properties with fair value of P32.82 million.
Issuances	557		
Repayments	8,463		
Deposit liabilities		15,830	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	209,071		
Withdrawals	(228,679)		
Other Related Parties			
Deposit liabilities		22,019	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	8,122,268		
Withdrawals	(33,781,787)		

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2017, 2016, and 2015 follow:

	Significant Investor			Associate		
	2017	2016	2015	2017	2016	2015
Interest income	P169,706	P138,944	P142,662	P-	P-	P1,288
Interest expense	61	12	8	1,849	1,513	2,411
	Key Management Personnel			Other Related Parties		
	2017	2016	2015	2017	2016	2015
Interest income	P17,102	P385	P1,039	P-	P-	P-
Interest expense	47	40	1,270	69	11	125

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.

Parent Company

Related party transactions of the Parent Company by category of related party, except those already presented in the Group disclosures, are presented below.

	December 31, 2017		
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		P6,682,725	These are secured loans with interest rate of 5.13% and maturity of four years; collateral includes shares of stocks with fair value of P28.44 billion
Issuances	P5,624,213		
Repayments	(1,651,488)		
Deposit liabilities		257	These are checking accounts with annual average rate of 0.13%.
Deposits	3,164,475		
Withdrawals	(3,164,441)		
Subsidiaries			
Deposit liabilities		32,801	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	330,111		
Withdrawals	(311,528)		
Associate			
Deposit liabilities		77,722	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	1,175,969		
Withdrawals	(1,386,319)		
Key Management Personnel			
Loans and receivables		952	
Issuances	417		
Repayments	(714)		
Deposit liabilities		18,772	These are savings account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	279,554		
Withdrawals	(276,612)		
Other Related Parties			
Deposit liabilities		51,563	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	16,038,034		
Withdrawals	(16,008,489)		

December 31, 2016			
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant investor			
Loans and receivables		₱2,710,000	These are secured loans with interest rate of 5.13% and maturity of four years; collateral includes shares of stocks with fair value of ₱28.44 billion.
Issuances	₱-		
Repayments	-		
Deposit liabilities		223	These are checking accounts with annual average rate of 0.13%.
Deposits	2,053,853		
Withdrawals	(10,270,042)		
Subsidiaries			
Deposit liabilities		14,218	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	273,603		
Withdrawals	(6,767,542)		
Associate			
Deposit liabilities		288,072	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	437,486		
Withdrawals	(4,700,011)		
Key Management Personnel			
Loans and receivables		1,249	Loans with interest rates ranging from 6.00% to 8.00% and maturity of 15 years.
Issuances	557		
Repayments	(1,060)		
Deposit liabilities		15,830	These are savings account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	209,071		
Withdrawals	(206,142)		
Other Related Parties			
Deposit liabilities		22,019	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	8,122,268		
Withdrawals	(33,709,401)		

In 2017, the Parent Company sold its investment property to a related party for a total cash selling price of P161.58 million and recognized gain of P142.61 million.

In 2015, PDB sold its investment property to the Parent Company for a total selling price of P464.52 million. PDB recognized gain on such sale amounting to P55.30 million. PDB's gain on sale was eliminated at the group level. In addition, CBSI assigned its portfolio of receivables to PDB amounting to P2.83 billion.

The related party transactions shall be settled in cash. There are no provisions for credit losses in 2017, 2016 and 2015 in relation to amounts due from related parties.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2017, 2016 and 2015 follow:

	Subsidiaries			Associate		
	2017	2016	2015	2017	2016	2015
Interest expense	P46	P33	P137	P1,849	P1,513	P19
	Key Management Personnel			Other Related Parties		
	2017	2016	2015	2017	2016	2015
Interest income	P46	P56	P78	P-	P-	P-
Interest expense	47	40	76	69	11	27
	Significant Investor					
	2017	2016	2015			
Interest income	P169,706	P138,944	P142,662			
Interest expense	61	12	8			

Outright purchases and outright sale of debt securities of the Parent Company with its subsidiaries in 2017 and 2016 follow:

	Subsidiaries	
	2017	2016
Peso-denominated		
Outright purchase	P675,016	P1,504,879
Outright sale	18,902,488	1,128,000

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

	Subsidiaries			
	2017	2016		Nature, Terms and Conditions
Balance Sheet				
Accounts receivable	P2,741	P5,187		This pertains to various expenses advanced by CBC in behalf of CBSI
Security deposits	2,736	3,050		This pertains to the rental deposits with CBSI for office space leased out to the Parent Company
Accounts payable	10,607	10,623		This pertains to various unpaid rental to CBSI
	Subsidiaries			
	2017	2016	2015	Nature, Terms and Conditions
Income Statement				
Miscellaneous income	P1,800	P1,800	P1,800	Human resources functions provided by the Parent Company to its subsidiaries (except CBC Forex and Unity Bank) such as recruitment and placement, training and development, salary and benefits development, systems and research, and employee benefits. Under the agreement between the Parent Company and its subsidiaries, the subsidiaries shall pay the Parent Company an annual fee
Occupancy cost	24,532	22,255	16,266	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
Miscellaneous expense	193,651	169,658	122,260	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements

Regulatory Reporting

As required by the BSP, the Group discloses loan transactions with its and affiliates and investees and with certain directors, officers, stockholders and related interests (DOSRI). Under existing banking regulations, the limit on the amount of individual loans to DOSRI, of which 70.00% must be secured, should not exceed the regulatory capital or 15.00% of the total loan portfolio, whichever is lower. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations.

BSP Circular No. 423, dated March 15, 2004, amended the definition of DOSRI accounts. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to said Circular, and new DOSRI loans, other credit accommodations granted under said Circular:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Total outstanding DOSRI loans	P11,507,281	P7,023,635	P11,500,850	P7,015,002
Percent of DOSRI loans granted under regulations existing prior to BSP Circular No. 423	—	—	—	—
Percent of DOSRI loans granted under BSP Circular No. 423	—	—	—	—
Percent of DOSRI loans to total loans	2.54%	1.81%	2.95%	2.12%
Percent of unsecured DOSRI loans to total DOSRI loans	1.52%	5.99%	1.51%	5.98%
Percent past due DOSRI loans to total DOSRI loans	—	—	—	—
Percent of non-performing DOSRI loans to total DOSRI loans	—	—	—	—

The amounts of loans disclosed for related parties above differ with the amounts disclosed for key management personnel since the composition of DOSRI is more expansive than that of key management personnel.

BSP Circular No. 560 provides that the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation.

30. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. Management does not anticipate any material losses as a result of these transactions.

The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent peso contractual amounts:

	Consolidated		Parent Company	
	2017	2016	2017	2016
Trust department accounts (Note 28)	P131,813,251	P104,373,741	P131,577,983	P102,862,792
Unused commercial letters of credit (Note 29)	21,596,174	17,801,390	21,383,196	17,801,205
Future exchange bought	18,736,175	8,922,411	18,736,175	8,922,411
Future exchange sold	15,179,964	11,267,749	15,179,964	11,267,749
Credit card lines	10,359,997	8,883,196	10,359,997	8,883,196
IRS receivable	9,991,390	10,823,400	9,991,390	10,823,400
Outstanding guarantees issued	3,079,993	4,827,530	744,547	1,140,440
Inward bills for collection	2,386,848	234,588	2,386,848	234,588
Standby credit commitment	2,274,398	3,029,782	2,274,398	3,029,782
Spot exchange sold	1,399,180	558,487	1,399,180	558,487
Spot exchange bought	996,333	409,940	996,333	409,940
Deficiency claims receivable	291,831	294,632	291,831	294,632
Late deposits/payments received	127,832	417,559	116,313	405,838
Outward bills for collection	93,772	73,702	91,943	57,227
Others	1,614	2,575	1,354	2,348

31. SEGMENT INFORMATION

The Group'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 Group's business segments are as follows:

- Lending Business – principally handles all the lending, trade finance and corollary banking products and services offered to corporate and institutional customers as well as selected middle market clients. It also handles home loans, contract-to-sell receivables, auto loans and credit cards for individual and/or corporate customers. Aside from the lending business, it also provides cash management services and remittance transactions;
- 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;
- Financial Markets – principally provides money market, trading and treasury services, manages the Group's funding operations by the use of government securities, placements and acceptances with other banks as well as offers advisory and capital-raising services to corporate clients and wealth management services to high-net-worth customers; and
- Others – handles other services including but not limited to trust and investment management services, asset management, insurance brokerage, credit management, thrift banking business, operations and financial control, and other support services.

The Group's businesses are organized to cater to the banking needs of market segments, facilitate customer engagement, ensure timely delivery of products and services as well as achieve cost efficiency and economies of scale. Accordingly, the corresponding segment information for all periods presented herein are restated to reflect such change.

The Group reports its primary segment information to the Chief Operating Decision Maker (CODM) on the basis of the above-mentioned segments. The CODM of the Group is the President.

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 performance measure, not the 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 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 Group has no significant customers which contributes 10.00% or more of the consolidated revenues.

The Group's asset producing revenues are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is no longer presented.

The following tables present relevant financial information regarding business segments measured in accordance with PFRS as of and for the years ended December 31, 2017, 2016 and 2015:

	Lending Business			Retail Banking Business		
	2017	2016	2015	2017	2016	2015
Results of Operations						
Net interest income						
Third party	P13,876,995	P11,234,520	P9,884,601	P855,933	P477,635	P247,320
Intersegment	(8,438,704)	(6,185,045)	(5,226,806)	7,915,744	7,067,165	6,377,212
	5,438,291	5,049,475	4,657,795	8,771,677	7,544,800	6,624,532
Other operating income	1,317,298	907,182	885,555	1,465,962	1,234,356	1,420,568
Total revenue	6,755,589	5,956,657	5,543,350	10,237,639	8,779,156	8,045,100
Other operating expense	(2,294,490)	(2,228,638)	(1,361,427)	(6,536,859)	(5,759,880)	(5,472,577)
Income before income tax	4,461,099	3,728,019	4,181,923	3,700,780	3,019,276	2,572,523
Provision for income tax	236,856	96,461	—	—	(6,833)	(5,000)
Net income	P4,697,955	P3,824,480	P4,181,923	P3,700,780	P3,012,443	P2,567,523
Total assets	P299,052,197	P251,890,331	P200,906,783	P431,622,883	P361,036,278	P124,073,281
Total liabilities	P1,171,742	P2,233,433	P1,050,634	P444,030,414	P365,417,688	P336,671,277
Depreciation and amortization	P61,988	P51,266	P39,019	P378,597	P313,745	P300,010
Provision for impairment and credit losses	P668,360	P916,974	P258,725	P238,645	P126,025	P217,447
Capital expenditures	P63,136	P451,770	P15,713	P118,378	P647,525	P15,880

	Financial Markets			Other Business and Support Units		
	2017	2016	2015	2017	2016	2015
Results of Operations						
Net interest income						
Third party	P1,661,494	P2,039,741	P2,446,783	P3,231,982	P2,942,296	P2,506,480
Intersegment	1,124,033	(424,779)	(567,059)	(601,073)	(457,341)	(583,347)
	2,785,527	1,614,962	1,879,724	2,630,909	2,484,955	1,923,133
Other operating income	879,737	1,386,223	1,393,658	2,438,697	1,566,985	787,361
Total revenue	3,665,264	3,001,185	3,273,382	5,069,606	4,051,943	2,710,494
Other operating expense	(1,264,773)	(959,151)	(651,534)	(6,619,869)	(5,253,750)	(5,674,243)
Income before income tax	2,400,491	2,042,034	2,621,848	(1,550,263)	(1,201,807)	(2,963,749)
Provision for income tax	(547,624)	(388,807)	(357,864)	(1,178,409)	(827,373)	(447,105)
Net income	P1,852,867	P1,653,227	P2,263,984	(P2,728,672)	(P2,029,180)	(P3,410,854)
Total assets	P168,052,729	P128,281,917	P104,004,670	(P147,280,299)	(P108,010,515)	P97,842,229
Total liabilities	P140,321,883	P124,409,814	P59,108,627	P82,267,974	P77,750,872	P70,825,521
Depreciation and amortization	P41,852	P30,449	P20,199	P735,052	P729,326	P620,184
Provision for impairment and credit losses	P-	P-	P-	(P152,834)	(P192,453)	P490,402
Capital expenditures	P63,795	P230,076	P8,799	P389,402	(P193,719)	P1,453,590

	Total		
	2017	2016	2015
Results of Operations			
Net interest income			
Third party	P19,626,404	P16,694,192	P15,085,184
Intersegment	-	-	-
	19,626,404	16,694,192	15,085,184
Other operating income	6,101,694	5,094,746	4,487,142
Total revenue	25,728,098	21,788,941	19,572,326
Other operating expense	(16,715,991)	(14,201,419)	(13,159,781)
Income before income tax	9,012,107	7,587,522	6,412,545
Provision for income tax	(1,489,177)	(1,126,552)	(809,969)
Net income	P7,522,930	P6,460,970	P5,602,576
Total assets	P751,447,510	P633,198,011	526,826,963
Total liabilities	P667,792,013	P569,811,807	P467,656,059
Depreciation and amortization	P1,217,489	P1,124,786	P979,412
Provision for impairment and credit losses	P754,171	P850,546	P966,574
Capital expenditures	P634,711	P1,135,652	P1,493,982

The Group's share in net income (loss) of an associate included in other operating income amounting to P73.13 million, (P89.38 million) and (P37.89 million) in 2017, 2016 and 2015, respectively are reported under 'Other Business and Support Units'.

32. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year (adjusted for stock dividends).

The following reflects the income and share data used in the basic earnings per share computations:

	2017	2016	2015
a. Net income attributable to equity holders of the parent	P7,513,972	P6,458,296	P5,606,666
b. Weighted average number of common shares outstanding (Note 23)	2,581,182	2,243,086	2,243,086
c. EPS (a/b)	P2.91	P2.88	P2.50

As of December 31, 2017, 2016 and 2015, there were no outstanding dilutive potential common shares. Before consideration of the stock rights and 8.00% stock dividends distributed in 2017, the EPS for 2016 and 2015 were ₱3.23 and ₱2.80, respectively.

33. FINANCIAL PERFORMANCE

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2017	2016	2015	2017	2016	2015
Return on average equity	10.01%	10.42%	9.62%	10.01%	10.32%	9.57%
Return on average assets	1.12%	1.16%	1.17%	1.27%	1.33%	1.35%
Net interest margin	3.11%	3.20%	3.37%	2.91%	3.03%	3.20%

34. SUPPLEMENTARY INFORMATION FOR CASH FLOW ANALYSIS

The following is a summary of certain non-cash investing activities that relate to the analysis of the statements of cash flows:

	Consolidated		
	2017	2016	2015
Addition to investment properties from settlement of loans	₱579,089	₱784,415	₱960,332
Fair value gain in AFS financial assets	158,946	405,722	(610,521)
Addition to equity investment	—	—	—
Cumulative translation adjustment	(15,970)	(3,637)	(16,734)
Addition to chattel mortgage from settlement of loans	559,283	334,553	112,056
	Parent Company		
	2017	2016	2015
Addition to investment properties from settlement of loans	₱126,652	₱296,844	₱257,851
Fair value gain in AFS financial assets	113,020	405,722	(464,471)
Addition to equity investment	—	—	—
Cumulative translation adjustment	(16,197)	(3,637)	(14,914)
Addition to chattel mortgage from settlement of loans	10,824	19,088	2,244

The following table shows the reconciliation analysis of liabilities arising from financing activities for the period ended December 31, 2017:

Balance at beginning of year	₱16,954,998
Cash flows during the year	
Proceeds	252,268,556
Settlement	(249,219,839)
Non-cash changes	
Foreign exchange movement	71,613
Amortization of transaction cost	42,703
Balance at end of year	₱20,118,031

35. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The amendments to PFRS 7 require the Group to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding table.

December 31, 2017						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a-b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	P18,751,845	P-	P18,751,845	P18,751,845	P18,749,980	P1,865
Currency forwards	117,562	-	117,562	32,748	-	84,814
IRS	28,963	-	28,963	8,361	-	20,602
	P146,525	P-	P146,525	P41,109	P-	P105,416
Financial liabilities						
Bills payable	P14,306,179	P-	P14,306,179	P17,984,923	P17,453,765	P-
Currency forwards	62,555	-	62,555	32,748	-	29,807
IRS	31,745	-	31,745	8,361	-	23,384
	P14,400,479	P-	P14,400,479	P18,026,032	P17,453,765	P53,191
December 31, 2016						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a-b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
Currency forwards	P17,631	P-	P17,631	P17,310	P-	P321
IRS	30,065	-	30,065	16,496	-	13,569
	P47,696	P-	P47,696	P33,806	P-	P13,890
Financial liabilities						
Bills payable	P8,072,782	P-	P8,072,782	9,520,216	P8,943,902	P-
Currency forwards	67,611	-	67,611	17,310	-	50,301
IRS	29,410	-	29,410	16,496	-	12,914
	P8,169,803	P-	P8,169,803	P9,554,022	P8,943,902	P63,215

The amounts disclosed in column (d) include those rights to set-off amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. These include amounts related to financial collateral both received and pledged, whether cash or non-cash collateral, excluding the extent of over-collateralization.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated and parent company financial statements were authorized for issue by the Parent Company's BOD on February 28, 2018.

37. SUPPLEMENTARY INFORMATION REQUIRED UNDER RR NO. 15-2010

In compliance with the requirements set forth by RR 15-2010, hereunder are the details of percentage and other taxes paid or accrued by the Parent Company in 2017.

Gross receipts tax	P972,112
Documentary stamps tax	759,058
Local taxes	64,989
Fringe benefit tax	5,509
Others	17,662
Balance at end of year	P1,819,330

Withholding Taxes

Details of total remittances of withholding taxes in 2017 and amounts outstanding as of December 31, 2017 are as follows:

	Total remittances	Amounts outstanding
Final withholding taxes	P934,030	P88,350
Withholding taxes on compensation and benefits	639,612	46,242
Expanded withholding taxes	131,791	9,183
	P1,705,433	P143,775

CHINA BANK BRANCHES

102-6

MAKATI MAIN BRANCH (HO)

CBC Bldg., 8745 Paseo de Roxas
cor. Villar Sts., Makati City
Trunkline: 885-5555
(Private Exchange Connecting All
Departments)

BINONDO BUSINESS CENTER

CBC Bldg., Dasmariñas
cor. Juan Luna Sts., Binondo, Manila
Trunklines: 247-5388; 8855-222
(Private Exchange Connecting All
Departments)

METRO MANILA

999 MALL BRANCH

Unit 3D-5; 3D-7 999 Shopping Mall
Bldg. 2 Recto-Soler Sts.,
Binondo, Manila
Tel. Nos.: 523-1216/1217
1218/ 1219

A. BONIFACIO-MAUBAN BRANCH

G/F Urban Oasis Residences,
423-431., A. Bonifacio Ave.,
Brgy. San Jose, Quezon City
Tel. No.: 282-1991/94

ALABANG HILLS BRANCH

G/F RBC-MDC Corporate Center,
Don Jesus Blvd., Alabang Hills Village,
Muntinlupa City
Tel. Nos.: 877-8567; 877-8604

ALVARADO BRANCH

Alvarado St., Binondo, Manila
Tel. Nos.: 562-3863; 562-3866

ANTIPOLO CITY BRANCH

G/F BudgetLane Arcade,
No. 6, Provincial Road
Brgy. San Jose, Antipolo City, Rizal
Tel. Nos.: 650-3277; 650-2087
695-1509

ANTIPOLO-SUMULONG HIGHWAY BRANCH

No. 219 Sumulong Highway,
Brgy. Mambugan, Antipolo City, Rizal
Tel. Nos.: 632-7309; 632-7573
655-8087

ANTIPOLO CITY-TAKTAK BRANCH

Sumulong Highway cor. Taktak Road,
Brgy. Dela Paz, Antipolo City, Rizal
Tel. Nos.: 721-6320; 721-6316

ARANETA AVE. BRANCH

Philippine Whithasco Bldg.
420 Araneta Avenue cor. Bayani St.,
Quezon City
Tel. Nos.: 731-2252; 731-2261
732-4153; 731-2243
410-6753

ARRANQUE BRANCH

Don Felipe Building
675 Tomas Mapua St.,
Sta. Cruz, Manila
Tel. Nos.: 733-3477; 734-4777
733-7704
733-8335 to 40
734-4497; 734-4501/06

ASUNCION BRANCH

Units G6 & G7 Chinatown Steel
Towers, Asuncion St.,
San Nicolas, Manila
Tel. Nos.: 241-2311/52/59/61

AURORA BLVD.-NEW MANILA BRANCH

Aurora Blvd., Brgy. Valencia,
Quezon City
Tel. Nos.: 727-4192; 727-4171

AYALA-ALABANG BRANCH

G/F, CBC-Building Acacia Ave.,
Madrigal Business Park,
Ayala Alabang, Muntinlupa City
Tel. Nos.: 807-0673-74
850-3785/9640/8888

AYALA AVE.-AMORSOLO BRANCH

G/F Teleperformance Bldg.
Ayala Ave., Makati City
Tel. Nos.: 541-7348; 541-5958

AYALA-COLUMNS BRANCH

G/F The Columns Tower 3,
Ayala Avenue, Makati City
Tel. Nos.: 915-3672/3673
915-3674/3675

BACLARAN-F.B. HARRISON BRANCH

BAGPI Main Bldg., 2935 F.B. Harrison
cor. Ortigas St., Pasay City
Tel. Nos.: 838-6187; 838-5038

BALINTAWAK-BONIFACIO BRANCH

657 A. Bonifacio Avenue
Balintawak, Quezon City
Tel. Nos.: 361-3449; 361-7825
362-3660; 361-0450

BALUT BRANCH

North Bay Shopping Center
Honorio Lopez Boulevard
Balut, Tondo, Manila
Tel. Nos.: 253-9921/29; 253-9620
251-1182/86

BANAWA BRANCH

CBC Building, 680 Banawe Avenue,
Sta. Mesa Hts. District I, Quezon City
Tel. Nos.: 743-7486/88
416-7028/7030
711-8694

BANAWA-MA. CLARA BRANCH

G/F Prosperity Bldg., Banawe St.
Quezon City
Tel. Nos.: 732-1060; 740-4864
743-8967

BEL-AIR BRANCH

2/F Saville Bldg., Gil Puyat Ave.
cor. Paseo de Roxas St., Makati City
Tel. Nos.: 897-2212
899-4186/0685

BETTER LIVING SUBD. BRANCH

128 Doña Soledad Ave.,
Parañaque City
Tel. Nos.: 556-3467; 556-3468
556-3470

BF HOMES BRANCH

, United BF Homes, Parañaque City
Tel. Nos.: 825-6138/6891/6828

BF HOMES-AGUIRRE BRANCH

Margarita Centre, Aguirre Ave.
corner Elsie Gaches Street,
BF Homes, Parañaque City
Tel. Nos.: 799-4707/4942
659-3359/3360
556-5845

BF RESORT VILLAGE BRANCH

BF Resort Drive cor. Gloria Diaz St.,
BF Resort Village, Talon Dos,
Las Piñas City
Tel. Nos.: 873-4542, 873-4541
873-4540

BGC-ICON PLAZA BRANCH

G/F Icon Plaza Bldg.,
25th cor. 5th Sts., Bonifacio South,
Fort Bonifacio Global City, Taguig City
Tel. Nos.: 777-1943; 800-1474

BGC-ONE WORLD PLACE BRANCH

G/F One World Place, 32nd Avenue,
Fort Bonifacio Global City, Taguig City
Tel. Nos.: 869-6309; 843-2448

BGC- W TOWER BRANCH

G/F W Tower 39th St., North Bonifacio
Triangle BGC, Taguig City, 1634
Tel. Nos.: 552-3311; 551-9072

BGC- WORLD PLAZA BRANCH

G/F (Unit 5) World Plaza, L4B5
E-Square Information Technology
Park, Crescent Park West, 5th Avenue,
Bonifacio Global City, Taguig City
Tel. Nos.: 541-3447; 541-4220

BINANGONAN BRANCH

National Highway, Bo. Tagpos,
Binangonan, Rizal
Tel. Nos.: 669-1530; 669-1659

BLUMENTRITT BRANCH

1777-1781 Cavite corner Leonor
Rivera St., Blumentritt, Sta. Cruz,
Manila
Tel. Nos.: 742-0254; 711-8589

BO. KAPITOLYO BRANCH

G/F P&E Building, 12 United corner
First Sts., Bo. Kapitolyo, Pasig City
Tel. Nos.: 634-8370/8915/3697

BONNY SERRANO BRANCH

G/F Greenhills Garden Square,
297 Col. Bonny Serrano Ave.,
Quezon City
Tel. Nos.: 410-0677; 997-8043
997-8031

CAINTA BRANCH

CBC Bldg. (Beside Sta. Lucia East Mall)
Felix Ave. (Imelda Ave.), Cainta, Rizal
Tel. Nos.: 646-0691/93; 645-9974
682-1795

CAINTA-POBLACION BRANCH

A. Bonifacio Ave., Poblacion,
Cainta, Rizal
Tel. Nos.: 637-1935; 637-6634

CAPITOL HILLS BRANCH

G/F 88 Design Pro Building
Capitol Hills, Old Balara, Quezon City
Tel. Nos.: 952-7776/7805/7804

CENTURY CITY-KNIGHTSBRIDGE BRANCH

Unit 17 & 18 Knightsbridge
Residences, Century City,
Kalayaan Ave., Makati City
Tel. Nos.: 866-3937; 866-3803

COMMONWEALTH AVENUE BRANCH

LGF Ever Gotesco Mall,
Commonwealth Center
Commonwealth Avenue corner
Don Antonio Road, Quezon City
Tel. Nos.: 932-0818/0820
431-5000/01

COMMONWEALTH AVE. EXT.- CASA MILAN BRANCH

ALX Center Building,
Commonwealth Ave. Ext.
North Fairview, Quezon City
Tel. No.: 463-5714

CONGRESSIONAL AVENUE BRANCH

G/F Unit C The Arete Square,
Congressional Ave. Ext. 8,
Quezon City
Tel. Nos.: 351-8648; 351-8645
351-8646

CONGRESSIONAL AVE. EXTENSION -MIRA NILA BRANCH

CBC Bldg. Congressional Ave. Ext.,
Quezon City
Tel. Nos.: 932-2372; 932-2370

CORINTHIAN HILLS BRANCH

G/F The Clubhouse, Corinthian Hills,
Temple Drive, Brgy. Ugong Norte,
Quezon City
Tel. Nos.: 637-3170/3180/1915

CUBAO-ARANETA BRANCH

Shopwise Arcade Building, Times
Square St., Araneta Shopping Center,
Cubao, Quezon City
Tel. Nos.: 911-2369/70
438-3830-32; 911-2397

CUBAO-AURORA BRANCH

911 Aurora Boulevard Extension
cor. Miami Street, Cubao, Quezon City
Tel. Nos.: 912-5164/57
913-4675/76; 911-3524

CUBAO-P. TUAZON BRANCH

No. 287 P. Tuazon Ave. near corner
18th Avenue, Brgy. San Roque,
Cubao, Quezon City
Tel. Nos.: 911-5896; 911-8416

CULIAT-TANDANG SORA BRANCH

G/F Royal Midway Plaza,
No. 419, Tandang Sora Ave.
Brgy. Culiati, 1128 Quezon City
Tel. Nos.: 288-2575; 288-5114

D. TUAZON BRANCH

148 D. Tuazon St., Brgy. Lourdes,
Sta. Mesa Heights, Quezon City
Tel. Nos.: 731-2516/2508

DAMAR VILLAGE BRANCH

Clubhouse, Damar Village,
Quezon City
Tel. Nos.: 442-3581; 367-5517

DASMARIÑAS VILLAGE BRANCH

2283 Pasong Tamo Ext.
corner Lumbang Street, Makati City
Tel. Nos.: 894-2392/93; 813-2958

DEL MONTE AVENUE BRANCH

No. 497 Del Monte Ave.
Brgy. Manresa, Quezon City
Tel. Nos.: 413-2826; 413-2825
961-8828; 871-2745

DEL MONTE-MATUTUM BRANCH

No. 202 Del Monte Avenue near
corner Matutum St., Brgy St. Peter,
Quezon City
Tel. Nos.: 731-2535; 731-2571
413-2118; 416-7791

DIVISORIA-STA. ELENA BRANCH

New Divisoria Condominium Center
632 Sta. Elena St., Binondo, Manila
Tel. Nos.: 247-1435/36/37

DON ANTONIO BRANCH

G/F Royale Place, Don Antonio Ave.,
Brgy. Old Balara, Quezon City
Tel. Nos.: 932-9477
952-9678/9354

E. RODRIGUEZ-ACROPOLIS BRANCH

G/F Suncrest Building,
E. Rodriguez Jr. Ave., Quezon City
Tel. Nos.: 654-3607; 654-3586

E. RODRIGUEZ-CORDILLERA BRANCH

No. 291 (G/F Units 285 & 287)
E. Rodriguez Sr. Blvd.,
Brgy. Doña Josefa, Quezon City
Tel. Nos.: 257-1512; 256-5292

E. RODRIGUEZ-HILLCREST BRANCH

No. 402 E. Rodriguez Sr. Blvd.,
Cubao, Quezon City
Tel. Nos.: 571-8927; 571-8928
571-8929

E. RODRIGUEZ SR. BLVD. BRANCH

CBC Bldg., #286 E. Rodriguez Sr. Blvd.
Brgy. Damayang Lagi, Quezon City
Tel. Nos.: 416-3166; 722-5860
722-5893

EASTWOOD CITY BRANCH

Unit D, Techno Plaza One,
Eastwood City Cyberpark,
E. Rodriguez Jr. Ave., (C-5)
Bagumbayan, Quezon City
Tel. Nos.: 706-3491/3493/1979
706-3320/3448

EDSA-KALOOKAN BRANCH

No. 531 (Lot 5 Block 30) EDSA near
corner Biglang Awa Street,
Kalookan City
Tel. Nos.: 442-4338; 442-4339
442-4340

EDSA-PHILAM BRANCH

(formerly SM City North EDSA-
Annex Branch)
917 EDSA, Brgy. Philam, Quezon City
Tel. Nos.: 374-2345; 374-2362
287-3106

EDSA-TIMOG AVE. BRANCH

G/F Richwell Corporate Center,
corner Timog Ave., Brgy. Sacred Heart,
Quezon City
Tel. Nos.: 441-5225, 441-5226
441-5227

ELCANO BRANCH

G/F Elcano Tower, Elcano Street,
San Nicolas, Manila
Tel. Nos.: 244-6760; 244-6765
244-6779

ERMITA BRANCH

Ground Floor A, Ma. Natividad Bldg.,
#470 T. M. Kalaw cor. Cortada Sts.,
Ermita, Manila
Tel. Nos.: 525-6477; 536-7794
525-6544; 523-0074
523-9862

ESPAÑA BRANCH

España cor. Valencia Sts.,
Sampaloc, Manila
Tel. Nos.: 741-9572/6209
741-6208/9565

EXAMINER BRANCH

No. 1525 Quezon Ave.
cor. Examiner St., West Triangle,
Quezon City
Tel. Nos.: 376-3313/3314
376-3317/3318

EVANGELISTA BRANCH

Evangelista corner Gen. Estrella Sts.,
Bangkal, Makati City
Tel. Nos.: 759-5095; 759-5096
856-0434; 856-0433

FAIRVIEW BRANCH

G/F Angelenix House, Fairview Ave.
corner Camaro St., Quezon City
Tel. Nos.: 937-5597; 938-9636
937-8086; 461-3004

FAIRVIEW TERRACES BRANCH

LGF Fairview Terraces, Quirino
Highway corner Maligaya Drive,
Brgy. Pasong Putik, Novaliches,
Quezon City
Tel. Nos.: 285-5956; 285-6058

FILINVEST CORPORATE CITY BRANCH

G/F Wilcon Depot, Alabang-Zapote
Road cor. Bridgeway Ave., Filinvest
Corporate City, Alabang, Muntinlupa
Tel. Nos.: 775-0097/0126
842-1993/2198

FILINVEST CORP. CITY-COMMERCENTER BRANCH

G/F Commercenter Alabang,
Commerce Ave. cor. Filinvest Ave.,
Filinvest Corporate City, Alabang,
Muntinlupa City
Tel. Nos.: 805-0824; 805-0827

FILINVEST CORP. CITY-NORTHGATE BRANCH

G/F Aeon Centre Building, Northgate
Cyberzone, Filinvest Corporate City,
Alabang, Muntinlupa City
Tel. Nos.: 776-1985; 551-5569

FIVE E-COM CENTER BRANCH

G/F Five E-com Center, Harbor Drive,
MOA Complex, Pasay City
Tel. Nos.: 815-1883; 815-1884
815-1887

FORT BONIFACIO GLOBAL CITY BRANCH

G/F Marajo Tower, 26th Street
cor. 4th Avenue Fort Bonifacio
Global City, Taguig City
Tel. Nos.: 799-9072/9074
856-4416/4891/5196
403-1558 (MCB)

GEN. LUIS-KATIPUNAN BRANCH

CBC Bldg., Gen. Luis St. corner
Katipunan SB Road, Brgy. Nagkaisang
Nayon, Novaliches, Quezon City
Tel. Nos.: 285-5664; 285-5665

GIL PUYAT AVENUE BRANCH

Mitsu Bldg., No. 65 Sen. Gil Puyat Ave.
Brgy. Palanan, Makati City
Tel. Nos.: 844-0492/94
844-0688/90

GIL PUYAT-ELIZABETH PLACE BRANCH

G/F Elizabeth Place, Gil Puyat Ave.,
Makati City
Tel. Nos.: 776-0502; 776-3234

GIL PUYAT AVE.-REPOSO BRANCH

No. 331 Gil Puyat Ave., Makati City
Tel. Nos.: 541-3739; 541-3735

GREENBELT 1 BRANCH

G/F Greenbelt 1, Legaspi Street near
corner Paseo de Roxas, Makati City
Tel. Nos.: 836-1387; 836-1405
836-1406

GREENHILLS BRANCH

G/F Gift Gate Bldg., Greenhills
Shopping Center, San Juan,
Metro Manila
Tel. Nos.: 721-0543/56; 721-3189
727-9520; 724-5078
724-6173; 727-2798

GREENHILLS-CONNECTICUT BRANCH

G/F Missouri Square Bldg.,
Missouri cor. Connecticut St.
Northeast Greenhills, San Juan City
Tel. Nos.: 997-3452; 997-3455

GREENHILLS-ORTIGAS BRANCH

CBC Bldg., 14 Ortigas Avenue
Greenhills, San Juan, Metro Manila
Tel. Nos.: 723-0530/01
723-0502/04
726-1492; 727-4163

HEROES HILLS BRANCH

Quezon Ave. cor. J. Abad Santos St.,
Heroes Hills, Quezon City
Tel. Nos.: 351-4359/5121
411-3375; 412-5697

HOLY SPIRIT DRIVE BRANCH

CBC Bldg., Lot 18 Block 6 Holy Spirit
Drive, Don Antonio Heights,
Brgy. Holy Spirit, Quezon City
Tel. No.: 355-8665

ILAYA BRANCH

#947 APL-YSL Bldg., Ilaya,
Tondo, Manila
Tel. Nos.: 245-2416; 245-2548
245-2557

INTRAMUROS BRANCH

No. 409 A. Soriano Avenue,
Intramuros, Manila
Tel. Nos.: 528-4241; 536-1044
536-5971; 310-5122

J. ABAD SANTOS AVENUE BRANCH

2159 J. Abad Santos Ave.,
cor. Batangas St., Tondo, Manila
Tel. Nos.: 255-1201 to 02
255-1204

J. ABAD SANTOS AVE.-QUIRICADA BRANCH

J. Abad Santos Ave. near corner
Quiricada Street, Manila
Tel. Nos.: 253-6803; 253-6804

JUAN LUNA BRANCH

G/F Aclem Building, 501 Juan Luna St.
Binondo, Manila
Tel. Nos.: 247-3570/3795/3786
480-0211

KALAYAAN AVE. BRANCH

G/F PPS Building, Kalayaan Avenue,
Quezon City
Tel. Nos.: 332-3858; 332-3859
332-3860

KALOOKAN BRANCH

CBC Bldg., 167 Rizal Avenue Extension
Grace Park, Kalookan City
Tel. Nos.: 364-0515/35
364-0717/31
364-0494; 364-9948
366-9457

KALOOKAN-8th AVE. BRANCH

No. 279 Rizal Avenue corner 8th Ave.,
Grace Park, Kalookan City
Tel. Nos.: 287-0001; 287-0262

KALOOKAN-10th AVE. BRANCH

No. 275 10th Ave. corner 3rd Street,
Grace Park, Kalookan City
Tel. Nos.: 287-5484; 287-5489

KALOOKAN-CAMARIN BRANCH

L8B4 La Forteza Subd., Brgy. 175,
Camarin, Kalookan City
Tel. Nos.: 442-6830; 442-7541

KALOOKAN-MONUMENTO BRANCH

779 McArthur Highway,
Kalookan City
Tel. Nos.: 364-2571; 361-3270
921-3043

KAMIAS BRANCH

G/F CRM Building II, 116 Kamias Road
corner Kasing-Kasing St., Quezon City
Tel. Nos.: 433-6007; 920-7367
920-8770

KAMUNING BRANCH

#47 SKY47 Bldg., Kamuning Road,
Quezon City
Tel. Nos.: 287-3369; 287-3368

KARUHATAN BRANCH

No. 248 McArthur Highway,
Karuhatan, Valenzuela City
Tel. Nos.: 291-0431/0175
440-0033

KATIPUNAN AVE.-LOYOLA HEIGHTS BRANCH

Elizabeth Hall, Katipunan Ave.,
Loyola Heights, Quezon City
Tel. Nos.: 287-9218; 287-9221

KATIPUNAN AVE.-ST. IGNATIUS BRANCH

CBC Bldg., No. 121 Katipunan Ave.,
Brgy. St. Ignatius, Quezon City
Tel. Nos.: 913-5532; 912-5003
913-3226

LAGRO BRANCH

CBC Bldg., Lot 32 Blk 125 Quirino
Highway, Greater Lagro, Quezon City
Tel. Nos.: 372-8226; 372-8223

LAS PIÑAS BRANCH

CBC Bldg., Alabang-Zapote Road
cor. Aries St., Pamplona Park Subd.,
Las Piñas City
Tel. Nos.: 874-6204; 874-6210

LAS PIÑAS-MANUELA BRANCH

Alabang-Zapote Road cor.
Philamlife Ave., Pamplona Dos,
Las Piñas City
Tel. Nos.: 872-9801/9572/9533
871-0770

CHINA BANK BRANCHES

LAS PIÑAS-MARCOS ALVAREZ AVE. BRANCH

Metro Towne Center,
2020 Marcos Alvarez Ave., Talon V,
Moonwalk, Las Piñas City
Tel. No.: 370-9724

LAS PIÑAS-NAGA ROAD BRANCH

Lot 3, Naga Road, Pulanglupa2,
Las Piñas City
Tel. No.: 541-1671; 541-1674

LAVEZARES BRANCH

No. 412 Lavezares Street,
San Nicolas, Manila
Tel. Nos.: 521-6978; 521-7132
521-7128

LEGASPI VILLAGE-AIM BRANCH

G/F Cacho-Gonzales Building,
101 Aguirre cor. Trasierra Streets,
Legaspi Village, Makati City
Tel. Nos.: 818-8156; 818-0734
818-9649
894-5882 to 85

LEGASPI VILLAGE-AMORSOLO BRANCH

G/F CAP Bldg., Herrera cor. Amorsolo
Sts., Legaspi Village, Makati City
Tel. Nos.: 832-6871; 833-5668

LEGASPI VILLAGE-C. PALANCA BRANCH

Suite A, Basic Petroleum Building
104 C. Palanca Jr. Street
Legaspi Village, Makati City
Tel. Nos.: 894-5915/18; 810-1464

LEGASPI VILLAGE-ESTEBAN BRANCH

G/F PPI Bldg., No. 109 Esteban St.,
Legaspi Village, Makati City

LEGASPI VILLAGE-PEREA BRANCH

G/F Greenbelt Mansion, 106 Perea St.,
Legaspi Village, Makati City
Tel. Nos.: 893-2273/2272/2827

LEGASPI VILLAGE-SALCEDO BRANCH

G/F Fedman Suites, 199 Salcedo
Street, Legaspi Village, Makati City
Tel. Nos.: 893-7680; 893-2618
759-2462; 893-1503
816-0905

MACAPAGAL AVE.-ASEANA SQUARE

Aseana Square (Caltex Area),
D. Macapagal Ave., Aseana City,
Parañaque City
Tel. Nos.: 881-5124; 881-5179

MACAPAGAL AVE.-BIOPOLIS BRANCH

G/F The Biopolis, Central Business Park
1-A 076/01, Diosdado Macapagal
Avenue, Pasay City
Tel. Nos.: 785-6431; 785-6434

MACAPAGAL AVE.-DOUBLEDRAGON BRANCH

DD Meridian Park Plaza, Macapagal
Ave. cor. EDSA Ext., Pasay City
Tel. Nos.: 838-3805; 838-3804

MAGALLANES VILLAGE BRANCH

G/F DHI Bldg., No. 2 Lapu-Lapu Ave.
corner EDSA, Magallanes Village,
Makati City
Tel. Nos.: 757-0272/0240
852-1290; 852-1245

MAKATI AVENUE BRANCH

G/F CBC Bldg., Makati Ave.
cor. Hercules St., Makati City
Tel. Nos.: 890-6971 to 74

MAKATI-COMEMBO BRANCH

No. 46 JP Rizal Ext., Brgy. Comembo,
Makati City
Tel. Nos.: 802-2616; 802-2614
802-2613

MAKATI-JP RIZAL BRANCH

JP Rizal corner Honradez Streets,
Makati City
Tel. No.: 815-6036 to 38

MAKATI-KALAYAAN AVE. BRANCH

Kalayaan Avenue, Makati City
Tel. Nos.: 838-7253; 838-7252

MALABON-CONCEPCION BRANCH

Gen. Luna corner Paez Streets,
Concepcion, Malabon
Tel. Nos.: 281-0102/03/04/05
281-0293

MALABON-GOV. PASCUAL BRANCH

CBC Bldg., Gov. Pascual Avenue,
Malabon City
Tel. Nos.: 352-1816; 352-1817
352-1822; 961-2147

MALABON-POTRERO BRANCH

CBC Bldg., McArthur Highway,
Potrero, Malabon
Tel. Nos.: 448-0524/25
361-8671/7056

MALANDAY BRANCH

CBC Bldg., McArthur Highway,
Malanday, Valenzuela City
Tel. Nos.: 432-9787; 292-6956/57
445-3201; 432-9785

MANDALUYONG-BONI AVE. BRANCH

G/F VOS Bldg., Boni Avenue corner
San Rafael Street, Mandaluyong City
Tel. Nos.: 746-6283/85; 534-2289

MANDALUYONG-D. GUEVARA

G/F 19 Libertad Plaza, Domingo
Guevara St., Mandaluyong City
Tel. Nos.: 534-5528; 534-5529

MANDALUYONG-PIONEER BRANCH

UG-05 Globe Telecom Plaza Tower I
Pioneer Street, Mandaluyong City
Tel. Nos.: 746-6949; 635-4198
632-1399

MANILA-MACEDA BRANCH

Dagupan Bldg., Maceda St.,
Sampaloc Manila
Tel. Nos.: 521-6644; 521-6643

MARIKINA-FAIRLANE BRANCH

G/F E & L Patricio Building,
No. 809 J.P. Rizal Ave.,
Concepcion Uno, Marikina City
Tel. Nos.: 997-0684; 997-0897
998-1817
948-6120 (MCB)

MARIKINA-GIL FERNANDO BRANCH

Block 9, Lot 14 Gil Fernando Ave.,
Marikina City
Tel. Nos.: 646-0780; 646-8032
358-2138

MARIKINA-SSS VILLAGE BRANCH

Lilac St., Rancho Estate IV,
Concepcion Dos, Marikina City
Tel. Nos.: 948-5135; 941-7709
997-3343

MARIKINA-STA. ELENA BRANCH

250 J.P. Rizal Street, Sta. Elena,
Marikina City
Tel. Nos.: 646-4281; 646-4277
646-4279; 646-1807

MASANGKAY BRANCH

959-961 G. Masangkay Street,
Binondo, Manila
Tel. Nos.: 244-1828/35/48/56/59

MASANGKAY-LUZON BRANCH

1192 G. Masangkay St.,
Sta. Cruz, Manila
Tel. Nos.: 255-0739; 254-9974
254-9335

MAYON BRANCH

480 Mayon St., Maharlika
Sta. Mesa Heights, Quezon City
Tel. Nos.: 731-9054/2766
741-2409

MINDANAO AVE. BRANCH

G/F LJC Building, 189 Mindanao Ave.
Bahay Toro, Quezon City
Tel. Nos.: 277-4768; 277-4782

MUNTINLUPA-PUTATAN BRANCH

G/F Teknikos Bldg., National Highway,
Brgy. Putatan, Muntinlupa City
Tel. Nos.: 511-0980; 808-1817

N. DOMINGO BRANCH

G/F The Main Place, No. 1
Pinaglabanan cor. N. Domingo Sts.,
San Juan City
Tel. Nos.: 470-2915; 470-2916
470-2917

NAVOTAS BRANCH

No. 500 M. Naval St. near corner
Lacson St., Brgy. North Bay Boulevard
North (NBBN), Navotas City
Tel. Nos.: 283-0752 to 54

NOVALICHES BRANCH

954 Quirino Highway, Novaliches
Proper, Novaliches, Quezon City
Tel. Nos.: 936-3512
937-1133/35/36

NOVALICHES-SANGANDAAN BRANCH

CBC Building, Quirino Highway corner
Tandang Sora Ave., Brgy. Sangandaan,
Novaliches, Quezon City
Tel. Nos.: 935-3049; 935-3491

NOVALICHES-STA. MONICA BRANCH

G/F E & V Bldg., Quirino Highway
corner Dumalay St., Novaliches,
Quezon City
Tel. Nos.: 288-3683; 288-2302

NOVALICHES-TALIPAPA BRANCH

528 Copengco Bldg., Quirino
Highway, Talipapa, Novaliches,
Quezon City
Tel. Nos.: 936-2202; 936-3311
936-7765

NOVALICHES-ZABARTE

G/F C.I. Bldg., 1151 Quirino Highway
cor. Zabarte Road, Brgy. Kaligayahan,
Novaliches, Quezon City
Tel. Nos.: 461-7691; 461-7694
461-7698

NUEVA BRANCH

Unit Nos. 557 & 559 G/F
Ayson Building, Yuchengco St.,
Binondo, Manila
Tel. Nos.: 247-6374; 247-6396
247-0493; 480-00-66

ONGPIN BRANCH

G/F Se Jo Tong Building,
808 Ongpin Street, Sta. Cruz, Manila
Tel. Nos.: 733-8962 to 66
735-5362

OROQUIETA BRANCH

1225-1227, Oroquieta St.,
Sta. Cruz, Manila
Tel. Nos.: 521-6648; 521-6650

ORTIGAS-ADB AVE. BRANCH

LGF City & Land Mega Plaza
ADB Ave. cor. Garnet Road
Ortigas Center, Pasig City
Tel. Nos.: 687-2457/58
687-2226/3263

ORTIGAS AVE. EXT.-RIVERSIDE BRANCH

Unit 2-3 Riverside Arcade
Ortigas Avenue Extension corner
Riverside Drive, Brgy. Sta. Lucia,
Pasig City
Tel. Nos.: 748-18-08; 748-4426
655-7403; 655-8350

ORTIGAS CENTER BRANCH

Unit 101 Parc Chateau Condominium
Onyx corner Sapphire Streets,
Ortigas Center, Pasig City
Tel. Nos.: 633-7960/70/53/54
634-0178

ORTIGAS COMPLEX BRANCH

G/F Padilla Building, F. Ortigas Jr. Road
(formerly Emerald Avenue),
Ortigas Center, Pasig City
Tel. Nos.: 634-3469; 631-2772

ORTIGAS-JADE DRIVE BRANCH

Unit G-03, Antel Global
Corporate Center, Jade Drive,
Ortigas Center, Pasig City
Tel. Nos.: 638-4489; 638-4490
638-4510; 638-4540

ORTIGAS-TEKTITE BRANCH

Unit EC-06B PSE Center (Tektite)
Ortigas Center, Pasig City
Tel. Nos.: 637-0231; 637-0238

PACO BRANCH

Gen. Luna corner Escoda Street,
Paco, Manila
Tel. Nos.: 526-6492
536-6630/31/72

PACO-ANGEL LINAQ BRANCH
Unit 1636 & 1638 Angel Linao St.
Paco, Manila
Tel. Nos.: 242-2849; 242-3416

PACO-OTIS BRANCH
G/F Union Motor Corp. Bldg.,
1760 Dra. Paz Guazon St.,
Paco, Manila
Tel. Nos.: 561-6902; 561-6981
564-2247

PADRE FAURA BRANCH
G/F Regal Shopping Center, A. Mabini
cor. P. Faura Sts., Ermita, Manila
Tel. Nos.: 526-0586; 527-3202
527-7865

PARAÑAQUE-BACLARAN BRANCH
Quirino Avenue cor. Aragon St.,
Baclaran, Parañaque City
Tel. Nos.: 581-1057; 663-0435

PARAÑAQUE-MOONWALK BRANCH
Milky Way St. cor. Armstrong Avenue,
Moonwalk, Parañaque City
Tel. Nos.: 846-9729; 846-9739
846-9771

PARAÑAQUE-NAIA BRANCH
Ninoy Aquino Ave., Parañaque City
Tel. Nos.: 541-8857; 541-8858

PARAÑAQUE-SAN ANTONIO VALLEY BRANCH
San Antonio Shopping Center,
San Antonio Road, Brgy. San Antonio
Valley 1, Parañaque City
Tel. Nos.: 816-2448; 816-2451

PARAÑAQUE-SUCAT BRANCH
No. 8260 (between AMA Computer
School and PLDT), Dr. A. Santos Ave.,
Brgy. SanIsidro, Parañaque City
Tel. Nos.: 820-8951/52; 820-2044
825-2501; 804-3054

PASAY-LIBERTAD BRANCH
CBC-Building, 184 Libertad Street,
Antonio Arnaiz Ave., Pasay City
Tel. Nos.: 551-7159; 834-8978
831-0306; 831-0498

PASAY-ROXAS BLVD. BRANCH
GF Unit G-01 Antel Seaview Towers
2626 Roxas Blvd., Pasay City
Tel. Nos.: 551-9067/68/69
833-5048

PASIG-A. MABINI BRANCH
A. Mabini Street, Brgy. Kapasigan,
Pasig City
Tel. Nos.: 534-5178; 634-4028

PASIG-C. RAYMUNDO BRANCH
G/F MicMar Apartments No. 6353
C. Raymundo Avenue, Brgy. Rosario,
Pasig City
Tel. Nos.: 642-3652; 628-3912
628-3922

PASIG-DELA PAZ BRANCH
Amang Rodriguez Avenue,
Brgy. Dela Paz, Pasig City
Tel. Nos.: 637-7874; 637-7876

PASIG-MERCEDES BRANCH
Commercial Motors Corp. Compound
Mercedes Ave., Pasig City
Tel. Nos.: 628-0197/0209/0201

PASIG-SAN JOAQUIN BRANCH
No. 43 M. Concepcion Ave.,
San Joaquin, Pasig City
Tel. Nos.: 997-2815; 997-2816
997-2817

PASIG-SANTOLAN BRANCH
G/F Felmarc Business Center,
Amang Rodriguez Avenue,
Santolan, Pasig City
Tel. Nos.: 646-0635; 682-3474
682-3514; 681-4575

PASIG-SM SUPERCENTER BRANCH
G/F SM Supercenter Pasig,
Frontera Drive, C-5, Ortigas, Pasig City
Tel. Nos.: 706-3207/3208/3209

PASIG-VALLE VERDE BRANCH
G/F Reliance IT Center,
E. Rodriguez Jr. Ave.,
Ugong, Pasig City
Tel. Nos.: 706-9242; 706-9243

PASO DE BLAS BRANCH
G/F CYT Bldg., No. 178 Paso de Blas,
Valenzuela City
Tel. Nos.: 292-3215/3213/3216

PASONG TAMO BAGTIKAN BRANCH
G/F Trans-Phil House 1177 Chino
Roces Ave. cor. Bagtikan St.,
Makati City
Tel. Nos.: 403-4820; 403-4821
403-4822; 738-7591

PASONG TAMO-CITYLAND BRANCH
Units UG30-UG32 Cityland Pasong
Tamo Tower, 2210 Pasong Tamo St.,
Makati City
Tel. Nos.: 817-9337/47/51/60/82

PASONG TAMO-LA FUERZA BRANCH
La Fuerza Plaza 1, Chino Rocas Ave.,
Makati City
Tel. Nos.: 541-8850; 541-8851

PATEROS BRANCH
G/F Adela Building, M. Almeda St.,
Brgy. San Roque, Pateros
Tel. Nos.: 531-6929; 531-6810
654-3079

PHILAM BRANCH
#8 East Lawin Drive,
Philam Homes, QC
Tel. Nos.: 927-9841; 924-2872
929-5734

PROJECT 8-SHORTHORN BRANCH
Shorthorn Street, Project 8,
Quezon City
Tel. Nos.: 373-3363; 373-3369

QUEZON AVE. BRANCH
No. 18 G & D Bldg., Quezon Ave.
cor. D. Tuazon St., Q.C.
Tel. Nos.: 712-3676; 712-0424
740-7779/80; 712-1105
416-8891
732-2137 (MCB)

QUIAPO BRANCH
216-220 Villalobos St., Quiapo, Manila
Tel. Nos.: 733-2052/59/61
733-6282/86

REGALADO AVE. BRANCH
CBC Building, Regalado Ave.,
North Fairview, Quezon City
Tel. Nos.: 921-5678; 921-5359

RIZAL-ANGONO BRANCH
Lot 3 Blk. 4 M.L. Quezon Ave.
Richmond Subd., Angono, Rizal
Tel. Nos.: 633-5198; 633-7513

RIZAL-SAN MATEO BRANCH
#63 Gen. Luna corner Simon St.,
Banaba, San Mateo, Rizal
Tel. Nos.: 650-2230; 650-1837

ROCKWELL-ORTIGAS BRANCH
G/F Tower 1 Rockwell Business Center,
Ortigas Avenue, Pasig City

ROOSEVELT AVE. BRANCH
CBC Bldg., #293 Roosevelt Ave.,
San Francisco Del Monte, Quezon City
Tel. Nos.: 371-5133 to 35
410-2160; 410-1957
371-2766

ROOSEVELT AVE.-FRISCO BRANCH
G/F Norita Bldg., #51 H. Francisco St.
corner Roosevelt Ave., Brgy. Paraiso,
Quezon City
Tel. Nos.: 709-7552; 921-0866

SALCEDO VILLAGE-L.P. LEVISTE BRANCH
Unit 1-B G/F The Athenaeum
San Agustin – LP Leviste St.,
Salcedo Village, Makati City
Tel. Nos.: 869-3128; 869-3132
869-3134

SALCEDO VILLAGE-TORDESILLAS BRANCH
G/F Prince Tower Condominium
14 Tordesillas St., Salcedo Village,
Makati City
Tel. Nos.: 813-4901/32/33
813-4944/52

SALCEDO VILLAGE-VALERO BRANCH
G/F Valero Tower, 122 Valero Street
Salcedo Village, Makati City
Tel. Nos.: 892-7768/69; 812-9207
893-8188/96

SALES-RAON BRANCH
611 Sales St., Quiapo, Manila
Tel. Nos.: 734-5806; 734-7427
734-6959

SAN ANTONIO VILLAGE-KAMAGONG BRANCH
Kamagong near corner
St. Paul Streets, San Antonio Village,
Makati City
Tel. Nos.: 777-4950; 777-4951

SAN ANTONIO VILL.-P. OCAMPO BRANCH
JM Macalino Auto Center,
P. Ocampo Street cor. Dungon St.,
San Antonio Village, Makati
Tel. Nos.: 869-5648; 869-5649

SAN JUAN BRANCH
17 (new) F. Blumentritt St.,
San Juan, M. M.
Tel. Nos.: 724-8263; 726-4826
744-5616 to 18
723-7333

SAN JUAN-J. ABAD SANTOS BRANCH
Unit 3 Citiplace Bldg., 8001 Jose Abad
Santos Street, Little Baguio,
San Juan City
Tel. Nos.: 470-8292; 656-8329

SCT. BORROMEO BRANCH
G/F The Forum Building, 71- A Sct.
Borromeo St., Diliman, Quezon City
Tel. Nos.: 426-1431; 426-1340

SHAW-HAIG BRANCH
G/F First of Shaw Bldg., Shaw Blvd.
corner Haig St., Mandaluyong City
Tel. Nos.: 534-1073; 534-0744
718-0218; 621-6459

SHAW-PASIG BRANCH
G/F RCC Center,
No. 104 Shaw Boulevard, Pasig City
Tel. Nos.: 634-5018/19
634-3343/44
747-7812; 634-3340

SHAW-SUMMIT ONE BRANCH
Unit 102 Summit One Office Tower
530 Shaw Boulevard,
Mandaluyong City
Tel. Nos.: 531-3970; 531-5736
531-4058; 531-1304
533-8723; 533-4948

SM AURA PREMIER BRANCH
L/G SM Aura Premier, McKinley
Parkway, Fort Bonifacio Global City,
Taguig City
Tel. Nos.: 808-9727; 808-9701

SM CITY BICUTAN BRANCH
LGF, Bldg. B, SM City Bicutan
Doña Soledad Ave.
cor. West Service Rd., Parañaque City
Tel. Nos.: 821-0600/0700
777-9347

SM CITY BF PARAÑAQUE BRANCH
G/F SM City BF Parañaque,
Dr. A. Santos Ave. corner President's
Avenue, Parañaque City
Tel. Nos.: 825-3201; 825-2990
825-3095; 820-0911

SM CITY FAIRVIEW BRANCH
LGF, SM City Fairview
Quirino Avenue corner Regalado
Avenue, Fairview, Quezon City
Tel. Nos.: 417-2878; 939-3105

SM CITY MARIKINA BRANCH
G/F SM City Marikina,
Marcos Highway, Brgy. Calumpang,
Marikina City
Tel. Nos.: 477-1845/46/47
799-6105

SM CITY MASINAG BRANCH
SM City Masinag, Marcos Highway,
Brgy. Mayamot, Antipolo City
Tel. Nos.: 655-8764; 655-9124
655-8771

CHINA BANK BRANCHES

SM CITY NORTH EDSA BRANCH

Cyberzone Carpark Bldg.,
SM City North Avenue
corner EDSA, Quezon City
Tel. Nos.: 456-6633; 454-8108/21
925-4273

SM CITY SAN LAZARO BRANCH

UGF (Units 164-166) SM City San
Lazaro, Felix Huertas Street corner
A.H. Lacson Extension, Sta. Cruz,
Manila
Tel. Nos.: 742-1572; 742-2330
493-7115

SM CITY TAYTAY BRANCH

Unit 147 Bldg. B, SM City Taytay,
Manila East Road, Brgy. Dolores,
Taytay, Rizal
Tel. Nos.: 286-5844; 286-5979
661-2276, 661-2277

SM MALL OF ASIA BRANCH

G/F Main Mall Arcade, SM Mall of
Asia, Bay Blvd., Pasay City
Tel. Nos.: 556-0100/0102/0099
625-2246

SM MEGAMALL BRANCH

LGF Building A, SM Megamall,
E. delos Santos Avenue corner
J. Vargas St., Mandaluyong City
Tel. Nos.: 633-1611/12
633-1788/89
638-7213 to 15

SM SOUTHMALL BRANCH

UGF SM Southmall, Alabang-Zapote
Road, Talon 1, Almanza, Las Piñas City
Tel. Nos.: 806-6116/19; 806-3536
806-3547

SOLEMARE BRANCH

G-11 Solemare Park Suites,
5A Bradco Avenue, Aseana Business
Park, Parañaque City
Tel. Nos.: 366-3237; 366-3219
366-3199

SOLER-168 BRANCH

G/F R & S Bldg, Soler St., Manila
Tel. Nos.: 242-1041; 242-1674
242-1685

SOUTH TRIANGLE BRANCH

G/F Sunshine Blvd. Plaza, Quezon Ave.
cor. Sct. Santiago and Panay Ave.,
Brgy. South Triangle, Quezon City
Tel. Nos.: 277-7947; 277-7948

STA. MESA BRANCH

1-B G. Araneta Avenue,
Brgy. Doña Imelda, Quezon City
Tel. Nos.: 516-0764; 516-0765
516-0766

STO. CRISTO BRANCH

622-39 Sto. Cristo St.,
Binondo, Manila
Tel. Nos.: 242-4668/73; 242-5361
241-1243; 242-5449
242-3670

STO. DOMINGO AVE. BRANCH

Sto. Domingo Ave., Quezon City
Tel. Nos.: 251-6005; 251-5852

T. ALONZO BRANCH

Abeleda Business Center
908 T. Alonzo corner Espeleta Streets,
Sta. Cruz, Manila
Tel. Nos.: 733-9581/82
734-3231 to 33

TAFT AVE.-QUIRINO BRANCH

2178 Taft Avenue near corner Quirino
Avenue, Malate, Manila
Tel. Nos.: 521-7825; 527-3285
527-6747

TANDANG SORA-VISAYAS AVE. BRANCH

#250 Tandang Sora Ave., Quezon City
Tel. Nos.: 426-3818; 426-3541

TAYTAY-ORTIGAS EXTENSION BRANCH

Ortigas Ave. Ext., Taytay, Rizal
Tel. No.: 727-1667

TAYTAY-SAN JUAN BRANCH

Velasquez St., Sitio Bangiad,
Brgy. San Juan, Taytay, Rizal
Tel. No.: 998 - 6649

TIMOG AVE. BRANCH

G/F Prince Jun Condominium,
42 Timog Ave., Q.C.
Tel. Nos.: 371-4523/24
371-4522/06

TOMAS MAPUA-LAGUNA BRANCH

CBC Bldg., Tomas Mapua St.
Sta. Cruz, Manila
Tel. Nos.: 495-0302; 495-0294

TOMAS MORATO-E. RODRIGUEZ BRANCH

1427 Tomas Morato Ave.,
Quezon City
Tel. Nos.: 470-3037; 477-1472

TOMAS MORATO EXTENSION BRANCH

Tomas Morato Ave., Quezon City
Tel. Nos.: 373-4960; 373-4961

TRINOMA BRANCH

Unit P002, Level P1, Triangle North of
Manila, North Avenue corner EDSA,
Quezon City
Tel. Nos.: 901-5570/5573

TUTUBAN PRIME BLOCK BRANCH

Rivera Shophouse, Podium Area,
Tutuban Center Prime Block,
C.M. Recto Ave. corner Rivera Street,
Manila
Tel. Nos.: 255-1414/15

UP TECHNO HUB BRANCH

UP AyalaLand Techno Hub,
Commonwealth Ave., Quezon City
Tel. Nos.: 441-1331/1332/1334

UP VILLAGE-MAGINHAWA BRANCH

LTR Bldg., No. 46 Maginhawa St.,
UP Village, Quezon City
Tel. Nos.: 373-3349; 373-3354

V. LUNA BRANCH

G/F AGGCT Bldg., No. 32 V. Luna
cor. Matapat Sts., Brgy. Pinyahan,
Quezon City
Tel. Nos.: 772-8992; 772-8564

VALENZUELA BRANCH

CBC Bldg., McArthur Highway
cor. V. Cordero St., Marulas,
Valenzuela City
Tel. Nos.: 293-8920; 293-6160
293-5088 to 90
293-8919

VALENZUELA-GEN. LUIS BRANCH

AGT Building, 425 Gen. Luis Street
Paso de Blas, Valenzuela City
Tel. Nos.: 443-6160/61
983-3861/62

VALENZUELA-MALINTA BRANCH

MacArthur Highway, Brgy. Malinta,
Valenzuela City
Tel. Nos.: 282-2160; 282-2013

VISAYAS AVE. BRANCH

CBCBldg., Visayas Avenue corner
Congressional Ave. Ext., Quezon City
Tel. Nos.: 454-0189; 925-2173
455-4334/35

WEST AVE. BRANCH

82 West Avenue, Quezon City
Tel. Nos.: 924-3131/3143
924-6363; 920-6258
411-6010/6011
928-3270;

XAVIERVILLE BRANCH

65 Xavierville Ave., Loyola Heights,
Quezon City
Tel. Nos.: 433-8696; 929-1265
927-9826

LUZON

ALBAY BRANCH

Rizal St. cor. Gov. Reynold Street,
Old Albay District, Legazpi City
Tel. Nos.: (052) 742-0893
(052) 742-0894

ANGELES CITY BRANCH

CBC Bldg., 949 Henson St.,
Angeles City
Tel. Nos.: (045) 887-1549
323-5343
887-1550/2291
625-8660/61

ANGELES CITY-BALIBAGO BRANCH

Diamond Square, Service Road
McArthur Highway cor. Charlotte St.
Balibago, Angeles City, Pampanga
Tel. Nos.: (045) 892-5136
892-5144

ANGELES CITY-MARQUEE MALL BRANCH

G/F Marquee Mall, Angeles City,
Pampanga
Tel. Nos.: (045) 436-4013
304-0850; 889-0975

ANGELES-MCARTHUR HIGHWAY BRANCH

CBC Bldg., San Pablo St. corner
McArthur Highway, Angeles City
Tel. Nos.: (045) 323-5793
887-6028; 625-9362

ANGELES-STO. ROSARIO BRANCH

Angeles Business Center Bldg.,
Teresa Avenue, Nepo Mart Complex,
Angeles City, Pampanga
Tel. Nos.: (045) 888-5175
322-9596

APALIT BRANCH

CBC Bldg., McArthur Highway,
San Vicente, Apalit, Pampanga
Tel. No.: (045) 652-1131

BAGUIO CITY BRANCH

G/F Juniper Bldg., A. Bonifacio Rd.,
Baguio City
Tel. Nos.: (074) 442-9581
443-5908 443-8659 to 60
442-9663

BAGUIO CITY-ABANAO BRANCH

G/F Paladin Hotel, No. 136 Abanao
Ext. corner Cariño St., Baguio City
Tel. Nos.: (074) 424-4837
424-4838

BALANGA CITY BRANCH

G/F Dilig Building, Don Manuel
Banzon Street, Balanga City, Bataan
Tel. Nos.: (047) 237-9388/89
791-1779

BALER BRANCH

Provincial Road, Barrio Suklayain,
Baler, Aurora
Tel. Nos.: (042) 724-0026
(02) 703-3331

BALIWAG BRANCH

Km. 51, Doña Remedios Trinidad
(DRT) Highway, Baliwag, Bulacan
Tel. Nos.: (044) 766-1066/5257
673-5338

BATAAN-DINALUPIHAN BRANCH

GNI Building, San Ramon Highway
corner Doña Rosa Street and
Mabini Ext., Dinalupihan, Bataan
Tel. Nos.: (047) 636-1452
(047) 636-1451

BATANGAS CITY BRANCH

P. Burgos Street, Batangas City
Tel. Nos.: (043) 723-0953
(02) 520-6118

BATANGAS-BALAYAN BRANCH

CBC Bldg., Barrio Ermita,
Balayan, Batangas
Tel. Nos.: (043) 741-5028
(043) 741-5180

BATANGAS-BAUAN BRANCH

62 Kapitan Ponso St.,
Bauan, Batangas
Tel. Nos.: (043) 702-4481
702-5383

BATANGAS-LEMERY BRANCH

Miranda Building, Ilustre Avenue,
Lemery, Batangas
Tel. Nos.: (043) 409-3467
(02) 984-0206

BATANGAS-ROSARIO BRANCH

Dr. Gualberto Ave., Brgy. Namunga,
Rosario, Batangas
Tel. Nos.: (043) 312-3748
312-3776

BATANGAS-TANAUAN BRANCH

J.P. Laurel Highway, Tanauan City,
Batangas
Tel. Nos.: (043) 702-8956
702-8957

BULACAN-BALAGTAS BRANCH

MacArthur Highway, Brgy. San Juan,
Balagtas, Bulacan
Tel. Nos.: (044) 769-4376
769-0359

BULACAN-PLARIDEL BRANCH

CBC Bldg., Cagayan Valley Road,
Plaridel, Bulacan
Tel. Nos.: (044) 931-2332
325-0069

BULACAN-STA. MARIA BRANCH

J.P. Rizal corner C. de Guzman St.,
Poblacion, Sta. Maria
Tel. Nos.: (044) 288-2006
815-2951; 913-0334

CABANATUAN CITY BRANCH

Melencio cor. Sanciango Sts.
Cabanatuan City
Tel. Nos.: (044) 600-4265
463-0935 to 36

**CABANATUAN-MAHARLIKA
BRANCH**

CBC Bldg. CBC Building,
Maharlika Highway
Cabanatuan City
Tel. Nos.: (044) 463-8586/87
463-7964; 600-3590
940-2395

CALAPAN CITY BRANCH

J.P. Rizal St., San Vicente,
Calapan City, Oriental Mindoro
Tel. Nos.: (043) 288-8978/8508
441-0382

CAMALANIUGAN BRANCH

CBC Bldg., National Highway,
Camalaniugan, Cagayan
Tel. Nos.: (078) 377-2836
377-2837

CANDON CITY BRANCH

CBC Bldg., National Road,
Poblacion, Candon City, Ilocos Sur
Tel. Nos.: (077) 674-0574
674-0554

CARMONA BRANCH

CBC Bldg., Paseo de Carmona
Brgy. Maduya, Carmona, Cavite
Tel. Nos.: (046) 430-1969/1277
430-3568; (02) 475-3941

CAUAYAN CITY BRANCH

G/F Prince Christopher Bldg.,
Maharlika Highway,
Cauayan City, Isabela
Tel. Nos.: (078) 652-1849
897-1338; 652-0061

CAVITE-DASMARIÑAS BRANCH

G/F CBC Bldg., Gen. E. Aguinaldo
Highway, Dasmariñas, Cavite
Tel. Nos.: (046) 416-5036/39/40
(02) 584-4083

CAVITE-IMUS BRANCH

G/F CBC Bldg., Nueno Avenue
Tanzang Luma, Imus, Cavite
Tel. Nos.: (046) 970-8726/64
471-2637; 471-7094

CAVITE-MOLINO BRANCH

Patio Jacinto, Molino Road,
Molino 3, Bacoor, Cavite
Tel. Nos.: (046) 431-0632
484-6295

CAVITE-ROSARIO BRANCH

G/F CBC Bldg., Gen. Trias Drive,
Rosario, Cavite
Tel. Nos.: (046) 437-0057 to 59

CAVITE-SILANG BRANCH

CBC Bldg., J.P. Rizal St.
Poblacion, Silang, Cavite
Tel. Nos.: (046) 413-5095
413-4826; 413-5500
413-5417

CLARK FREEPORT ZONE BRANCH

Stotsenberg Lifestyle Center,
Quirino Sr. cor. N. Aquino Streets,
Clark Freeport Zone, Angeles City,
Pampanga
Tel. Nos.: (045) 499-8060
499-8062; 499-8063

DAET BRANCH

Vinzons Avenue, Daet,
Camarines Norte
Tel. Nos.: (054) 440-0066
440-0067

**DAGUPAN-M.H. DEL PILAR
BRANCH**

Carried Realty Bldg., No. 28 M.H. del
Pilar Street, Dagupan City
Tel. Nos.: (075) 523-5606
522-8929; 632-0430
632-0583

DAGUPAN-PEREZ BRANCH

Siapno Building, Perez Boulevard,
Dagupan City
Tel. Nos.: (075) 522-2562 to 64

DOLORES BRANCH

CBC Bldg., McArthur Highway,
Dolores, City of San Fernando,
Pampanga
Tel. Nos.: (045) 963-3413 to 15
860-1780/81

GAPAN BRANCH

G/F Waltermart Center-Gapan,
Maharlika Highway, Brgy. Bayanihan,
Gapan, Nueva Ecija
Tel. Nos.: (044) 486-0217
486-0434; 486-0695

GUAGUA BRANCH

Yabut Building, Plaza Burgos,
Guagua, Pampanga
Tel. Nos.: (045) 458-1043
458-1045; 458-1046

**ILOCOS NORTE-SAN NICOLAS
BRANCH**

National Highway, Brgy. 2 San
Baltazar, San Nicolas, Ilocos Norte
Tel. Nos.: (077) 600-0994
600-0995

IRIGA CITY

Highway 1, JP Rizal St., San Roque,
Iriga City, Camarines Sur
Tel. Nos.: (054) 299-7000
456-1498

ISABELA-ILAGAN BRANCH

G/F North Star Mall, Maharlika
Highway, Brgy. Alibagu, Ilagan, Isabela
Tel. Nos.: (078) 323-0179
323-0178

ISABELA-ROXAS BRANCH

National Road, Brgy. Bantug,
Roxas, Isabela
Tel. Nos.: (078) 376-0422
376-0434

LA TRINIDAD BRANCH

G/F SJV Bulasao Building,
KM. 4, La Trinidad, Benguet
Tel. Nos.: (074) 422-2065/2590
309-1663

LA UNION-AGOO BRANCH

National Highway, San Jose Norte,
Agoo, La Union
Tel. Nos.: (072) 682-0350;
682-0391

**LA UNION-SAN FERNANDO
BRANCH**

Roger Pua Phee Building,
National Highway, Brgy. 3,
San Fernando, La Union
Tel. Nos.: (072) 607-8931/8932
607-8933/8934

LAGUNA-BIÑAN BRANCH

G/F Raja Cordelle Bldg.,
National Highway, Brgy. San Vicente,
Biñan, Laguna
Tel. Nos.: (049) 511-3196
(02) 245-0440

LAGUNA-CABUYAO BRANCH

G/F Centro Mall, Cabuyao City,
Laguna
Tel. Nos.: (049) 544-2287
544-2289

LAGUNA-CALAMBA BRANCH

CBC Bldg., National Highway,
Crossing, Calamba, Laguna
Tel. Nos.: (049) 545-7134 to 38

LAGUNA-LOS BAÑOS BRANCH

National Road, San Antonio,
Los Baños, Laguna
Tel. Nos.: (049) 557-3223/557-3224

LAGUNA-SAN PEDRO BRANCH

No. 365 Brgy. Nueva, National
Highway, San Pedro City, Laguna
Tel. Nos.: 816-3864; 816-4862

LAGUNA-STA. CRUZ BRANCH

A. Regidor St., Sta. Cruz, Laguna
Tel. Nos.: (049) 501-4977
501-4107; 501-4085

LAOAG CITY BRANCH

Liberato Abadilla Street,
Brgy. 17 San Francisco Laoag City
Tel. Nos.: (077) 772-1024/27
771-4688; 771-4417

LEGAZPI CITY BRANCH

G/F Emma Chan Bldg.
F. Imperial St., Legazpi City
Tel. Nos.: (052) 480-6048
480-6519; 214-3077

LIPA CITY-TAMBO BRANCH

Tambo, Lipa City, Batangas
Tel. Nos.: (043) 757-6331
757-6332

LUCENA CITY BRANCH

233 Quezon Avenue, Lucena City
Tel. Nos.: (042) 373-2317
373-3872/80/87
660-7861

MABALACAT-DAU BRANCH

R.D. Policarpio Bldg., McArthur
Highway, Dau, Mabalacat, Pampanga
Tel. Nos.: (045) 892-4969
892-6040

MALOLOS CITY BRANCH

G/F Graceland Mall, BSU Grounds,
McArthur Highway, Guinhawa,
Malolos City, Bulacan
Tel. Nos.: (044) 794-5840
662-2013

MARILAO BRANCH

G/F, SM City Marilao, KM. 21,
Brgy. Ibayo, Marilao, Bulacan
Tel. Nos.: (044) 815-8956/8957

MARIVELES-FAB BRANCH

Tamayo's Building, Avenue of the
Philis., Brgy. Malaya, Freeport Area of
Bataan (FAB), Mariveles, Bataan
Tel. Nos.: (047) 633-9569
(047) 633-9699

MASBATE BRANCH

Espinosa Bldg., Zurbito St.,
Masbate City, Masbate
Tel. Nos.: (056) 333-2363/65

MEYCAUAYAN BRANCH

CBC Bldg., Malhacan Road,
Meycauayan, Bulacan
Tel. Nos.: (044) 815-6889
815-6961; 815-6958

NAGA CITY BRANCH

Centro- Peñafrancia Street,
Naga City
Tel. Nos.: (054) 472-1359
472-1358; 473-7920

NUEVA ECIIJA-STA. ROSA BRANCH

CBC Bldg., Maharlika Highway,
Poblacion, Sta. Rosa, Nueva Ecija
Tel. Nos.: (044) 333-6215
940-1407

OCC. MINDORO-SAN JOSE BRANCH

Liboro corner Rizal Street, San Jose,
Occidental Mindoro
Tel. Nos.: (043) 491-0095
491-0096

OLONGAPO-DOWNTOWN BRANCH

No. 2 corner 20th St., East Bajac-Bajac,
Olongapo City
Tel. No.: (047) 610-9826

**PANGASINAN-ALAMINOS CITY
BRANCH**

Marcos Avenue, Brgy. Palamis,
Alaminos City, Pangasinan
Tel. Nos.: (075) 551-3859
654-0286

**PANGASINAN-BAYAMBANG
BRANCH**

CBC Bldg., No. 91, Poblacion Sur,
Bayambang, Pangasinan
Tel. Nos.: (075) 632-5776
632-5775

CHINA BANK BRANCHES

PANGASINAN-ROSALES BRANCH

CBC Bldg., Calle Dewey,
Rosales, Pangasinan
Tel. Nos.: (075) 633-3852
633-3853

PANGASINAN-URDANETA BRANCH

EF Square Bldg., McArthur Highway,
Poblacion Urdaneta City, Pangasinan
Tel. Nos.: (075) 632-2637
632-0541; 656-2022
656-2618

PASEO DE STA. ROSA BRANCH

Unit 3, Paseo 5, Paseo de Sta. Rosa,
Sta. Rosa City, Laguna
Tel. Nos.: (049) 837-1831
502-3016; 502-2859
827-8178; (02) 420-8042

QUEZON-CANDELARIA BRANCH

Pan Philippine Highway cor. Del Valle
Street, Poblacion, Candelaria, Quezon
Tel. Nos.: 797-4298; 797-4299

SAN FERNANDO BRANCH

CBC Bldg., V. Tiomico Street
City of San Fernando, Pampanga
Tel. Nos.: (045) 961-3542/49
963-5458 to 60
961-5651; 860-1925
892-3211

SAN FERNANDO-SINDALAN BRANCH

Jumbo Jenra Sindalan, Brgy. Sindalan,
San Fernando City, Pampanga
Tel. Nos.: (045) 866-5464
455-0569

SAN JOSE CITY BRANCH

Maharlika Highway,
Brgy. Malasin, San Jose City
Tel. Nos.: (044) 958-9094
958-9096; 511-2898

SAN PABLO CITY BRANCH

M. Paulino Street, San Pablo City
Tel. Nos.: (049) 562-5481 to 84

SANTIAGO CITY

Navarro Bldg., Maharlika Highway
near corner Bayaua St.,
Santiago City, Isabela
Tel. Nos.: (078) 682-7024 to 26

SM CITY BACOR BRANCH

LGF SM City Bacoor
Tirona Highway corner Aguinaldo
Highway, Bacoor, Cavite
Tel. Nos.: (046) 417-0572/0746
417-0623/0645

SM CITY CABANATUAN

UGF SM City Cabanatuan,
Maharlika Highway,
Brgy. H. Concepcion,
Cabanatuan City, Nueva Ecija
Tel. Nos.: (044) 958-1916
486-5501

SM CITY CLARK BRANCH

G/F (Units 172-173) SM City Clark,
M. Roxas St., CSEZ, Angeles City,
Pampanga
Tel. Nos.: (045) 499-0252 to 54

SM CITY DASMARIÑAS BRANCH

LGF SM City Dasmariñas, Governor's
Drive, Pala-pala, Dasmariñas, Cavite
Tel. No.: (046) 424-1134

SM CITY LIPA BRANCH

G/F (Units 1111-1113) SM City Lipa,
Ayala Highway, Brgy. Maraouy,
Lipa City, Batangas
Tel. Nos.: (043) 784-0212
784-0213

SM CITY NAGA BRANCH

SM City Naga, CBD II,
Brgy. Triangulo, Naga City
Tel. Nos.: (054) 472-1366
472-1367

SM CITY OLONGAPO BRANCH

SM City Olongapo, Magsaysay Dr.
cor. Gordon Ave., Brgy. Pag-asá,
Olongapo City, Zambales
Tel. Nos.: (047) 602-0039
602-0040

SM CITY PAMPANGA BRANCH

Unit AX3 102, Building 4, SM City
Pampanga, Mexico, Pampanga
Tel. Nos.: (045) 455-0304/0305
455-0306/0307

SM CITY SAN JOSE DEL MONTE BRANCH

UGF SM City San Jose Del Monte,
San Jose Del Monte City, Bulacan
Tel. Nos.: (044) 913-1562
(02) 985-3067

SM CITY SAN PABLO BRANCH

G/F SM City San Pablo National
Highway, Brgy. San Rafael,
San Pablo City, Laguna
Tel. Nos.: (049) 521-0071 to 72

SM CITY STA. ROSA BRANCH

G/F SM City Sta. Rosa, Bo. Tagapo,
Sta. Rosa, Laguna
Tel. Nos.: (049) 534-4640/4813

SOLANO BRANCH

National Highway, Brgy. Quirino,
Solano, Nueva Vizcaya
Tel. Nos.: (078) 326-6559/6061

SORSOGON BRANCH

CBC Bldg., Ramon Magsaysay Ave.,
Sorsogon City, Sorsogon
Tel. Nos.: (056) 211-1610
421-5105

SUBIC BAY FREEPORT ZONE BRANCH

CBC Bldg., Subic Bay Gateway Park,
Rizal Highway, Subic Bay Freeport
Zone
Tel. Nos.: (047) 252-1568
252-1575; 252-1591

TABACO CITY BRANCH

Ziga Ave. corner Berces Street,
Tabaco City, Albay
Tel. Nos.: (052) 487-7150
830-4178

TAGAYTAY CITY BRANCH

Foggy Heights Subdivision,
E. Aguinaldo Highway,
Tagaytay City, Cavite
Tel. Nos.: (046) 483-0609
483-0608

TALAVERA BRANCH

CBC Bldg., Marcos District,
Talavera, Nueva Ecija
Tel. Nos.: (044) 940-2620
940-2621

TARLAC BRANCH

CBC Bldg., Panganiban near corner
F. Tanedo Street, Tarlac City, Tarlac
Tel. Nos.: (045) 982-7771 to 75

TARLAC-BAMBAN BRANCH

National Road, Brgy. Anupul,
Bamban, Tarlac
Tel. Nos.: (045) 925-0402

TARLAC-CAMILING BRANCH

Savewise Super Market,
Poblacion, Camiling, Tarlac
Tel. Nos.: (045) 491-6445
934-5085; 934-5086

TARLAC-CONCEPCION BRANCH

G/F Descanzo Bldg., F. Timbol St.
San Nicolas Poblacion,
Concepcion, Tarlac
Tel. Nos.: (045) 491-2987
491-3028

TARLAC-PANIKUI BRANCH

Cedasco Building, M. H del Pilar St.,
Poblacion, Paniqui, Tarlac
Tel. Nos.: (045) 491-8465
491-8464

TARLAC-SAN RAFAEL BRANCH

CBC Bldg., Brgy. San Rafael,
Tarlac City, Tarlac
Tel. Nos.: (045) 456-0150
456-0121

THE DISTRICT IMUS BRANCH

G/F The District Imus, Anabu II,
Imus, Cavite
Tel. Nos.: (046) 416-1417
416-4294

TRECE MARTIRES

G/F Waltermart, Governor's Drive
corner City Hall Road,
Brgy. San Agustin, Trece Martires City,
Cavite
Tel. Nos.: (046) 460-4897
460-4898; 460-4899

TUGUEGARAO CITY BRANCH

A. Bonifacio Street, Tuguegarao,
Cagayan
Tel. Nos.: (078) 844-0175
844-0831; 846-1709

TUGUEGARAO-BALZAIN BRANCH

Balzain Highway,
Tuguegarao City, Cagayan
Tel. Nos.: (078) 396-2207
396-2208

VIGAN CITY BRANCH

Burgos Street near corner Rizal Street,
Vigan City, Ilocos Sur
Tel. Nos.: (077) 722-6968
674-2272

VIRAC BRANCH

Gogon, Virac, Catanduanes
Tel. Nos.: (052) 811-4321
811-4322

ZAMBALES-BOTOLAN BRANCH

National Highway, Brgy. Batonlapoc,
Botolan, Zambales
Tel. Nos.: (047) 811-1322
811-1372

VISAYAS

ANTIQUE-SAN JOSE BRANCH

Felrosa Building, Gen. Fullon St.
corner Cerdana St., San Jose, Antique
Tel. Nos.: (036) 540-7095
540-7097

BACOLOD-ARANETA BRANCH

CBC Bldg., Araneta corner
San Sebastian Streets, Bacolod City
Tel. Nos.: (034) 435-0247/48
433-3818/19
433-7152/53; 709-1618

BACOLOD-LACSON BRANCH

Soliman Bldg., Lacson cor.
Luzurriaga Sts., Bacolod City,
Negros Occidental
Tel. Nos.: (034) 474-2451
474-2452

BACOLOD-LIBERTAD BRANCH

Libertad Street, Bacolod City,
Negros Occidental
Tel. Nos.: (034) 435-1645
435-1646

BACOLOD-MANDALAGAN BRANCH

Lacson Street, Mandalagan,
Bacolod City, Negros Occidental
Tel. Nos.: (034) 441-0500
441-0388; 709-0067

BACOLOD-NORTH DRIVE BRANCH

Anesa Bldg., B.S. Aquino Drive,
Bacolod City
Tel. Nos.: (034) 435-0063 to 65
709-1658

BAYBAY BRANCH

Magsaysay Avenue, Baybay, Leyte
Tel. Nos.: (053) 335-2899/98
563-9228

BORONGAN BRANCH

Balud II, Poblacion, Borongan
Eastern Samar
Tel. Nos.: (055) 560-9948
560-9938; 261-5888

CALBAYOG CITY BRANCH

Cajurao cor. Gomez Sts., Balud,
Calbayog Dist., Calbayog City, Samar
Tel. Nos.: (055) 209-1358
533-8842

CATARMAN BRANCH

Cor. Rizal & Quirino Sts.,
Jose P. Rizal St., Catarman,
Northern, Samar
Tel. Nos.: (055) 251-8802/8821
500-9921

CATBALOGAN BRANCH

CBC Bldg., Del Rosario St.
cor. Taft Avenue, Catbalogan City,
Samar
Tel. Nos.: (055) 251-2897/98
543-8121

CEBU-AYALA BRANCH

Unit 101 G/F Insular Life,
Cebu Business Center, Mindanao Ave.
cor. Biliran Road, Cebu Business Park,
Cebu City
Tel. Nos.: (032) 262-1839
260-6524

CEBU-BANAWA BRANCH

G/F The J Block, Duterte St., Banawa,
Guadalupe, Cebu City, Cebu
Tel. Nos.: (032) 340-9561
416-3827

CEBU-BANILAD BRANCH

CBC Bldg., AS Fortuna St.,
Banilad, Cebu City
Tel. Nos.: (032) 346-5870/81
416-1001

**CEBU-BASAK-SAN NICOLAS
BRANCH**

N. Bacalso Ave., Basak, San Nicolas,
Cebu City, Cebu
Tel. Nos.: (032) 340-8113
414-4742

CEBU-BOGO BRANCH

Sim Building, P. Rodriguez Street,
Bogo City, Cebu
Tel. Nos.: (032) 434-7119
266-3251

CEBU BUSINESS CENTER

CBC Bldg., Samar Loop corner Panay
Road, Cebu Business Park, Cebu City
Tel. Nos.: (032) 239-3760
to 239-3764

CEBU-CARCAR BRANCH

Dr. Jose Rizal St., Poblacion I,
Carcar, Cebu
Tel. Nos.: (032) 487-8103
487-8209; 266-7093

CEBU-CONSOLACION BRANCH

G/F SM City Consolacion,
Brgy. Lamac, Consolacion, Cebu
Tel. Nos.: (032) 260-0024
260-0025

CEBU-ESCARIO BRANCH

Units 3 & 5 Escario Central,
Escario Road, Cebu City, City
Tel. Nos.: (032) 416-5860
520-9229

CEBU-F. RAMOS BRANCH

F. Ramos Street, Cebu City
Tel. Nos.: (032) 253-9463
254-4867; 412-5858

CEBU-GORORDO BRANCH

No 424. Gorordo Ave.,
Bo. Camputhaw, Lahug District,
Cebu City, Cebu
Tel. Nos.: (032) 414-0509
239-8654

CEBU-GUADALUPE BRANCH

CBC Bldg., M. Velez Street, cor.
V. Rama Ave., Guadalupe, Cebu City
Tel. Nos.: (032) 254-7964; 254-8495
254-1916

CEBU-IT PARK BRANCH

G/F The Link, Cebu IT Park,
Apas, Cebu City, Cebu
Tel. Nos.: (032) 266-2559
262-0982

CEBU-LAHUG BRANCH

JY Square Mall, No. 1 Salinas Dr.,
Lahug, Cebu City
Tel. Nos.: (032) 417-2122; 233-0977
234-2062

CEBU-LAPU LAPU CENTRO BRANCH

G.Y dela Serna St., Opon, Poblacion,
Lapu-Lapu City, Cebu
Tel. Nos.: (032) 231-3247
493-5078

CEBU-LAPU LAPU PUSOK BRANCH

G/F Goldberry Suites, President
Quezon National Highway, Pusok,
Lapu-Lapu City
Tel. Nos.: (032) 340-2098
494-0631; 340-2099

CEBU-MAGALLANES BRANCH

CBC Bldg., Magallanes corner
Jakosalem Sts., Cebu City
Tel. Nos.: (032) 255-0022/23/25/28
253-0348; 255-6093
255-0266; 412-1877

CEBU-MANDAUE BRANCH

SV Cabahug Building,
155-B SB Cabahug Street,
Brgy. Centro, Mandaue City, Cebu
Tel. Nos.: (032) 346-5636/37
346-2083; 344-4335
422-8188

**CEBU-MANDAUE-CABANCALAN
BRANCH**

M.L. Quezon St., Cabancalan,
Mandaue City, Cebu
Tel. Nos.: (032) 421-1364
505-9908

**CEBU-MANDAUE-J CENTRE MALL
BRANCH**

LGF J Centre Mall, A.S Fortuna Ave.,
Mandaue City, Cebu
Tel. Nos.: (032) 520-2898
421-1567

**CEBU-MANDAUE NORTH ROAD
BRANCH**

G/F Units G1-G3, Basak Commercial
Building (Kel-2) Basak, Mandaue City
Tel. Nos.: (032) 345-8861
345-8862; 420-6767

CEBU-MANDAUE NRA BRANCH

G/F Bai Hotel Cebu Ouano Ave.
cor. Seno Blvd., North Reclamation
Area, Mandaue City, Cebu
Tel. No.: (032) 272-6985

CEBU-MINGLANILLA BRANCH

Unit 9, Plaza Margarita Lipata,
Minglanilla, Cebu
Tel. Nos.: (032) 239-7234
490-6025

CEBU-NAGA BRANCH

Leah's Square, National South
Highway, East Poblacion,
Naga City, Cebu
Tel. Nos.: (032) 238-7623
489-8218

CEBU-SM CITY BRANCH

Upper G/F, SM City Cebu, Juan Luna
cor. A. Soriano Avenue, Cebu City
Tel. Nos.: (032) 232-0754/55
231-9140; 412-9699

CEBU-SM SEASIDE CITY BRANCH

LGF SM Seaside City Cebu,
South Road Properties,
6000 Cebu City, Cebu
Tel. No.: (032) 262-1772

CEBU-SUBANGDAKU BRANCH

G/F A.D. Gothong I.T. Center,
Subangdaku, Mandaue City, Cebu
Tel. Nos.: (032) 344-6561
422-3664; 344-6621

CEBU-TALAMBAN BRANCH

Unit UG-7 Gaisano Grand Mall,
Brgy. Talamban, Cebu City
Tel. Nos.: (032) 236-8944
418-0796

CEBU-TALISAY BRANCH

CBC Bldg., 1055 Cebu South National
Road, Bulacao, Talisay City, Cebu
Tel. Nos.: (032) 272-3342/48
491-8200

DUMAGUETE CITY BRANCH

CBC Bldg., Real Street
Dumaguete City, Negros Oriental
Tel. Nos.: (035) 422-8058
225-5442; 225-5441
225-4284; 225-5460

ILOILO-IZNART BRANCH

G/F John A. Tan Bldg.,
Iznart St., Iloilo City
Tel. Nos.: (033) 337-9477
509-9868; 300-0644

ILOILO-JARO BRANCH

CBC Building, E. Lopez St.
Jaro, Iloilo City, Iloilo
Tel. Nos.: (033) 320-3738
320-3791

ILOILO-MABINI BRANCH

A. Mabini Street, Iloilo City
Tel. Nos.: (033) 335-0295
335-0370; 509-0599

ILOILO-MANDURRIAO BRANCH

Benigno Aquino Ave., Brgy. San Rafael,
Mandurriao, Iloilo City, Iloilo
Tel. Nos.: (033) 333-3988
333-4088

ILOILO-RIZAL BRANCH

CBC Building, Rizal cor. Gomez Sts.,
Brgy. Ortiz, Iloilo City
Tel. Nos.: (033) 336-0947
338-2136; 509-8838

KALIBO BRANCH

Aklan Catholic College,
Arch. Gabriel M. Reyes St.,
5600, Kalibo, Aklan
Tel. Nos.: (036) 500-8088
500-8188; 268-2988

MAASIN CITY BRANCH

G/F SJC Bldg., Tomas Oppus St.,
Brgy. Tunga-Tunga, Maasin City,
Southern Leyte
Tel. Nos.: (053) 381-2287
381-2288; 570-8488

**NEGROS OCC.-KABANKALAN
BRANCH**

CBC Building, National Highway,
Brgy. 1, Kabankalan, Negros Occidental
Tel. Nos.: (034) 471-3349; 471-3364
471-3738

NEGROS OCC.-SAN CARLOS BRANCH

Rizal corner Carmona Streets,
San Carlos, Negros Occidental
Tel. Nos.: (034) 312-5818; 312-5819
729-3276

ORMOC CITY BRANCH

CBC Bldg., Real cor. Lopez
Jaena Sts., Ormoc City, Leyte
Tel. Nos.: (053) 255-3651 to 53

PUERTO PRINCESA CITY BRANCH

Malvar Street near corner Valencia
Street, Puerto Princesa City, Palawan
Tel. Nos.: (048) 434-9891-93

ROXAS CITY BRANCH

1063 Roxas Ave. cor. Bayot Drive,
Roxas City, Capiz
Tel. Nos.: (036) 621-3203
621-1780; 522-5775

SILAY CITY BRANCH

Rizal St., Silay City, Negros Occidental
Tel. Nos.: (034) 714-6400
495-5452; 495-0480

TACLOBAN CITY BRANCH

Uytingkoc Building, Avenida
Veteranos, Tacloban City, Leyte
Tel. Nos.: (053) 325-7706 to 08
523-7700/7800

TAGBILARAN CITY BRANCH

G/F Melrose Bldg., Carlos P. Garcia
Avenue, Tagbilaran City, Bohol
Tel. Nos.: (038) 501-0688
501-0677; 411-2484

MINDANAO

BUTUAN CITY BRANCH

CBC Building, J.C. Aquino Avenue
Butuan City
Tel. Nos.: (085) 341-5159
341-7445
(085) 815-3454/55
225-2081

**CAGAYAN DE ORO-CARMEN
BRANCH**

G/F GT Realty Building,
Max Suniel St. corner Yakal St.,
Carmen, Cagayan de Oro City
Tel. Nos.: (08822) 723-091
724-372
(088) 858-3902/03

**CAGAYAN DE ORO-DIVISORIA
BRANCH**

RN Abejuela St., South Divisoria,
Cagayan de Oro City
Tel. Nos.: (08822) 722-641
(088) 857-5759

**CAGAYAN DE ORO-LAPASAN
BRANCH**

CBC Building, Claro M. Recto Avenue,
Lapasan, Cagayan de Oro City
Tel. Nos.: (08822) 722-240
724-540; 726-242
(088) 856-1325/1326

**CAGAYAN DE ORO-PUERTO
BRANCH**

Luis A.S. Yap Building, Zone 6,
Brgy. Puerto, Cagayan de Oro City,
Misamis Oriental
Tel. Nos.: (088) 880-7183
880-7185

CHINA BANK BRANCHES

CDO-GAISANO CITY MALL BRANCH

G/F Gaisano City Mall,
C. M. Recto corner Corrales Extension,
Cagayan de Oro City
Tel. Nos.: (08822) 745-877
745-880 (088) 880-1051
880-1052

COTABATO CITY BRANCH

No. 76 S.K. Pendatun Avenue,
Cotabato City, Maguindanao
Tel. Nos.: (064) 421-4685/4653

DAVAO-BAJADA BRANCH

B.I. Zone Building, J.P. Laurel Ave.,
Bajada, Davao City
Tel. Nos.: (082) 221-0184
221-0319

DAVAO-BUHANGIN BRANCH

Buhangin Road, Davao City
Tel. Nos.: (082) 300-8335
227-9764; 221-5970

DAVAO-CALINAN BRANCH

Davao-Bukidnon National Highway –
Riverside, Calinan Proper, Davao City
Tel. Nos.: (082) 224-9229
(082) 224-9135

DAVAO-INSULAR VILLAGE BRANCH (formerly Davao-Lanang Branch)

Insular Village I, KM. 8, Lanang,
Davao City
Tel. Nos.: (082) 300-1892
234-7166; 234-7165

DAVAO-MA-A BRANCH

G/F Lapeña Building, McArthur
Highway, Matina, Davao City
Tel. Nos.: (082) 295-0472
295-1072

DAVAO-MATINA BRANCH

KM. 4 McArthur Highway,
Matina, Davao City
Tel. Nos.: (082) 297-4288
297-4455; 297-5880/81

DAVAO-MONTEVERDE BRANCH

Doors 1 & 2, Sunbright Bldg.,
Monteverde Ave., Davao City
Tel. Nos.: (082) 225-3680
225-3679

DAVAO-PANABO CITY BRANCH

PJ Realty, Barangay New Pandan,
Panabo City, Davao del Norte
Tel. Nos.: (084) 628-4057
628-4065

DAVAO-RECTO BRANCH

CBC Bldg., C.M. Recto Ave.
cor. J. Rizal St., Davao City
Tel. Nos.: (082) 221-4481/ 7028
221-6021/6921/4163
226-3851; 226-2103

DAVAO-STA. ANA BRANCH

R. Magsaysay Avenue
corner F. Bangoy Street,
Sta. Ana District, Davao City
Tel. Nos.: (082) 227-9501/51
227-9601
221-1054/55; 221-6672

DAVAO-SM LANANG BRANCH

G/F SM Lanang Premier,
J. P. Laurel Avenue, Davao City
Tel. Nos.: (082) 285-1064
285-1053

DAVAO-TAGUM BRANCH

153 Pioneer Avenue,
Tagum, Davao del Norte
Tel. Nos.: (084) 655-6307/08
400-2289/90

DAVAO-TORIL BRANCH

McArthur Highway corner
St. Peter Street, Crossing Bayabas,
Toril, Davao City
Tel. Nos.: (082) 303-3068; 295-2334
295-2332

DIPOLOG CITY BRANCH

CBC Building, Gen. Luna corner
Gonzales Streets, Dipolog City
Tel. Nos.: (065) 212-6768 to 69
908-2008

GEN. SANTOS CITY BRANCH

CBC Bldg., I. Santiago Blvd.,
Gen. Santos City
Tel. Nos.: (083) 553-1618; 552-8288

GEN. SANTOS CITY-DADIANGAS BRANCH

M. Roxas Ave. corner Lapu-Lapu Street,
Brgy. Dadiangas East, Gen. Santos City,
South Cotabato
Tel. No.: (083) 552-8576

ILIGAN CITY BRANCH

Lai Building, Quezon Avenue Extension
Pala-o, Iligan City
Tel. Nos.: (063) 221-5477/79
492-3009; 221-3009

ILIGAN CITY-SOLANA DISTRICT BRANCH

Andres Bonifacio Highway,
Brgy. San Miguel, Iligan City,
Lanao del Norte
Tel. Nos.: (063) 224-7664; 224-7665

KIDAPAWAN CITY BRANCH

G/F EVA Building, Quezon Blvd.
cor. Tomas Claudio Street,
National Highway, Kidapawan City
Tel. Nos.: (064) 278-3509; 278-3510

KORONADAL CITY BRANCH

Gen. Santos Drive corner Aquino St.,
Koronadal City, South Cotabato
Tel. Nos.: (083) 228-7838
228-7839; 520-1788

MALAYBALAY CITY BRANCH

Bethelda Building, Sayre Highway,
Malaybalay City, Bukidnon
Tel. No.: (088) 813-3372

MIDSAYAP BRANCH

CBC Bldg., Quezon Ave.,
Poblacion 2, Midsayap, Cotabato
Tel. No.: (064) 229-9700

OZAMIZ CITY BRANCH

Gomez corner Kaamino Streets,
Ozamiz City
Tel. Nos.: (088) 521-2658 to 60

PAGADIAN CITY BRANCH

Marasigan Building, F.S. Pajares Avenue,
Pagadian City
Tel. Nos.: (062) 215-2781/82
925-1116

SM CDO DOWNTOWN PREMIER (formerly Cagayan De Oro-Borja Branch)

G/F SM CDO Downtown Premier,
Cagayan de Oro City
Tel. Nos.: (088) 857-2212; 857-3742
(088) 859-1053; 859-1054

SURIGAO CITY BRANCH

CBC Bldg., Amat St.,
Barrio Washington, Surigao City,
Surigao del Norte
Tel. Nos.: (086) 826-3958, 826-3968

VALENCIA BRANCH

A. Mabini Street, Valencia, Bukidnon
Tel. Nos.: (088) 828-2048/49
222-2356; 222-2417

ZAMBOANGA CITY BRANCH

CBC Bldg., Gov. Lim Avenue corner
Nuñez Street, Zamboanga City
Tel. Nos.: (062) 991-2978/79
991-1266

ZAMBOANGA-GUIWAN BRANCH

G/F Yang's Tower,
M.C. Lobregat National Highway,
Guiwan, Zamboanga City
Tel. Nos.: (062) 984-1751; 984-1754

ZAMBOANGA-SAN JOSE GUSU BRANCH

Yubenco Supermarket, San Jose Gusu,
Zamboanga City, Zamboanga del Sur
Tel. Nos.: (062) 995-6154; 955-6155

SOON TO OPEN

ARNAIZ AVE. BRANCH

United Life Assurance Building,
A. Arnaiz Ave. (Pasay Road),
Makati City

BATANGAS CITY-KUMINTANG ILAYA BRANCH

CBC Bldg. (for construction),
Brgy. Kumintang Ilaya,
Batangas City, Batangas

DILIMAN-MATALINO BRANCH

Matalino Street, Diliman, Quezon City

GREENHILLS-ANNAPOLIS BRANCH

Annapolis St., Greenhills, San Juan City

JUPITER BRANCH

Jupiter Street, Makati City

MANDALUYONG - BONI AVE. BARANGKA

Bonifacio Ave. cor. San Roque St.,
Barangka Ilaya, Mandaluyong City

PUREZA BRANCH

Solicare Bldg., R. Magsaysay Blvd.,
Sta. Mesa, Manila

QUEZON AVE.-SCT. CHUATOCO BRANCH

Estuar Building, No. 880 Quezon Ave.,
Brgy. Paligahan, Quezon City

REGALADO AVE.-WEST FAIRVIEW BRANCH

CBC Bldg. (for construction)
Regalado Ave. corner Bulova St.,
Quezon City

SM NORTH TOWERS BRANCH

SM City North EDSA North Towers,
SM City North EDSA Complex,
Quezon City

STO. CRISTO-CM RECTO BRANCH

858 Sto. Cristo Street, Manila

TAFT AVE.-NAKPIL BRANCH

G Square Taft Ave. corner Nakpil St.,
Malate, Manila

CHINA BANK SAVINGS BRANCHES

METRO MANILA AND RIZAL

ACACIA ESTATES–SAVEMORE

Acacia Taguig Town Center
Acacia Estates, Ususan, Taguig City
Tel. Nos.: (02) 633-5472; 633-3245

ADRIATICO–HYPERMARKET

M.H. Del Pilar, Adriatico
Malate, Manila
Tel. No.: (02) 525-6286
Mobile No.: 0917 580-7061

ALABANG HILLS

Alabang Commercial Citi Arcade
Don Jesus Boulevard
Alabang, Muntinlupa City
Tel. Nos.: (02) 828-4854
403-2801

AMANG RODRIGUEZ–SAVEMORE

Amang Rodriguez Avenue
corner Evangelista Street
Santolan, Pasig City
Tel. No.: (02) 654-0564
Mobile No.: 0917 510-5962

AMORANTO AVENUE

Unit 101 R Place Building
255 N.S. Amoranto Sr. Avenue
Quezon City
Tel. Nos.: (02) 966-9075; 251-6592
Mobile. No.: 0917 805-6964

ANGONO

Manila East Road corner
Don Benito Street
Brgy. San Roque, Angono, Rizal
Tel. No.: (02) 651-1782

ANONAS–SAVEMORE

Maamo Street, Road Lot 30
V. Luna Street and Anonas Extension
Sikatuna, Quezon City
Tel. No.: (02) 351-4928
Mobile No.: 0917 863-6157

ANTIPOLO

EMS Building, M.L. Quezon
corner F. Dimailig Street,
Brgy. San Roque Antipolo City, Rizal
Tel. No.: (02) 697-1066

ARANETA CENTER C.O.D.–SAVEMORE

Gen. Romulo Street, Araneta Center
Cubao, Quezon City
Tel. No.: (02) 921-3149
Mobile No.: 0917 809-9670

AYALA AVENUE

VGP Center
6772 Ayala Avenue, Makati City
Tel. Nos.: (02) 988-9555
loc. 8101-8104

BACLARAN

3751 Quirino Avenue
corner Sta. Rita Street
Baclaran, Parañaque City
Tel. Nos.: 975-2172; 816-1956
Mobile No.: 0917 703-2503

BANAWÉ

247-249 Banawe Street
Sta. Mesa Heights
Brgy. Lourdes, Quezon City
Tel. Nos.: (02) 412-6249; 256-4941

BANGKAL

Amara Building
1661 Evangelista Street
Bangkal, Makati City
Tel. Nos.: (02) 621-3459; 621-3461

BINONDO–JUAN LUNA

694-696 Juan Luna Street
Binondo, Manila
Tel. Nos.: (02) 254-7337; 964-1327
Mobile No.: 0917 510-6072

BLUMENTRITT

Blumentritt Street,
near Oroquieta Street,
Sta. Cruz, Manila
Tel. no.: (02) 968-4759
Mobile No.: 0917 827-3205

BONI AVENUE

Raymond Tower Boni
615 Boni Avenue, Plainview,
Mandaluyong City

BUENDIA

CBS Building
314 Sen. Gil Puyat Avenue, Makati City
Tel. No.: (02) 812-9359
Trunkline: (02) 884-7600
locals 3900 to 3902
and 7645

COMMONWEALTH AVENUE

JocFer Building
Commonwealth Avenue
Brgy. Holy Spirit, Quezon City
Tel. Nos.: (02) 957-0559; 282-5946
282-5975; 988-9555
loc 4857
Mobile No.: 0917 521-3469

CUBAO

Fernandina 88 Condominium
222 P. Tuazon Boulevard
Araneta Center, Cubao, Quezon City
Tel. Nos.: (02) 913-5209; 913-4903

DEL MONTE

392 Del Monte Avenue
Brgy. Sienna, Quezon City
Tel. No.: (02) 741-2447

DIVISORIA DRAGON8

Dragon 8 Shopping Center,
3/F C.M. Recto Avenue corner
Dagupan Street, Divisoria, Manila
Tel. Nos.: (02) 616-1146; 247-3300
247-3299
Mobile No.: 0917 317-5106

E. RODRIGUEZ SR.–HEMADY

Hemady Square, E. Rodriguez Avenue
corner Doña Hemady Street
New Manila, Quezon City
Tel. Nos.: (02) 987- 4966
531-9676
Mobile No.: 0917 808-5214

ESPAÑA–SUNMALL

Sun Mall, España Boulevard
corner Mayon Street
Brgy. Sta. Teresita, Quezon City
Tel. Nos.: (02) 244-2477; 987-4962
Mobile No.: 0917 810-3097

FELIX HUERTAS–JT CENTRALE

JT Centrale Mall, G/F Unit 103
Fugoso corner Felix Huertas Street
Sta. Cruz, Manila
Mobile No.: 0917 5538446

FILINVEST CORPORATE CITY

BC Group Building, East Asia Drive
near corner Commerce Avenue
Filinvest Corporate City
Alabang, Muntinlupa City
Tel. No.: (02) 511-1152

FTI–TAGUIG HYPERMARKET

DBP Avenue, Food Terminal
Incorporated, Western Bicutan,
Taguig City
Tel. Nos.: (02) 834-0408; 507-4090

G. ARANETA AVENUE

195 G. Araneta Avenue
Quezon City
Tel. No.: 978-6448
Mobile No.: 0917 828-7829

GIL PUYAT–BAUTISTA

Lot 25 Blk 74 Bautista Street corner
Sen. Gil Puyat Avenue, Makati
Tel. No.: 838-2312

GREENHILLS–ORTIGAS AVENUE

VAG Building, Ortigas Avenue
Greenhills, San Juan City
Tel. Nos.: (02) 721-0105; 724-752

GREENHILLS–WILSON

219 Wilson Street
Greenhills, San Juan City
Tel. Nos.: (02) 748-7625
584-5946

KALOOKAN

Augusto Building, Rizal Avenue
Grace Park, Kalookan City
Tel. Nos.: (02) 365-7593
363-2752
Mobile No.: 0917 572-9118

KALOOKAN–MABINI

AJ Building
353 A. Mabini Street, Kalookan City
Tel. Nos.: (02) 961-2628; 709-3435

KATIPUNAN AVENUE

One Burgundy Condominium
Katipunan Avenue, Loyola Heights
Quezon City
Tel. Nos.: (02) 931-1123; 211-7882
Mobile No.: 0917 628-3318

LAGRO

Bonaza Building
Quirino Highway, Greater Lagro
Novaliches, Quezon City
Tel. Nos.: (02) 936-4988; 461-7214

LAS PIÑAS

Parco Supermarket
J. Aguilar Avenue, Las Piñas City
Tel. Nos.: (02) 548-0368; 548-0367

LAS PIÑAS–ALMANZA UNO

Alabang - Zapote Road
Almanza Uno, Las Piñas City
Tel. Nos.: (02) 551-4724; 966-9001
Mobile No.: 0917 817-3526

MAKATI–CHINO ROCES

Graceland Plaza
2176 Chino Roces Avenue
Pio del Pilar, Makati City
Tel. Nos.: (02) 831-0477; 964-1322
831-0486

MAKATI–JP RIZAL

882 J.P. Rizal Street
Poblacion, Makati City
Tel. Nos.: (02) 890-1026; 890-1027
Mobile No.: 0917 510-5919

MALABON–SAVEMORE

Francis Market, Governor Pascual
corner M.H. Del Pilar Street,
Malabon City
Tel. Nos.: (02) 931-6326; 931- 6323

MANDALUYONG

Paterno's Building
572 New Panaderos Street
Brgy. Pag-asa, Mandaluyong City
Tel. Nos.: (02) 238-3745; 238-3744

MANDALUYONG–SHAW BOULEVARD

500 Shaw Tower, 500 Shaw Boulevard
Mandaluyong City
Tel. Nos.: (02) 941-9412; 941-9231

MANILA–STA. ANA SAVEMORE

Savemore Pedro Gil Street
Sta. Ana, Manila
Tel. Nos.: (02) 523-8606
987-4975; 523-8574

MANILA–STA. CRUZ

Multi-Pacific Business Inc. (MBI)
Building, Plaza Sta. Cruz,
Sta. Cruz, Manila
Tel. Nos.: (02) 596-5826; 618-2241

MARIKINA

33 Bayan-Bayanan Avenue
Brgy. Concepcion 1, Marikina City
Tel. Nos.: (02) 477-2445; 477-2443

MARIKINA–GIL FERNANDO AVE.

CTP Building
Gil Fernando Avenue, Marikina City
Tel. Nos.: (02) 681-2810; 645-8169

McKINLEY HILL

Commerce & Industry Plaza
Upper Basement
McKinley Town Center
Fort Bonifacio, Taguig City
Tel. Nos.: (02) 798-0357; 403-9413

MUÑOZ JACKMAN–SAVEMORE

Jackman Plaza, Lower Ground Floor
EDSA – Muñoz, Quezon City
Tel. Nos.: (02) 442-6282; 442-4829
Mobile No.: 0917 863-6069

NEPA-Q MART–SAVEMORE

770 Saint Rose Building
EDSA and K-G Street
West Kamias, Quezon City
Tel. Nos.: (02) 351-4883; 351-4883

NINOY AQUINO AVENUE

Skyfreight Building,
G/F Nino Aquino Avenue
corner Pascor Drive, Parañaque City
Tel. Nos.: (02) 843-2447; 239-0574

NOVA PLAZA MALL–SAVEMORE

Novaliches Plaza Mall
Quirino Highway corner Ramirez Street
Novaliches Proper, Quezon City
Tel. Nos.: (02) 983-1512; 983-1511

CHINA BANK SAVINGS BRANCHES

ORTIGAS–CITRA

Unit B1, OMM Citra Building
San Miguel Avenue
Ortigas Center, Pasig City
Tel. Nos.: (02) 637-9778; 637-9824
637-2018

ORTIGAS CENTER

Hanston Square, San Miguel Avenue
Ortigas Center, Pasig City
Tel. Nos.: (02) 654-1912; 477-3439
Mobile No.: 0917 807-8394

PARAÑAQUE–BETTER LIVING

90 Doña Soledad Avenue
Better Living Subdivision
Bicutan, Parañaque City
Tel. Nos.: (02) 831-8507

PARAÑAQUE–BF HOMES

284 Aguirre Avenue
B.F. Homes, Parañaque City
Tel. Nos.: (02) 553-5412; 553-5414
Mobile No.: 0917 510-5911

PARAÑAQUE–JAKA PLAZA

Jaka Plaza Center
Dr. A. Santos Avenue (Sucat Road)
Brgy. San Isidro, Parañaque City
Tel. No.: (02) 820-6093

PARAÑAQUE–LA HUERTA

1070 Quirino Avenue
La Huerta, Parañaque City
Tel. Nos.: (02) 893-1226; 893-1227

PARAÑAQUE–MOONWALK

Kassel Residence
E. Rodriguez Avenue
Moonwalk, Parañaque City
Tel. Nos.: (02) 664-1923; 957-2339
Mobile No.: 0917 621-8321

PASAY–LIBERTAD

533 Cementina Street.
Libertad, Pasay City
Tel. Nos.: 541-1697; 541-1698;
709-3435; 961-2628

PASIG–CANIOGAN

KSN Building, C. Raymundo Avenue
Canioogan, Pasig City
Tel. No.: (02) 957-0817
Mobile No.: 0917 520-6966

PASIG MUTYA

Richcrest Building, Caruncho
corner Market Avenue,
San Nicolas, Pasig City
Tel. No.: (02) 642-2870

PASIG–PADRE BURGOS

114 Padre Burgos Street
Kapasigan, Pasig City
Tel. Nos.: (02) 650-3356; 650-3354
Mobile No.: 0917-5747874

PASO DE BLAS

Andoks Building, 629 Gen. Luis Street
Malinta Interchange – NLEX
Paso de Blas, Valenzuela City
Tel. Nos.: (02) 984-8258; 443-5069

PATEROS

500 Elisco Road
Sto. Rosario, Pateros City
Tel. Nos.: (02) 641-9556

PATEROS–ALMEDA

120 M. Almeda Street
Pateros City
Tel. Nos.: (02) 641-6768; 641-6760

PEDRO GIL–SAVEMORE

Pedro Gil corner Singalong Street
Paco, Manila
Tel. Nos.: (02) 354-3117; 521-4056

QUEZON AVENUE–PALIGSAHAN

1184-A Ben-Lor Building
Brgy. Paligsaan, Quezon City
Tel. Nos.: (02) 376-4548; 376-4546

QUEZON AVENUE

GJ Building, 385 Quezon Avenue
West Triangle, Quezon City
Tel. Nos.: (02) 332-2639; 332-2638
Mobile Nos.: 0917 538-2423

QUIAPO–QUEZON BOULEVARD

416 Quezon Boulevard
Quiapo, Manila
Tel. Nos.: (02) 247-3297; 247-3298

RADA–LEGASPI

HRC Center, 104 Rada Street
Legaspi Village, Makati City
Tel. Nos.: (02) 810-9369; 818-2368
812-2577

ROOSEVELT

342 Roosevelt Avenue
Quezon City
Tel. No.: (02) 957-0796
Mobile No.: 0917 520-4972

SAN JUAN CITY

Madison Square
264 N. Domingo Street
Brgy. Pasadena, San Juan City
Tel. No.: (02) 507-4147
Mobile No.: 0917 561-5639

STA. MESA

4128 Ramon Magsaysay Boulevard
Sta. Mesa Manila
Tel. Nos.: (02) 507-6515
252-3289; 252-3286
Mobile No.: 0917 835-3352

TAFT MASAGANA–SAVEMORE

Parkview Plaza, Trida Building
Taft Avenue corner T.M. Kalaw Street
Ermita, Manila
Tel. Nos.: (02) 554-0617; 554-0697

TANDANG SORA

Cecile Ville Bldg. III
670 Tandang Sora Avenue corner
General Avenue
Tandang Sora, Quezon City
Mobile No.: 0917 801-7585

TAYTAY

C. Gonzaga Building II
Manila East Road, Taytay, Rizal
Tel. No.: (02) 623-6113
Mobile No.: 0917 578-6978

TAYUMAN

1925-1929 Rizal Avenue
near corner Tayuman Street
Sta. Cruz, Manila
Tel. Nos.: (02) 230-3091; 247-0683
586-1618

TIMOG

Jeinkinsen Towers Condominium
80 Timog Avenue, Quezon City
Tel. Nos.: (02) 371-8303; 371-8304
371-8305

TWO E-COM

Two E-Com Center Tower B
Ocean Drive corner Bayshore Drive
Mall of Asia Complex, Pasay City
Tel. Nos.: (02) 802-3068; 802-5583
587-4753
Mobile No.: 0917 506-8303

UN AVENUE

552 United Nations Avenue
Ermita, Manila
Tel. Nos.: (02) 400-5468
400-5467

VALENZUELA–MARULAS

92-J MacArthur Highway
Marulas, Valenzuela City
Tel. Nos.: (02) 291-6542; 291-6541

VISAYAS AVENUE

Wilcon City Center Mall
Upper Ground Floor Visayas Avenue
Quezon City
Tel. Nos.: (02) 990-7717; 990-6544

NORTH LUZON

ANGELES–RIZAL

639 Rizal Street, Angeles City
Tel. Nos.: (045) 458-0297
458-0298
884-7600 loc 4833

ANGELES–SAN JOSE

Sto. Rosario Street
San Jose, Angeles City
Tel. Nos.: (045) 409-0234
887-6433; 988-9555
loc. 4785

ARAYAT

Cacutud, Arayat, Pampanga
Tel. Nos.: (045) 409-9559
885-2390

Ma. Rowena C. Cura

BAGUIO–SESSION

B 108 Lopez Building, Session Road
corner Assumption Road, Baguio City
Tel. Nos.: (074) 446-3993
446-3994
Mobile No.: 0917 868-3506

BALAGTAS

Ultra Mega Supermarket
MacArthur Highway
Burol 1st, Balagtas, Bulacan
Tel. Nos.: (044) 693-1849
(02) 884-7600 loc. 4316

BALANGA–D.M. BANZON

D.M. Banzon Street
Balanga City, Bataan
Tel. Nos.: (047) 237-3667
237-3666

BALIBAGO

JEV Building, MacArthur Highway
Balibago, Angeles City
Tel. Nos.: (045) 892-3325
332-1030

BALIUAG

Mariano Ponce Building
Plaza Naning, Baliuag, Bulacan
Tel. Nos.: (044) 766-2014
673-1338; 884-7600
loc. 4312

CABANATUAN

Km. 115 Cagayan Valley Road
Maharlika Highway
near corner Sanciango Street
Cabanatuan City, Nueva Ecija
Tel. Nos.: (044) 940-6943
988-9555 loc. 4800

CABANATUAN–BAYAN

Burgos Avenue, Cabanatuan City
Tel. Nos.: (044) 600-2888
463-0441 (02) 884-7600
loc. 4321

DAGUPAN

Lyceum – North Western University,
Ground Floor, Tapuac District,
Dagupan City
Tel. Nos.: (075) 523-3637
988-9555 loc. 4802

DAU

MacArthur Highway
Dau, Mabalacat, Pampanga
Tel. Nos.: (045) 892-2216
892 – 2215; 988-9555
loc. 4868

DOLORES

STCI Building, MacArthur Highway
Brgy. San Agustin, City of San
Fernando, Pampanga
Tel. No.: (045) 649-3150

GUAGUA

Plaza Burgos, Guagua, Pampanga
Tel. Nos.: (045) 901-0641
901-0640; 901-0966

LA UNION

A.G. Zambrano Building
Quezon Avenue, San Fernando City
La Union
Tel. No.: (072) 700-3800

LAOAG CITY

LC Square Building
J.P. Rizal corner M.V. Farinas Streets
Laoag City, Ilocos Norte
Tel. No.: (077) 600-1008
600-1009

MACABEBE

Poblacion, Macabebe, Pampanga
Tel. No.: (045) 435-5507

MALOLOS

Canlapan Street, Sto. Rosario
City of Malolos, Bulacan
Tel. No.: (044) 794-2793
Mobile No.: 0917 835-4684

MALOLOS-CATMON

Paseo Del Rosario
Catmon, City of Malolos, Bulacan
Tel. No.: (044) 791-2461

MASANTOL

San Nicolas, Masantol, Pampanga
Tel. No.: (045) 435-2906

MEYCAUAYAN

Mancon Building
MacArthur Highway
Calvario, Meycauayan, Bulacan
Tel. Nos.: (044) 884-0099
228 -2416; (02) 884-7600
loc. 4326

MOUNT CARMEL

Km. 78 MacArthur Highway
Brgy. Saguin, San Fernando City
Pampanga
Tel.Nos.: (045) 435-6055
884-7600 loc. 4330

PLARIDEL

0226 Cagayan Valley Road
Banga 1st, Plaridel, Bulacan
Tel. Nos.: (044) 795-0105
670-1067

OLONGAPO

City View Hotel Building
25 Magsaysay Drive
New Asinan, Olongapo City
Tel. No.: (047) 222-1891
Mobile No.: 0917 807-8509

ORANI

Brgy.Balut, Orani, Bataan
Tel. Nos.: (047) 638-1282
(02) 988-9555 loc. 4871

ORANI-CALLE REAL

Calle Real, Orani, Bataan
Tel. Nos.: (047) 638-1130
884-7600 loc. 4323

PORAC

Cangatba, Porac, Pampanga
Tel. Nos.: (045) 329-3188
0917 870-3305

SAN FERNANDO

Khy Trading Building
San Fernando – Gapan Road
City of San Fernando, Pampanga
Tel. Nos.: (045) 961-1415
286-6811
(02) 988-9555 loc. 4812
Mobile No.: 0917 851-5172

SAN FERNANDO-BAYAN

JSL Building, Consunji Street
City of San Fernando, Pampanga
Tel. Nos.: (045) 961-8168, 961-4575
(02) 884-7600 loc. 4320

SAN ILDEFONSO-SAVEMORE

Savemore Building
Cagayan Valley Road
Poblacion, San Ildefonso, Bulacan
Tel. Nos.: (044) 797-0742
797-0974 (02) 988-9555
loc. 4853

SAN JOSE DEL MONTE

Giron Building, Gov. Halili Avenue,
Tungkong Mangga, City of San Jose
Del Monte, Bulacan
Tel. Nos.: (044) 233-6501
(02) 988-9555 loc. 4001
Mobile No.: 0917 835-4675

SAN MIGUEL

Norberto Street, San Miguel, Bulacan
Tel. Nos.: (044) 764-0162
(02) 884-7600 loc. 4311

SAN NARCISO

Brgy. Libertad, San Narciso, Zambales
Tel. Nos.: (047) 913-2245
913-2288

SAN RAFAEL

Cagayan Valley
corner Cruz na Daan Road
San Rafael, Bulacan
Tel. Nos.: (044) 815-8915
913-7629; (02) 988-9555
loc. 4799

SANTIAGO-VICTORY NORTE

JECO Building, Maharlika Highway
corner Quezon Street, Victory Norte,
Santiago City, Isabela
Tel Nos.: (078) 305-0260
305-0252; (02) 884-7600
loc. 4374

STA. ANA

Poblacion, Sta. Ana, Pampanga
Tel.Nos.: (045) 409-0335
409- 9818
(02) 988-9555 loc. 4793

STA. MARIA

Gen. Luna corner De Leon Street
Poblacion, Sta. Maria, Bulacan
Tel. Nos.: (044) 288-2453
884-7600 loc. 4319

STA. RITA

San Vicente, Sta. Rita, Pampanga
Tel. Nos.: (045) 900-0658
(02) 988-9555 loc. 4791

SUBIC

Baraca, Subic, Zambales
Tel. Nos.: (047) 232-6104
232-6105
(02) 988-9555 loc. 4852

TARLAC-MACARTHUR

MacArthur Highway
San Nicolas, Tarlac City
Tel.Nos.: (045) 982-9652
(02) 884-7600 loc. 4337

TUGUEGARAO

Metropolitan Cathedral Parish Rectory
Complex Rizal Street, Tuguegarao City
Tel. Nos.: (078) 844-0484
(02) 884-7600 loc.4338

URDANETA

MacArthur Highway, Nancayasan
Urdaneta City, Pangasinan
Tel. Nos.: (075) 656 – 2331
(02) 884-7600 loc. 4372

VIGAN

Agdamag Building, Quezon Avenue
corner Calle Mabini, Vigan City,
Ilocos Sur
Tel. Nos.: (077) 674-0300
(02) 884-7600 loc. 4359

SOUTH LUZON

BACOR-MOLINO

Avon Building, 817 Molino Road
Molino III, City of Bacoor, Cavite
Tel Nos.: (046) 431-9907
235-7542
(02) 988-9555 loc. 4878

BACOR-TALABA

Coastal Road corner Aguinaldo
Highway, Brgy.Talaba, City of Bacoor,
Cavite
Tel. Nos.: (046) 417-5930
417-5940
(02) 884-7600 loc. 4369

BATANGAS-P. BURGOS

No. 4 Burgos Street, Batangas City
Tel. Nos.: (043) 723-1510
723-7652
(02) 884-7600 loc. 4324

BIÑAN

Nepa Highway, San Vicente,
Biñan City, Laguna
Tel.Nos.: (049) 511-3638
(02) 884-7600 loc. 4327

CALAMBA

HK Building II, National Highway
Brgy. Halang, Calamba City, Laguna
Tel.Nos.: (049) 306-0238
306-0234; (02) 988-9555
loc. 4844 and 4845

CAVITE CITY

485 P. Burgos Street Barangay 34,
Caridad, Cavite City, Cavite
Tel. Nos.: (046) 417-3102
(02) 988-9555 loc. 4879
Mobile No: 0917-5615780

DARAGA-ALBAY

N & H Building, Rizal Street
Brgy. San Roque, Daraga, Albay
Tel. Nos.: (052) 483-0706
(02) 988-9555 loc 4822

DASMARIÑAS

Veluz Plaza Building
Zone 1, Aguinaldo Highway
Dasmariñas City, Cavite
Tel. Nos.: (046) 416-0510
416-0501
(02) 884-7600 loc.4368

FILOIL-TANAUAN SUPLANG

FilOil Gas Station, Brgy.Suplang,
Tanauan City, Batangas
Mobile No.: 0917 863-6160

IMUS-TANZANG LUMA

OLMA Building, Aguinaldo Highway
Tanzang Luma, Imus City, Cavite
Tel. Nos.: (046) 471-4715
476-0927
(02) 884-7600 loc. 4349

LAGUNA-STA. CRUZ

E & E Building, Pedro Guevarra Avenue
Sta. Cruz, Laguna
Tel. Nos.: (049) 501-3084
(02) 988-9555 loc.4817
Mobile No.: 0917 561-5715

LIPA-CM RECTO

China Bank Savings Building
C.M Recto Avenue, Lipa City
Tel. Nos.: (043) 75-1414; 756-1022
(02) 884-7600 loc.4325

LOS BAÑOS-CROSSING

Lopez Avenue, Batong Malake
Los Baños, Laguna
Tel. Nos.: (049) 536-2596
536-0549; (02) 884-7600
loc. 4375

LUCENA

Merchan corner Evangelista Street
Lucena City
Tel. Nos.: (042) 660-6964
(02) 884-7600 loc.4347

NAGA

RL Building, Panganiban Street
Lerma, Naga City, Camarines Sur
Tel.Nos.: (054) 472- 5424
472-1947
(02) 884-7600 loc. 4373

SAN PABLO-RIZAL AVENUE

Rizal Avenue corner
A. Fule Street (former Lopez Jaena)
San Pablo City
Tel. Nos.: (049) 562-0697
(02) 884-7600 loc.4322

SAN PEDRO

Gen-Ber Building, National Highway
Landayan, San Pedro City, Laguna
Tel. Nos.: (02) 847- 0585
869-8220; 988-9555
loc. 4837

STA. ROSA

Sta. Rosa-Tagaytay Highway
Sta. Rosa City, Laguna
Tel. Nos.: (049) 502-9134
(02) 988-9555 loc. 4872

STA. ROSA-BALIBAGO

Old National Highway
corner Roque Lazaga Street
Sta. Rosa City, Laguna
Tel. Nos.: (049) 534-1167
(02) 520-8448

CHINA BANK SAVINGS BRANCHES

STO. TOMAS–MAHARLIKA

The Lifestyle Street,
Maharlika Highway, San Antonio,
Sto. Tomas, Batangas
Tel. Nos.: (043) 318-0582;
778-3247; (02) 884-7600
loc. 4389

TAGAYTAY–SAVEMORE

Mendez Crossing West
Tagaytay-Nasugbu Highway
corner Mendez-Tagaytay Road,
Tagaytay City
Tel. Nos.: (046) 413-3871
413- 3872; (02) 988-9555
loc. 4876
Mobile No.: 0917-561-5334

VISAYAS-MINDANAO

BACOLOD

SKT Saturn Building
Lacson corner Rizal Street
Bacolod City, Negros Occidental
Tel.Nos. (034) 435-6983
435-7143; 708-2041
(02) 988-9555
loc 4810 and 4811

CAGAYAN DE ORO

Sergio Osmeña Street
Cogon District, Cagayan de Oro City
Tel. Nos.: (088) 859-0169
859-0740; 852-2006

CEBU–LAHUG

Skyrise IT Building
Brgy. Apas, Lahug, Cebu City
Tel. Nos.: (032) 236-0809
236-0869

CEBU–MANDAUE

A. Del Rosario Avenue
Mantuyong, Mandaue City, Cebu
Tel. Nos.: (032) 520-2770
422-8019
(02) 884- 7600 loc. 4310

CEBU–MANGO

JSP Mango Realty Building
Gen. Maxilom Avenue
corner Echavez Street, Cebu City
Tel. Nos.: (032) 231-4304
231-4736; 884-7600
loc. 4346

CEBU MANDAUE–BASAK

Cebu North Road
Basak, Mandaue City, Cebu
Tel. No.: (032) 346-6959

DAVAO

8990 Corporate Center
Quirino Avenue, Davao City
Tel. Nos.: (082) 221- 3873
321-0273 to 74

DAVAO–RECTO

C. Villa Abrille Building
C.M. Recto Avenue, Davao City
Tel. Nos.: (082) 305-5808
(02) 884-7600 loc. 4344

GENERAL SANTOS

Go Chay Ching Building
I. Santiago Boulevard
General Santos City
Tel. Nos.: (083) 552-6329
552-6330
(02) 884-7600
loc. 4350

KALIBO–CITY MALL

F. Quimpo Street connecting Mabini
and Toting Reyes Street,
Kalibo Aklan
Mobile No.: 0917-8047837

ILOILO–JARO

Lopez Jaena corner El 98 Street
Jaro, Iloilo
Tel. Nos.: (033) 320-0370
320-0426
(02) 988- 9555
loc. 4861 and 4862

ILOILO–QUEZON

132 Quezon Street, Iloilo City
Tel. Nos.: (033) 335-0213
321- 0940
(02) 988-9555
loc. 4863 and 4864

TAGUM–CITY MALL

Maharlika Highway corner
Lapu- lapu Extension

TALISAY NEGROS–SAVEMORE

Savemore Talisay
Mabini Street, Zone 12, Paseo Mabini
Talisay City, Negros Occidental
Tel. Nos.: (034) 441-6264
441-6267; 441-6264

ZAMBOANGA–CITY MALL

City Mall Don Alfaro Street
Tetuan, Zamboanga City
Tel.Nos.: (062) 955-8709
955-0563

CBS OFF-BRANCH ATMs

ISAAC & CATALINA MEDICAL CENTER

Calero Street
Ibaya, Balanga, Bataan

LA SALLE COLLEGE ANTIPOLLO

1985 La Salle Avenue
Brgy. San Luis, Antipolo City, Rizal

MABALACAT MUNICIPAL HALL

Delfin Drive
Mabalacat, Pampanga

RIS COMPOUND

RIS Development Corporation
168 Mercado Street
Tabe, Guiguinto, Bulacan

ZAMECO COMPOUND

ZAMECO II Head Office
National Road
Bgy. Magsaysay, Castillejos, Zambales

BUSINESS OFFICES

BAGUIO SALES OFFICE

B108 Lopez Building, 2nd Floor
Session Road corner Assumption Road
Baguio City
Tel. No.: (02) 884-7600 local 4232

BALIUG SALES OFFICE

Mariano Ponce Building, 2nd Floor
Plaza Naning, Poblacion,
Baliuag, Bulacan
Tel. Nos.: (02) 884-7600
locals 4202; 4261

BALAGTAS SALES OFFICE

China Bank Savings Building,
Borol 1st, McArthur Highway
Balagtas, Bulacan
Tel. Nos.: (044) 693-1849
(02) 884-7600 local 4316

CABANATUAN SALES OFFICE

Duran Building
Burgos Avenue, Cabanatuan City
Tel. No.: (02) 884-7600 local 4254

CAGAYAN DE ORO SALES OFFICE

Sergio Osmeña Street
Cogon District, Cagayan De Oro City
Tel. No.: (02) 884-7600 local 4234

CEBU BUSINESS CENTER

JSP Plaza Building, 2nd Floor
General Maxilom corner Echaves Street
Cebu City
Tel. Nos.: (032) 232-5061; 232-6263
(02) 884-7600 locals 4207
4209; 4205; 4206

DAVAO BUSINESS CENTER

8990 Corporate Center, 3rd Floor
Quirino Avenue, Davao City
Tel. Nos.: (082) 298-4569
(02) 884-7600 local 4218

GENERAL SANTOS SALES OFFICE

Go Chay Ching Building
I. Santiago Boulevard
General Santos City
Tel. Nos.: (083) 301-5042
(02) 884-7600 local 4271

ILOILO SALES OFFICE

MSL Building
Quezon Street, Iloilo City
Tel. Nos.: (033) 337-6421; 508-3628
(02) 884-7600
local 4219; 4225

IMUS SALES OFFICE

OLMA Building
Aguinaldo Highway
Tanzang Luma, Imus City, Cavite
Tel. Nos.: (046) 416-4992
(02) 884-7600 local 4268

LA UNION BUSINESS CENTER

A.G Zambrano Building
Quezon Avenue
San Fernando City, La Union
Tel. Nos.: (072) 888-7477
(02) 884-7600 local 4227

LIPA BUSINESS CENTER

China Bank Savings Building,
2nd Floor, C.M Recto Avenue
Lipa City
Tel. Nos.: (043) 756-5003
(02) 884-7600 local 4253

MARIKINA SALES OFFICE

CTP Building, 3rd Floor
Gil Fernando Avenue, Marikina City
Tel. Nos.: (02) 645-9819
(02) 884-7600 local 4238

NAGA SALES OFFICE

RL Building, 3rd Floor
Panganiban Street, Lerma, Naga City
Tel. Nos.: (054) 472-1947
(02) 884-7600 local 4273

SAN FERNANDO PAMPANGA BUSINESS CENTER

JSL Building, 3rd Floor
Consunji Street, City of San Fernando,
Pampanga
Tel. Nos.: (045) 961-0005; 961-0008
(02) 884-7600 locals 4221
4236; 4237

SAN PABLO SALES OFFICE

China Bank Savings Building, 2nd Floor
Rizal Avenue corner A. Fule Street
San Pablo City
Tel. Nos.: (049) 800-3917

SANTIAGO SALES OFFICE

Jeco Building
Maharlika Highway
Victory Norte, Santiago City
Tel. No.: (02) 884-7600 local 4374

URDANETA SALES OFFICE

China Bank Savings, Nancayan
Urdaneta City, Pangasinan
Tel. Nos.: (075) 522-0498
(075) 656- 2331
(02) 884-7600 loc. 4372

VIGAN SALES OFFICE

Agdamag Building, 2nd Floor
Quezon Avenue corner Calle Mabini
Vigan City, Ilocos Sur
Tel. No.: (02) 884-7600 loc. 4233

APD SALARY LOAN CENTERS

NATIONAL CAPITAL REGION BUSINESS CENTER

2nd Floor, G.J. Building
385 Quezon Avenue, Quezon City
Tel. Nos.: (02) 372-7926; 978-7754
Mobile No.: 0905 558 -2542

CORDILLERA AUTONOMOUS REGION BUSINESS CENTER

8990 B 108 Lopez Building
Session Road corner Assumption Road
Baguio City
Tel. No.: (074) 619-2097
Mobile No.: 0927 345-8502

REGION 1 LA UNION BUSINESS CENTER

A.G Zambrano Building
Quezon Avenue, San Fernando City,
La Union
Tel. No.: (072) 687-2218
Mobile No.: 0905 465-6289
0927 345-8502

REGION 2 TUGUEGARAO BUSINESS CENTER

Ground Floor, Metropolitan Cathedral
Parish Rectory Complex, Rizal Street,
Tuguegarao City
Tel. No.: (078) 375-4471
Mobile No.: 0917 353-6503

REGION 3 SAN FERNANDO BUSINESS CENTER

JSL Building, Consunji Street,
San Fernando City, Pampanga
Tel. No.: (045) 280-8215

REGION 4-A TAYTAY BUSINESS CENTER

2nd Floor, C. Gonzaga Building 2
Manila East Road, Taytay, Rizal
Tel. No.: (02) 633-3988
Mobile No.: 0919 754-1907

REGION 5 DARAGA BUSINESS CENTER

N & H Building
Rizal Street, Brgy. San Roque
Daraga, Albay
Tel. No.: (052) 483-7783

REGION 6 ILOILO BUSINESS CENTER

Ground Floor, Golden Finance Building
Iznart Street, Iloilo City
Tel. No.: 0927 567-7973

REGION 7 CEBU BUSINESS CENTER

Ground Floor Skyrise IT Building
Brgy. Apas, Lahug, Cebu City
Tel. No.: (032) 238-7820
Mobile No.: 0917 303-3932

REGION 10 CAGAYAN DE ORO BUSINESS CENTER

Sergio Osmeña Street
Cogon District, Cagayan De Oro City
Mobile No.: 0935 565-2010

REGION 11 DAVAO BUSINESS CENTER

3/F 8990 Corporate Center
Quirino Avenue, Davao City
Tel. No.: (082) 287-6824
Mobile No.: 0977 463-4707

REGION 12 GENERAL SANTOS BUSINESS CENTER

Go Chay Ching Building
I. Santiago Boulevard,
General Santos City
Tel. No.: (083) 554-0211
Mobile No.: 0907 881-5270

REGION 18 BACOLOD BUSINESS CENTER

SKT Saturn Building
Lacson corner Rizal Street, Bacolod City
Tel. No.: (034) 474-2262
Mobile No.: 0922 811-2680

NAGA BUSINESS CENTER

2nd Floor RL Building
Panganiban Drive
Naga City, Camarines Sur
Tel. No.: (054) 881-2557

LUCENA BUSINESS CENTER

Merchan corner Evangelista Street
Lucena City
Tel. No.: (042) 717-9387

SAN PABLO BUSINESS CENTER

Rizal Avenue corner A. Fule Street
(former Lopez Jaena)
San Pablo City, Laguna
Tel. No.: (049) 521-3991
Mobile No.: 0939 109-6360

TAGUM BUSINESS CENTER

City Mall Maharlika Highway
corner Lapu-Lapu Extension
Brgy. Magupo, Tagum City
Tel. No.: 0925 542-1223

VIGAN BUSINESS CENTER

Ground Floor Plaza Maestro
Convention Center
Florentino Street, Brgy. I, Vigan City,
Ilocos Sur
Mobile No.: 0917 836-4204

CHINA BANK OFF-BRANCH ATMs

METRO MANILA

168 Mall

3F Food Court, 168 Mall,
Sta. Elena St., Binondo, Manila

999 Shopping Mall

Basement Lobby, 999 Shopping Mall,
1002-1062 Soler St., Brgy. 293,
Zone 28, District 3, Binondo, Manila

999 Shopping Mall 2

Basement, 999 Shopping Mall Bldg. 2,
Recto-Soler Sts., Binondo, Manila

Alabang Mall

Alabang Town Center, Alabang-
Zapote Road cor. Madrigal Ave.,
Muntinlupa City

Alfamart MAAx

Unit 111 Mall of Asia Annex Bldg.
(MAAx), Seaside Blvd., San Rafael,
Pasay City

Alfamart Naga Road Las Piñas

Alfamart, Naga Road, Pulang Lupa 2,
Las Piñas City

Ali Mall

ATM Booth #1 UGF Ali Mall,
P. Tuazon Blvd., Araneta Center,
Quezon City

Ali Mall 2

LGF Times Square Entrance, Ali Mall,
P. Tuazon Blvd., Araneta Center,
Quezon City

Ateneo De Manila University

G/F Kostka Hall, Ateneo De Manila
University, Katipunan Ave.,
Loyola Heights, Quezon City

Cash & Carry

2/F Cash & Carry Mall,
between South Super Highway &
Filmore St., Brgy. Palanan, Makati City

CBS Head Office Lobby

CBS Lobby, 314 Sen. Gil J. Puyat Ave.,
Makati City

Chiang-Kai-Shek

Chiang Kai Shek College,
1274 P. Algue St., Tondo, Manila

China Bank Online Center

Starbucks, CBC Building,
8745 Paseo De Roxas cor. Villar St.,
Makati City

Comembo Commercial Complex

Comembo Commercial Complex,
J.P. Rizal Ext. cor. Sampaguaita St.,
Comembo, Makati City

Commerce Center

Commerce Ave. cor. Filinvest Ave.,
Alabang, Muntinlupa City

Conrad S Maison Mall

2F Conrad Hotel, Coral Ave.,
SM MOA Complex, Pasay City

Dasmariñas Village Association Office

1417 Campanilla St.,
Dasmariñas Village, Makati City

Eastwood City Walk 2

G/F ATM 1 Eastwood City Walk
Ph. 2, Eastwood City Cyberpark,
188 E. Rodriguez Jr. Ave.,
Bagumbayan, Quezon City

Eastwood CyberMall

2F Eastwood Cybermall,
Eastwood Ave., Eastwood City
Cyberpark, Bagumbayan, Quezon City

Eastwood Mall

Level 1 ATM 2 Ph. 2, Eastwood Mall,
E. Rodriguez Jr. Ave., Bagumbayan,
Quezon City

Gateway Mall

Booth 4 Level 2 Gateway Mall,
Cubao, Quezon City

Glorietta 4

Glorietta 4, Ayala Center, Makati City

Glorietta 5

G/F Glorietta 5,
Ayala Center, Makati City

Greenbelt 3

Greenbelt 3 Drop-off Area,
Makati Ave., Makati City

Greenhills Theater Mall

Main Entrance Greenhills Theater Mall,
San Juan City

Greenmeadows Clubhouse

Lovebird St., Green Meadows
Subdivision, Brgy. Ugong Norte,
Quezon City

iAcademy Buendia

G/F iAcademy Plaza,
H.V. Dela Costa St., Makati City

Jackman Emporium

Jackman Emporium Department Store
Bldg., Grace Park, Kalookan City

Jackman Plaza-Muñoz

Jackman Plaza Muñoz,
EDSA, Muñoz, Quezon City

JGC Alabang

JGC PHILS. Bldg., 2109 Prime St.,
Madrigal Business Park Ph III,
Ayala Alabang, Muntinlupa City

Katarungan Village

Katarungan Village Admin Office,
F. Reria cor. University Road,
Muntinlupa City

Kimston Plaza

Kimston Plaza, P. Victor St.
cor. P. Burgos St., Guadalupe Nuevo,
Makati City

Landmark-Makati

G/F The Landmark Bldg.,
Makati Ave., Ayala Center, Makati City

Landmark-Trinoma

ATM Slot 4, 2F Landmark Trinoma,
North Ave. cor. EDSA, Quezon City

Liana's-Sampaloc

537 Earnshaw St., Sampaloc, Manila

Malabon Citisquare

G/F Malabon Citisquare,
C-4 Road cor. Dagat-dagatan Ave.,
Malabon City

Market! Market! 1

Market! Market!, Fort Bonifacio
Global City, Taguig City

Market! Market! 2

2F Market! Market!, Fort Bonifacio
Global City, Taguig City

Market! Market! 3

G/F ATM Center in Fiesta Market,
Market! Market!, Fort Bonifacio
Global City, Taguig City

Medical City

Medical City, Ortigas Ave., Pasig City

Metro Point Mall

3F Metro Point Mall,
EDSA cor. Taft Ave., Pasay City

Metrowalk

ATM 1 Bldg. C, G/F Metrowalk
Commercial Complex, Meralco Ave.,
Pasig City

Midas Hotel

Midas Hotel, 2702 Roxas Blvd.,
Pasay City

MRT-Boni Station

MRT-Boni Station,
EDSA, Mandaluyong

MRT-Cubao Station

MRT-Cubao Station,
EDSA, Quezon City

MRT-North Ave.

MRT-North Avenue Station,
EDSA, Quezon City

MRT-Shaw

MRT-Shaw Station,
EDSA, Mandaluyong City

Multinational Clubhouse

Clubhouse, Nazareth cor. Judea St.,
Multinational Village, Parañaque City

Newport Mall 4F

4F Newport Mall, Resorts World,
Newport City, Pasay City

Nova Square

G/F Nova Square, Quirino Highway,
Brgy. San Bartolome, Novaliches,
Quezon City

One E-Com Center

G/F One E-Com Center,
Palm Coast Ave., SM MOA Complex,
Pasay City

Puregold-Blumentritt

286 Blumentritt St., Sta. Cruz, Manila

Puregold-E. Rodriguez

ATM # 1 Puregold E. Rodriguez,
Cosco Bldg., Rodriguez Ave.
cor. G. Araneta Ave., Quezon City

Puregold-Lakefront

Puregold Lakefront, Presidio
Subdivision, Lakefront,
Muntinlupa City

Puregold-Paso de Blas

LGF Puregold Paso de Blas,
Paso de Blas cor. Gen. Luis St.,
Malinta Exit, Valenzuela City

Puregold Jr.-Pandacan

Puregold Jr. Pandacan,
West J. Zamora St., Pandacan, Manila

Quicklean Maybunga

369 Dr. Sixto Antonio Ave.,
Maybunga, Pasig City

Resorts World Gaming Area

G/F Casino Gaming Area,
Resorts World, Pasay City

Robinsons Forum Pioneer

ATM Center Pioneer Side,
Forum Robinsons, Pioneer St.
cor. EDSA, Mandaluyong City

Robinsons Galleria

Robinsons Galleria, EDSA
cor. Ortigas Ave., Pasig City

Robinsons Galleria 2

Robinsons Galleria,
EDSA cor. Ortigas Ave., Pasig City

Robinsons Galleria 3

West Wing, Robinsons Galleria,
EDSA cor. Ortigas Ave., Pasig City

Robinsons Place-Manila

G/F Padre Faura Entrance,
Robinsons Place Manila, Pedro Gil
cor. Adriatico St., Ermita, Manila

Rockwell Business Center

Rockwell Business Center,
Ortigas Ave., Pasig City

Rockwell Power Plant

Stall No. 060 Ground Level,
Power Plant Mall, Makati City

Savers Center

G/F Savers Center (right side of Main
Entrance), along EDSA cor. Taft Ave.,
Pasay City

Shop and Ride

248 Gen. Luis St., Brgy. Nova Proper,
Novaliches, Quezon City

Shop and Ride 2

ATM 2, 248 Gen. Luis St., Brgy. Nova Proper, Novaliches, Quezon City

Shopwise-Antipolo

Shopwise Bldg., M.L. Quezon St. cor. Circumferential Road, San Roque, Antipolo City

Shopwise-Commonwealth

Shopwise, Blk 17, Commonwealth Ave., Quezon City

SM Center Las Piñas

G/F SM Center Las Piñas, Alabang-Zapote Road, Las Piñas City

SM Center Angono

SM Center Angono, Quezon Ave., Angono, Rizal

SM Hypermarket-Mandaluyong

SM Hypermarket Mandaluyong, 121 Shaw Blvd. cor. E. Magalona St., Brgy. Bagong Silang, Mandaluyong City

SM Manila

UGF SM Manila Main Entrance, Natividad A. Lopez cor. Antonio Villegas St., Ermita, Manila

SM Megamall Bldg. B

Level 2 Bldg. B, SM Megamall, EDSA cor. Julia Vargas St., Mandaluyong City

SM MOA Hypermarket

G/F SM Hypermarket, SM Mall of Asia, Pasay City

SM MOA Seaside Ferry Terminal

SM MOA Seaside Blvd. near Esplanade, Pasay City

SM Muntinlupa

ATM 2 G/F (beside Rear Entrance) SM Muntinlupa, National Road, Brgy. Tunasan, Muntinlupa City

SM Taytay

2F Bldg. A, SM Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal

Solaire Manila 2

Entertainment City, Aseana Ave., Tambo, Parañaque City

Solaire Resort & Casino

Entertainment City, Aseana Ave., Tambo, Parañaque City

Southgate Mall

Alphaland Southgate Mall, EDSA cor. Chino Rocas Ave., Makati City

St. Francis Square

Basement 1, St. Francis Square, Doña Julia Vargas Ave. cor. Bank Drive, Ortigas Center, Mandaluyong City

St. Jude College

Dimasalang St. cor. Don Quijote St., Sampaloc, Manila

St. Luke's-Quezon City

St. Luke's Medical Center, Med. Arts Bldg., E. Rodriguez Sr. Blvd., Quezon City

St. Luke's-The Fort

Basement, St. Luke's Medical Center, 5th Ave., Fort Bonifacio Global City, Taguig City

St. Luke's-The Fort 2

Basement, St. Luke's Medical Center, 201 E. Rodriguez Sr. Blvd., Taguig City

STI-Delos Santos Medical Center

201 E. Rodriguez Sr. Blvd., Quezon City

Taft-U.N.

G/F Times Plaza, T.M Kalaw cor. Gen. Luna St., Ermita, Manila

The A Venue

G/F Valdez Site, The A Venue, 7829 Makati Ave., Makati City

Tiendesitas

Tiendesitas, Ortigas Ave. cor. E. Rodriguez Ave., Pasig City

Trinoma 1

Level 1 Trinoma, North Ave. cor. EDSA, Quezon City

Trinoma 2

Level 1 Trinoma, North Ave. cor. EDSA, Quezon City

Two Shopping Center

Two Shopping Center, Taft Ave. Ext., 026 Zone 10, Pasay City

Unimart Greenhills

B1 Unimart Greenhills Shopping Center, Ortigas Ave., San Juan

UP Town Center

2F UP Town Center, Katipunan Ave., Brgy. UP Campus Diliman, Quezon City

UPM-PGH

Faculty Medical Arts Bldg., PGH Compound, Taft Ave., Ermita, Manila

UST-Doctor's Clinic

University of Sto. Tomas Hospital, Vestibule and New Doctor's Clinic, A.H. Lacson Ave., Sampaloc, Manila

UST Hospital

University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila

UST Hospital 3

G/F Clinic Division, University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila

Victory Central Mall

ATM 2 G/F Victory Central Mall, #717 Old Victory Compound, Rizal Ave., Monumento, Caloocan City

Victory Food Market Baclaran

Victory Food Market, Redemptorist Road, Baclaran, Parañaque City

Victory Pasay Mall

Victory Pasay Mall, Antonio S. Arnaiz Ave., Pasay, Metro Manila

Wack Wack Golf and Country Club

Main Lobby Clubhouse, Wack Wack Golf and Country Club, Shaw Blvd., Mandaluyong City

Walter Mart-Makati

G/F Walter Mart Makati, 790 Chino Rocas cor. Antonio Arnaiz, Makati City

Walter Mart-North EDSA

Walter Mart Bldg., EDSA, Quezon City

Walter Mart-Sucat

Walter Mart Sucat, Dr. A. Santos Ave., Brgy. San Isidro, Sucat, Parañaque

Zabarte Town Center

Basement Zabarte Town Center, 588 Camarin Road corner Zabarte Road, Kalookan City

PROVINCIAL

2 Mango Avenue

2 Mango Ave.-Solara Bldg., General Maxilom Ave., Cebu City

A. Bonifacio-McDonald's Baguio

Villanueva Bldg., Lower Bonifacio St., Baguio City, Benguet

Abreeza Mall

Abreeza Mall, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur

Adventist University of the Philippines

Adventist University of the Philippines, Sta. Rosa-Tagaytay Road, Puting Kahoy, Silang, Cavite

AG&P

Atlantic Gulf & Pacific Company of Manila Inc., Brgy. San Roque, Bauan, Batangas

Alfamart Filinvest Tanza

Alfamart Filinvest Tanza, Filinvest Ave., Westwood Place Subd. Ph.2, Brgy. Paradahan, Tanza, Cavite

Alfamart Golden City

Molino-Paliparan Road, Salawag, Dasmariñas City, Cavite

Alfamart Ilang-Ilang Tanza

Alfamart Ilang-Ilang Tanza, Ilang-Ilang St., De Roman Subd., Daang Amaya 1, Tanza, Cavite

Alfamart Lancaster

Alfamart Lancaster, MCS Bldg., Advincula Ave., Alapan II-A, Imus, Cavite

Alfamart L'Paseo Arcade Indang

LGF L'Paseo Building, Indang-Trece Martires Road, Indang, Cavite

Alfamart Lumina

Alfamart Lumina, Aguinaldo Highway cor. Nueno Ave., Imus, Cavite

Alfamart Pacita Complex

Alfamart, Block 3 Phase 3A, Pacita Complex, San Pedro, Laguna

Alfamart Poblacion Rosario

Alfamart Poblacion Rosario, 153 Gen. Trias Drive, Brgy. Poblacion, Rosario, Cavite

Alfamart Trece Martires

CPC Bldg., Governor's Drive cor. Hugo Perez, Trece Martires, Cavite

Alfamart Villa Catalina Dasmariñas

Lot 6123 Don Placido Campos Avenue, San Agustin, Dasmariñas City, Cavite

Alfamart Yakal Silang Cavite

G/F Alfamart Yakal Silang Cavite, 137 Pedro Montoya St. cor. Yakal, Silang, Cavite

CHINA BANK OFF-BRANCH ATMs

Allen Avenue Catbalogan

Centro Mall, Allen Ave., Brgy. 04, Catbalogan City, Samar

Alwana

National Highway, Brgy. Cugman, Cagayan de Oro City, Misamis Oriental

Angel Supermarket

Luna St. cor. Burgos St., Brgy. Quirino, Solano, Nueva Vizcaya

Angeles University Foundation Medical Center

Basement, Angeles University Foundation Medical Center, McArthur Highway cor. Diego Silang St., Angeles City, Pampanga

Araullo University

Araullo University, Maharlika Highway, Brgy. Bitas, Cabanatuan City, Nueva Ecija

Ateneo de Davao University

Ateneo de Davao University, Roxas Ave., Poblacion District, Davao City, Davao del Sur

Avenue Hotel Bacolod

Avenue Suites Hotel and Spa, 12th St. cor. Lacson St., Bacolod City, Negros Occidental

Ayala Center Cebu

Level 3 ATM 1 Ayala Center Cebu, Cebu Business Park, Cebu City

Budget Wise Supermarket

Budget Wise Supermarket, Veterans Ave., Zamboanga City, Zamboanga del Sur

Caltex-SLEX 1

South Luzon Expressway-Northbound, Brgy. San Antonio, San Pedro, Laguna

Camayan Beach Resort & Hotel

Camayan Wharf, West Ilanin Forest Area, Subic Bay Freeport Zone, Olongapo City, Zambales

CB Mall Urdaneta

CB Mall, McArthur Highway, Nancayasan, Urdaneta City, Pangasinan

CDO Medical Center

CDO Medical Center Bldg. 2, Tiano Brothers cor. Nacalaban St., Cagayan de Oro City, Misamis Oriental

Cebu Doctors' Hospital

Cebu Doctors' University Hospital, Osmeña Blvd., Cebu City, Cebu

Cebu Doctors' University

Cebu Doctors' University Hospital, #1 Potenciano Larrazabal Ave., North Reclamation Area, Mandaue City, Cebu

Celebes Coconut Butuan

Km 9, Brgy. Taguibo, Butuan City, Agusan Del Norte

Centrio Mall

G/F Centrio Mall, CM Recto cor. Corrales St., Cagayan de Oro, Misamis Oriental

Clark Gateway

Clark Gateway Commercial Complex, Gil Puyat Ave., Brgy. San Francisco, Mabalacat, Pampanga

Corpus Christi

Corpus Christi School, Tomas Saco St., Macasandig, Cagayan de Oro City, Misamis Oriental

Davao Adventist Hospital

Davao Adventist Hospital, Km. 7 McArthur Highway, Bangkal, Davao City, Davao del Sur

Davao Metro Shuttle

Pereyras Terminal 1, Maguppo West, Tagum City, Davao Del Norte

Dipolog Center Mall

Dipolog Center Mall, 138 Rizal Ave., Dipolog City, Zamboanga del Norte

DIPSSCOR

Davao Integrated Port and Stevedoring Services Corporation Bldg., International Port of Davao, Sasa Wharf, Davao City, Davao del Sur

DLSU-Dasmariñas

College of Engineering, DLSU Dasmariñas, Dasmariñas City, Cavite

DLSU-Health Science Campus

De La Salle University Health Science Campus Inc., Congressional Road, Dasmariñas City, Cavite

DLSU MAC

G/F Medical Arts Centre Bldg., DLSU Medical Center Compound, Congressional Road, Dasmariñas City, Cavite

Eagle Ridge Country Club

Clubhouse, Eagle Ridge and Country Club, Brgy. Javalera, Gen. Trias, Cavite

ECCO Building

G/F ECCO Bldg. (beside unit A) Fil-Am Friendship Highway, Brgy. Anunas, Angeles City, Pampanga

Friendship Supermarket Muñoz NE

D. Delos Santos St., Science City of Muñoz, Nueva Ecija

Gaisano-Bajada Davao

Gaisano Mall of Davao, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur

Gaisano-Bulua

Gaisano Bulua Mall, Bulua St., Cagayan de Oro City, Misamis Oriental

Gaisano-Cagayan de Oro

Unit #3 Level 2 Atrium Gaisano Mall, Corrales Extension cor. CM Recto Ave., Cagayan de Oro City, Misamis Oriental

Gaisano-Iligan

G/F Gaisano Citi Super Mall, Iligan City, Lanao Del Norte

Gaisano-Lapu-Lapu City

Gaisano Mactan Island Mall, Pusok, Lapu-Lapu City, Cebu

Gaisano-Masbate

Gaisano Capital Masbate, Quezon St., Crossing, Masbate City, Masbate

Gaisano-Puerto

Unit #1 ATM - 2nd Level Gaisano Puerto, Sayre Highway, Puerto, Cagayan de Oro City, Misamis Oriental

Galeria Victoria

Galeria Victoria Mall, J. P. Rizal St., Poblacion, City of Balanga, Bataan

Golden Prince Hotel

Golden Prince Hotel & Suites, Acacia St. cor. Archbishop Reyes Ave., Cebu City, Cebu

Good Samaritan Hospital

Good Samaritan Compound, Burgos Ave., Cabanatuan City, Nueva Ecija

Grosvenor Square

Grosvenor Square, Josefa St., Angeles City, Pampanga

Holy Angel University 2

G/F Holy Angel University Student's Center, Sto. Rosario St., Angeles City, Pampanga

Jenra Mall

Jenra Grand Mall, Sto. Rosario St., Angeles City, Pampanga

Jollibee-Mabalacat

ATM 2 ATM Center, McArthur Highway, Brgy. San Francisco, Mabalacat City, Pampanga

KCC Mall-GenSan

G/F KCC Mall GenSan, J. Catolico Sr. Ave., Gen. Santos City, South Cotabato

KCC Mall de Zamboanga

KCC Mall de Zamboanga, Gov. Camins Rd., Camino Nuevo, Zamboanga City, Zamboanga del Sur

KMSCI

Kidapawan Medical Specialist Center Inc., Sudapin, Kidapawan City, North Cotabato

La Nueva Minglanilla

La Nueva Supermart Inc., Poblacion, Minglanilla, Cebu

La Nueva Supermart

La Nueva Supermart Inc., G.Y. Dela Serna St., Lapu-Lapu, Cebu City, Cebu

LB Supermarket - Zamboanga

LB Realty Complex, Veteran's Ave. Extension, Zamboanga City, Zamboanga Del Sur

LCC Peñaranda

LCC Supermarket, Peñaranda cor. Rizal St., Legazpi City, Albay

Lee Hypermarket

G/F Lee Plaza Hypermart, Jose E. Romero Sr. Ave., Bagacay, Dumaguete City, Negros Oriental

Lee Super Plaza

G/F Lee Super Plaza, M. Perdices cor. San Jose St., Dumaguete City, Negros Oriental

LimKetKai Mall

M4-193B Limketkai Mall, Limketkai Drive, Cagayan de Oro City, Misamis Oriental

Lopue's East Center

Lopue's East Centre, Burgos St. cor. Carlos Hilado National Highway, Bacolod City, Negros Occidental

Lorma Hospital

Lorma Medical Center, San Fernando, La Union

Lotus Central Mall

G/F Lotus Central Mall, Nueno Ave., Imus, Cavite

MAAP

Maritime Academy of Asia and the Pacific, Kamaya Point Road, Mariveles, Bataan

Mactan Isla Resort

Agus Road, Ibabao, Marigondon, Lapu-Lapu City, Cebu

Mactan Marina Mall

G/F Mactan Marina Mall, MEPZ 1, Lapu-Lapu City, Cebu

Magic Mall

G/F Magic Mall, Alexander St., Poblacion, Urdaneta City, Pangasinan

Magic Starmall

UGF Magic Star Mall, Romulo Boulevard, Brgy. Cut-Cut 1, Tarlac City, Tarlac

Malolos

G/F Graceland Mall, Bulacan State University Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan

Malta Hospital Toril

Malta Hospital Toril, McArthur Highway, Toril, Davao City, Davao del Sur

Maria Reyna Hospital

Beside Hospital Entrance/Exit,
Maria Reyna Hospital, T.J. Hayes St.,
Cagayan de Oro City, Misamis Oriental

Mariton Grocery Don Domingo

Mariton Grocery, Don Domingo,
Tuguegarao City, Cagayan

Market City

Market City Bldg., Bus Terminal,
Agora, Cagayan de Oro,
Misamis Oriental

Marquee Mall 1

G/F Activity Center, Marquee Mall,
Aniceto Gueco St., Angeles City,
Pampanga

Matina Town Square

G/F Strip Bldg., Matina Town Center,
along McArthur Highway, Matina,
Davao City, Davao del Sur

MCIA-Departure Check-in Southwing

Mactan Cebu International Airport,
Lapu-Lapu Airport Road,
Lapu-Lapu City, Cebu

MCIA-Domestic Check-in Area

Mactan Cebu International Airport,
Lapu-Lapu Airport Road,
Lapu-Lapu City, Cebu

MCIA-Domestic Departure Hall

Mactan Cebu International Airport,
Lapu-Lapu Airport Road,
Lapu-Lapu City, Cebu

MCIA Domestic Arrival

Mactan Cebu International Airport,
Lapu-Lapu Airport Road,
Lapu-Lapu City, Cebu

Mindanao Sanitarium and Hospital

Mindanao Sanitarium and Hospital,
Tibanga Highway, Iligan City,
Lanao del Norte

MJS Hospital

Manuel J. Santos Hospital,
554 Montilla Blvd., Butuan City,
Agusan del Norte

Muzon Uptown

G/F Muzon Uptown, Brgy. Muzon,
San Jose Del Monte, Bulacan

Nagaland E-Mall

P. Diaz cor. Elias Angeles St.,
San Francisco, Naga City, Cebu

Nepo Mall-Angeles

Nepo Mall Angeles, Doña Teresa
Ave. cor. St. Joseph St., Nepo Mart
Complex, Angeles, Pampanga

Nepo Mall-Dagupan

G/F Nepo Mall Dagupan, Arellano St.,
Dagupan City, Pangasinan

Northside Doctors Hospital

Northside Doctors Hospital,
Guimod, Bantay, Vigan City, Ilocos Sur

Notre Dame De Chartres Hospital

Notre Dame De Chartres Hospital,
#25 Gen. Luna Road, Baguio City,
Benguet

Nueva Ecija Doctors Hospital

Nueva Ecija Doctors Hospital,
Maharlika Highway, Cabanatuan City,
Nueva Ecija

Nuvali Solenad 2

G/F Solenad 2 Nuvali,
Sta. Rosa-Tagaytay Road, Don Jose,
Sta. Rosa, Laguna

Nuvali Solenad 3 Bldg. B

G/F Bldg. B Solenad 3 Nuvali,
Sta. Rosa-Tagaytay Road, Don Jose,
Sta. Rosa, Laguna

Nuvali Solenad Hawkers Market

Hawkers Market, Solenad 3 Nuvali,
Sta. Rosa-Tagaytay Road, Don Jose,
Sta. Rosa, Laguna

Ocean Adventure

Ocean Adventure, Camayan Wharf,
West Ilanin Forest Area, Subic Bay
Freeport Zone, Zambales

Orchard Golf and Country Club

Gate 2, The Orchard Golf and
Country Club Inc., Jose Abad Santos,
Dasmariñas City, Cavite

OSPA-Farmers' Medical Center

Ormoc Sugarcane Planters Association
- Farmers Medical Center, Carlota Hills,
Brgy. Can-Adieng, Ormoc City, Leyte

Our Lady of the Pillar

G/F Our Lady of the Pillar Medical
Center (near Emergency Room),
Tamsui Ave., Bayan Luma II,
Imus, Cavite

Pacific Mall 2

Pacific Mall Bldg., Landco Business
Park, F. Imperial St., Legazpi Port
District, Legazpi City

Pangasinan Medical Center

Pangasinan Medical Center, Nable St.,
Dagupan City, Pangasinan

Pavilion Mall

G/F Bldg. A, Pavilion Mall, Km. 35
Brgy. San Antonio, Biñan, Laguna

Plaza Fina Magalang

Plaza Fina, Don Andres Luciano St.,
Magalang, Pampanga

Porta Vaga Mall

Porta Vaga Mall, Along Session Road,
Baguio City, Benguet

PPL McDonald's Ormoc

G/F IAL Building, Burgos St.
cor. Rizal St., Ormoc City, Leyte

Prince Hypermart Daanbantayan

Prince Hypermart, Poblacion,
Daanbantayan, Cebu

Prince Mall of Baybay

Prince Town Baybay, Andres Bonifacio
cor. Manuel L. Quezon St.,
Baybay, Leyte

Puregold-Dau

Lot 9 Blk 19 Cosco Building, McArthur
Highway, Dau, Mabalacat, Pampanga

Puregold-Obando

Puregold Obando, P. Sevilla St.,
Brgy. Catanghalan, Obando, Bulacan

Quickmart Daraga

Quickmart Bldg., Rizal St.,
Daraga, Albay

Rivera Hospital Panabo

Rivera Medical Center, National
Highway, 7302 Brgy. San Francisco,
Panabo City, Davao del Norte

Robinsons Calasiao

Robinsons Place Pangasinan,
Brgy. San Miguel, Calasiao,
Pangasinan

Robinsons Gensan

G/F Robinsons Gensan,
Jose Catolico Sr. Ave., Brgy. Lagao,
General Santos City, South Cotabato

Robinsons Tagum

National Highway, Tagum,
Davao del Norte

Royce Hotel

Royce Hotel, Manuel A. Roxas
Highway cor. Ninoy Aquino Avenue,
Clark Freeport Zone, Mabalacat,
Pampanga

Royce Hotel 2

Royce Hotel, Manuel A. Roxas
Highway cor. Ninoy Aquino Avenue,
Clark Freeport Zone, Mabalacat,
Pampanga

RPGMC Tuguegarao

Ronald P. Guzman Medical Center,
Enrile Blvd., Carig, Tuguegarao City,
Cagayan

SAMULCO

Sta. Ana Multi-Purpose Cooperative,
Bldg. 1, Monte Verde St., Davao City,
Davao Del Sur

San Fernandino Hospital

San Fernandino Hospital,
McArthur Highway, Bo. Dolores,
San Fernando, Pampanga

Savewise-Pozorrubio

Savewise Bldg., Caballero St.,
Brgy. Cablong, Pozorrubio,
Pangasinan

Shopwise-Cebu

Shopwise Bldg., N. Bacalso Ave.,
Basak, San Nicolas, Cebu City, Cebu

Shopwise-San Pedro

Shopwise, National Highway,
Brgy. Landayan, San Pedro, Laguna

Sibalom Municipal Antique

G/F Sibalom Municipal Hall,
Sibalom, Antique

Skyrise Realty

G/F Skyrise IT Bldg., Gorordo Ave.
cor. N. Escario St., Cebu City, Cebu

SM Baguio

SM Baguio, Luneta Hill,
Upper Session Road, Baguio City,
Benguet

SM Center Tuguegarao

2F SM Center Tuguegarao Downtown,
Luna St. cor. Mabini St.,
Tuguegarao City

SM City Bacolod

G/F Bldg. A, ATM #3 SM City Bacolod,
Reclamation Area, Bacolod City,
Negros Occidental

SM City Baliwag

G/F SM City Baliwag, Doña Remedios
Trinidad Highway, Brgy. Pagala,
Baliwag, Bulacan

SM City Batangas

SM City Batangas, M. Pastor Ave.,
Pastor Village, Brgy. Pallocan Kanluran,
Batangas City, Batangas

SM City Batangas 2

SM City Batangas, M. Pastor Ave.,
Pastor Village, Brgy. Pallocan Kanluran,
Batangas City, Batangas

SM City Cabanatuan

ATM Center, SM City Cabanatuan,
Maharlika Highway, Brgy. H.
Concepcion, Cabanatuan City,
Nueva Ecija

SM City Cagayan De Oro

ATM Center 2, Main Entrance,
SM City Cagayan de Oro,
Masterson Ave., Cagayan de Oro,
Misamis Oriental

SM City Calamba

G/F SM City Calamba, National Road,
Brgy. Real, Calamba City, Laguna

SM City Calamba 2

2F SM City Calamba, National Road,
Brgy. Real, Calamba City, Laguna

CHINA BANK OFF-BRANCH ATMs

SM City Calamba 3

SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna

SM City Cauayan

Maharlika Highway, Brgy. District II, Cauayan City, Isabela

SM City Clark

ATM #1 SM City Clark (in-front of Transport Terminal), M. Roxas Highway, CSEZ, Angeles City, Pampanga

SM City Dasmariñas 2

G/F SM City Dasmariñas, Governor's Drive cor. Aguinaldo Highway, Brgy. Sampaloc 1, Dasmariñas, Cavite

SM City General Santos

SM City General Santos, Santiago Blvd. cor. San Miguel St., Brgy. Lagao, Gen. Santos City, South Cotabato

SM City Lipa

ATM 2, SM City Lipa, Ayala Highway, Brgy. Maraouy, Lipa City, Batangas

SM City Tarlac

G/F SM City Tarlac, McArthur Highway, Brgy. San Roque, Tarlac City, Tarlac

SM City Davao

ATM Center 1, SM City Davao, Quimpo Blvd. cor. Tulip Drive, Barangay Matina, Davao City, Davao del Sur

SM Lanang Premier

UGF SM Lanang Premier, J.P. Laurel Ave., Brgy. San Antonio, Davao City, Davao del Sur

SM Lemery

SM Center Lemery, Ilustre Avenue, Lemery, Batangas

SM Marilao

G/F SM City Marilao, MacArthur Highway, Marilao, Bulacan

SM Market Mall

ATM 3 SM Market Mall Dasmariñas, Congressional Ave., Dasmariñas Bagong Bayan, Dasmariñas City, Cavite

SM Supercenter Molino

G/F SM Supercenter Molino, Molino Road, Brgy. Molino 4, Bacoor, Cavite

SOCsARGEN County Hospital

Socsargen County Hospital, Arradaza St., General Santos City, South Cotabato

South Town Centre Talisay

South Gate Mall, Tabunok, Talisay, Cebu

Southway Mall

The Southway Square Mall, Gov. Lim Ave. cor. La Purisima St., Zamboanga City, Zamboanga del Sur

Sta. Rosa Hospital

Sta. Rosa Hospital and Medical Center, San Lorenzo Road, Brgy. Balibago, Sta. Rosa, Laguna

Super Metro Carcar

Natalio B. Bacalso, National Highway, Carcar City, Cebu

SuperL Phils Bacolor

Angeles Industrial Park, PEZA, Brgy. Calibutbut, Bacolor, Pampanga

Target Mall 1

G/F Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna

Target Mall 2

ATM 4 Canopy Area, Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna

The District-Dasmariñas

G/F The District-Dasmariñas, Molino - Paliparan Road, Dasmariñas City, Cavite

The District-Imus

The District Imus, Aguinaldo Highway cor. Daang Hari Road, Brgy. Anabu II-D, Imus, Cavite

Toyota San Nicolas

Brgy. 16 San Marcos, San Nicolas, Ilocos Norte

Union Christian College

Union Christian College, Widdoes St., Brgy. II, San Fernando City, La Union

University of Perpetual Help-Biñan

Dr. Jose Tamayo Medical Bldg., University of Perpetual Help System Laguna, Brgy. Sto. Niño, Biñan, Laguna

University of Baguio

University of Baguio, Assumption Road, Baguio City, Benguet

University of Bohol

University of Bohol, Ma. Clara St., Tagbilaran City, Bohol

University of San Carlos

University of San Carlos Main University Bldg., Pantaleon del Rosario St., Cebu City, Cebu

USC-Talamban

USC Talamban Campus, Gov. M. Cuenco Ave., Brgy. Nasipit, Talamban, Cebu City, Cebu

USJR Basak Cebu

University of San Jose Recoletos Basak, N. Bacalso Ave., Basak Pardo, Cebu City, Cebu

Walter Mart-Cabanatuan

Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija

Walter Mart-Calamba

G/F Walter Mart Calamba, Real St., Brgy. Real, Calamba City, Laguna

Walter Mart-Carmona

G/F Walter Mart Carmona, Macaria Business Center, Governor's Drive, Carmona, Cavite

Walter Mart-Dasmariñas

G/F Walter Mart Dasmariñas, Barrio Burol, Aguinaldo Highway, Dasmariñas City, Cavite

Walter Mart-Gen. Trias

G/F Walter Mart General Trias, Governor's Drive, Barrio Manggahan, Gen. Trias, Cavite

Walter Mart-San Fernando

Walter Mart San Fernando, McArthur Highway, Brgy. San Agustin, San Fernando, Pampanga

Walter Mart-Sta. Rosa 1

LGF Walter Mart Sta. Rosa, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna

Walter Mart-Sta. Rosa 2

UGF Walter Mart Sta. Rosa, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna

Walter Mart-Sta. Rosa Bel-Air

Walter Mart Bel-Air, Sta. Rosa-Tagaytay Road, Pulong Sta. Cruz, Sta. Rosa, Laguna

Walter Mart-Tagaytay

G/F Ayala Mall Serin, Tagaytay-Nasugbu Road, Silang Junction South, Tagaytay City, Cavite

Walter Mart-Tanauan

Walter Mart Tanauan, J.P. Laurel National Highway, Brgy. Darasa, Tanauan, Batangas

Wesleyan University

Wesleyan University of the Philippines, Mabini St. Extension, Cabanatuan City, Nueva Ecija

WNU STI University

STI West Negros University, Burgos cor. Hilado St., Bacolod City, Negros Occidental

Xavier University

G/F Library Annex, Xavier University, Corrales Ave., Cagayan De Oro City, Misamis Oriental

Yashano Mall Legazpi

Yashano Mall, F. Imperial St. cor. Terminal Rd. 1, Legazpi Port District, Legazpi City, Albay

Yubenco Starmall

Yubenco Starmall, Maria Clara Lorenzo Lobregat Highway, Putik, Zamboanga City, Zamboanga Del Sur

Yu-Yu Café & Dessert Shoppe

Tagum National Highway cor. Quirante II St., Magugpo Poblacion, Tagum City, Davao del Norte

Zamboanga Peninsula Medical Center

Zamboanga Peninsula Medical Center, Maria Clara Lorenzo Lobregat Highway, Putik, Zamboanga City, Zamboanga del Sur

BUSINESS OFFICES

CONSUMER BANKING CENTERS

CBG BACOLOD CENTER

China Bank - Bacolod Araneta
2/F CBC Bldg., Araneta St.
Bacolod City
Tel. Nos.: (034) 435-0250 / 435-0647
Fax No.: (034) 435-0647
Email: jmedelasalas@chinabank.ph
Center Head: Jasmin Mae E. De Las Alas

CBG BATANGAS CENTER

China Bank - Batangas City Branch
3/F CBC Bldg., P. Burgos St.
Batangas City
Tel. Nos.: (043) 723-7127 / 723-4294
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Email: egricardo@chinabank.ph
Center Head: Evelyn G. Ricardo

CBG CABANATUAN CENTER

China Bank - Cabanatuan, Maharlika Branch
2/F CBC Bldg., Brgy. Dicarma, Maharlika Highway
Cabanatuan City, Nueva Ecija
Tel. Nos.: (044) 600-1575 / 4631063
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Contact Person: Emilie R. Gatdula

CBG CAGAYAN DE ORO CENTER

China Bank - Cagayan de Oro Divisoria Branch
2/F CBC Bldg. R.N. Abejuela St., Divisoria, Cagayan de Oro City
Tel. Nos.: (088) 859-1232
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Center Head: Joanna Marie G. Garcia (OIC)

CBG CEBU CENTER

China Bank - Cebu Business Park
2/F CBC Corporate Center, Samar Loop
cor. Panay Road, Cebu Business Park, Cebu City
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(032) 416-1915; (032) 239-3733
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Center Head: Kinard Hutchinson L. Tan

CBG DAGUPAN CENTER

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Fax No.: (075) 522-8472
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CBG DAVAO CENTER

China Bank - Davao-Recto Branch
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CBG ILOILO CENTER

China Bank - Iloilo-Rizal Branch
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SUBSIDIARIES AND AFFILIATE



A subsidiary of China Banking Corporation

CBS Building, 314 Sen. Gil Puyat Ave., Makati City
Tel. No.: (632) 988-9555
www.cbs.com.ph

China Bank Savings, Inc. (CBS) began operations on September 8, 2008, following the acquisition of Manila Bank by China Bank in 2007. Subsequent mergers with Unity Bank and Planters Development Bank have bolstered CBS as a leading thrift bank in the industry. With 160 branches nationwide and a strong platform for retail banking, auto, housing, teachers, and enterprise finance, CBS is dedicated to servicing the needs of entry-level customers, the broad consumer market, and the strategic Small and Medium Enterprise (SME) sector. CBS is committed to promoting financial inclusiveness and uplifting the quality of life of consumers and entrepreneurs, in line with its *Easy Banking for You* brand of service.



1 Alberto Emilio V. Ramos 2 Jose F. Acetre 3 Agerico G. Agustin
4 Maria Teresita R. Dean 5 James Christian T. Dee 6 Niel C. Jumawan
7 Jan Nikolai M. Lim 8 Sonia B. Ostrea 9 Luis Bernardo A. Puhawan

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Rosemarie C. Gan
Jose L. Osmeña, Jr.
William C. Whang

Independent Directors
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Margarita L. San Juan
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Acting Corporate Secretary
Atty. Odel C. Janda

MANAGEMENT COMMITTEE

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Assets Recovery Group Head

Agerico G. Agustin
Branch Banking Group Head

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SME Lending Group Head

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Consumer Lending Group Head

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Controller and Controllershship Group Head

Vice Presidents
James Christian T. Dee
Treasurer and Treasury Head

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Centralized Operations Group Head

Senior Assistant Vice President
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Automatic Payroll Deduction (APD) Lending Group Head

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Ma. Lilibeth C. Paradero
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Joseph Nestor T. Reyes
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Edmundo D. Sinag
Pablito C. Veloria
Anna Maria P. Ylagan

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Emmanuelito M. Gomez
Mary Grace F. Guzman
Charmaine S. Hao
Rudcen Mark M. Iglesia
Myrna G. Mendoza
Cymbeline Margaret T. Miranda
Julius Joseph L. Romabiles
Raymond Martin C. Rosas
Brenda Santiago
Jay Araceli L. Suria

With Interlocking position in China Bank
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Chief Compliance Officer

Marilyn G. Yuchenkang
Chief Audit Executive

Editha N. Young
Chief Technology Officer

Hanz Irvin S. Yoro
Information Security Head



28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 885 5798 • Fax No.: (632) 804 1740

China Bank Capital Corporation is China Bank's investment house subsidiary. China Bank Capital provides a wide range of services that include debt and equity capital raising, corporate finance, financial advisory, and securitization to public and private companies. China Bank Capital has acted as issue manager, arranger, and underwriter in various landmark deals.

BOARD OF DIRECTORS

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Vice Chairman

Romeo D. Uyan, Jr.

Directors

Ryan Martin L. Tapia
William C. Whang
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Lilian Yu

Independent Directors

Roberto F. Kuan
Alberto S. Yao
Margarita L. San Juan

**Corporate Secretary and
Compliance Officer**
Divine Grace F. Dagoy



28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 230-6980

China Bank Securities Corporation is the stock brokerage arm of China Bank Capital. China Bank Securities complements China Bank Capital's equity underwriting activities covering initial and secondary public offerings in terms of distribution and marketing to retail and institutional clients. China Bank Group's clients likewise benefit with access to stock brokerage services for stock trading transactions at the Philippine Stock Exchange as well as a suite of research reports on listed companies, industry sectors and markets, in general.

BOARD OF DIRECTORS

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Vice Chairman

Romeo D. Uyan, Jr.

Directors

Marisol M. Teodoro
Ryan Martin L. Tapia
Lilian Yu

Independent Directors

Roberto F. Kuan
Alberto S. Yao

MANAGEMENT TEAM

President

Ryan Martin L. Tapia

**Managing Director, Treasurer,
Coverage and Origination Head**
Virgilio O. Chua

Directors

Maria Angelica C. Balangue
Michael L. Chong
Grace T. Chua
Juan Paolo E. Colet
Divine Grace F. Dagoy
Charles A. Gamo



1 Ryan Martin L. Tapia 2 Virgilio O. Chua
3 Maria Angelica C. Balangue 4 Michael L. Chong
5 Charles A. Gamo 6 Marisol M. Teodoro

MANAGEMENT TEAM

**President and Chief Executive
Officer**
Marisol M. Teodoro

Research Director
Garie G. Ouano

**Treasurer, Corporate Secretary
and Business Operations
Director**
Mary Antonette E. Quiring

Sales and Trading Director
Julius M. German

SUBSIDIARIES AND AFFILIATE

CHINABANK PROPERTIES AND COMPUTER CENTER, INC.

4/F & 15/F China Bank Building
8745 Paseo de Roxas cor. Villar St., Makati City
Tel. Nos.: (632) 885-5555; 885-5053
885-5060; 885-5051; 885-5052
Fax No.: (632) 885-5047; 885-9458

CBC Properties and Computer Center, Inc. (PCCI) was created on April 14, 1982 to provide computer-related services solely to the China Bank Group. It manages the Bank's electronic banking and e-commerce requirements, including sourcing, developing and maintaining software and hardware, financial systems, access devices, and networks to foster the safety and soundness of China Bank's technology infrastructure and keep its processing capabilities in top shape.

General Manager
Phillip M. Tan

Chief Technology Officer
Editha N. Young

Vice President
Augusto P. Samonte

Senior Assistant Vice Presidents
Joseph Jeffrey B. Javier
Benjamin S. Señeres
Joseph T. Yu

Assistant Vice Presidents
Restituto B. Bayudan
Georgia Lourdes F. Maog
Belinda D. Mendoza
Ariel A. Soner



1 Phillip M. Tan 2 Editha N. Young 3 Augusto P. Samonte
4 Julieta P. Guanlao 5 Regina Karla F. Libatique

CHINABANK INSURANCE BROKERS, INC.

8/F VGP Center, 6772 Ayala Ave.
Makati City 1226, Philippines
Tel. No.: (632) 885-5555
VGP Center: (632) 751-6000

Chinabank Insurance Brokers, Inc. (CIBI) is a wholly-owned subsidiary of the Bank established on November 3, 1998 as a full service insurance brokerage. It provides direct insurance broking for retail and corporate customers, with a wide and comprehensive range of plans for life and non-life insurance. The life insurance retail products include Whole Life, Endowment, Investment-Linked, Education, Term, and Life Protection with Hospitalization and Critical Illness Cover. Under the Non-Life insurance category, programs for residential, personal, corporate, and industrial clients are available, with insurance coverages such as Property, Motor, Marine, Accident, and Liability.

President
Julieta P. Guanlao



24/F LKG Tower, 6801 Ayala Ave., Makati City
Tel. No.: (632) 884-5433 • Fax No.: (632) 845-0980
Customer Care Line: (632) 884-7000
E-mail : phcustomercare@manulife.com
www.manulife-chinabank.com.ph

Manulife China Bank Life Assurance Corporation (MCBL)

is a strategic alliance between Manulife Philippines and China Bank, providing a wide range of innovative insurance products and services to China Bank and China Bank Savings customers. MCBL aims to ensure that every client receives the best possible solution to meet his or her individual financial and insurance needs. In 2014, China Bank raised its equity stake to 40% in MCBL.

President and Chief Executive Officer
Robert D. Wyld*

Vice President for Bancassurance
Regina Karla F. Libatique

*until April 30, 2018

PRODUCTS AND SERVICES

102-7

DEPOSITS & RELATED SERVICES

Peso Deposits

Checking

- ChinaCheck Plus

Savings

- Passbook Savings
- ATM Savings
- MoneyPlus Savings
- SSS Pensioner's Account

Time

- Regular Time Deposit
- Diamond Savings

Foreign Currency Deposits (USD, Euro, and Yuan)

- Savings
- Time

Cash Card

Manager's/Gift Check/Demand Draft

Safety Deposit Box

Night Depository Services

Cash Delivery and Deposit Pick-up Services

Out-of-town Checks

LOANS & CREDIT FACILITIES

Corporate Notes and Loans

Commercial Loans

Loan Syndications

Project Finance Facilities

Structured Financing

Working Capital and Revolving Credit Facilities

Receivables Factoring

Consumer Loans

- HomePlus Real Estate Loans
- Contract to Sell Financing
- AutoPlus Vehicle Loans
- Credit Cards

INTERNATIONAL BANKING PRODUCTS & SERVICES

Letters of Credit

Standby Letters of Credit

Shipping Guarantee

Documents Against Payment

Documents Against Acceptance

Open Account

Negotiation of Export Letter of Credit

Import / Export Finance

Customs and Duties Tax Payments

Advising of Letters of Credit and Standby Letters of Credit

Telegraphic Transfer (Domestic and International)

Foreign Currency Accounts (Time Deposit and Savings)

Foreign Currency Loans

Foreign Currency Bank Drafts

Purchase and Sale of Foreign Exchange

Inward and Outward Remittance Service-Domestic and International

INVESTMENT BANKING SERVICES

Debt Financing

- Bonds
- Syndicated Loan
- Corporate Notes
- Structured Loan
- Project Finance
- LTNCD
- Short Dated Notes / QB Notes

Equity Financing

- Initial Public Offering (Common Shares)
- Follow On Offering (Common Shares)
- Preferred Shares
- Convertible/Exchangeable Shares

Mergers & Acquisition / Financial Advisory / Corporate Restructuring/ Valuation/ Securitization

OVERSEAS KABABAYAN SERVICES

China Bank Remittance

Overseas Kababayan Savings (OKS) Account

China Bank Money Transfer

TRUST SERVICES

Unit Investment Trust Funds

- China Bank Money Market Fund
- China Bank Institutional Money Market Fund
- China Bank Short-Term Fund
- China Bank Intermediate Fixed Income Fund
- China Bank Fixed Income Fund
- China Bank Balanced Fund
- China Bank Equity Fund
- China Bank High Dividend Equity Fund
- China Bank Dollar Fund

Wealth Management

- Investment Management Arrangement
- Personal Management Trust

Corporate Trust Services

- Escrow Services
- Employee Benefit Plan
- Collecting and Paying Agency
- Facility Agency, Security Trusteeship and Paying Agency

TREASURY SERVICES

Peso-Denominated Government and Corporate

Bond Issues and Perpetual Notes

Dollar-Denominated Government and Corporate

Bond Issues and Perpetual Notes

LTNCD

Promissory Notes

Foreign Exchange

- Spot, Forward, and Swaps

Derivatives

- Interest Rate and Cross Currency Swaps

INSURANCE PRODUCTS

Bancassurance

- Protection
 - o MCBL Legacy Protect 100
 - o Base Protect / Base Protect Plus
- Education
 - o MCBL Invest
- Health
 - o MCBL Health Choice
- Wealth
 - o Platinum Invest Elite
 - o MCBL Enrich Max
 - o MCBL Affluence Income
 - o Affluence Max Elite
- Retirement
 - o MCBL Enrich
 - o MCBL Invest
- Group Life Insurance

Non-Life Insurance

- Fire Insurance
 - o Residential
 - o Commercial
 - Industrial All-Risk Insurance
 - Commercial All-Risk Insurance
 - Condominium Insurance
- o Trust Receipts
- Motor Car Insurance
 - o Individual
 - o Fleet Program
- Marine Insurance
 - o Hull Insurance
 - o Cargo Insurance
- Engineering Insurance
 - o Contractors All-Risk Insurance
 - o Electronic Equipment Insurance
 - o Erectors All-Risk Insurance
 - o Machinery Breakdown Insurance
 - o Equipment Floater
- Liability Insurance
 - o Comprehensive General Liability Insurance
 - o Product Liability Insurance
 - o Professional Indemnity Insurance
 - o Directors and Officers Liability Insurance
- Crime Insurance
 - o Money, Security & Payroll Insurance
 - o Fidelity Insurance
 - o Cyber Crime Insurance
 - o Kidnap and Ransom Insurance

- Bonds

o Surety Bonds

- Bidders Bond
- Surety / Downpayment Bond
- Performance Bond
- Warranty Bond
- Heirs Bond

o Fidelity Bonds

- Employee Benefit

- o Group Personal Accident Insurance
- o Group Life Insurance
- o HMO
- o Travel Insurance

PAYMENT & SETTLEMENT SERVICES

Electronic Banking Channels

- China Bank Automated Teller Machine (ATM)
- China Bank TellerPhone
- China Bank Online
- Cash Accept Machine
- Point-Of-Sale (POS)

CASH MANAGEMENT SOLUTIONS

Account Management via China Bank Online Corporate

- Account Portfolio
- Transaction History
- Checkbook Reorder
- Bank Certification Request
- Stop Payment Order
- Buy Foreign Currency
- Sell Foreign Currency
- Fund Transfer Own
- Fund Transfer Third Party
- Outward Remittance
- Value Added Services:
 - o Host-to-Host

Liquidity Management

- Multi-Bank SOA Concentration (via China Bank Online Corporate)
- Account Sweeping (via China Bank Online Corporate)
- Reverse Account Sweeping (via China Bank Online Corporate)
- SCCP Broker's Solution
- e – SOA in SWIFT MT940 Format

Receivables Management

- Automatic Debit Arrangement (ADA)
- Check Depot
- Bills Pay Plus
- Collection Arrangement Report (via China Bank Online Corporate)

Payables Management

- Check Write Plus Outsourced (Manager's Check or Corporate Check)
- Check Write Plus Software
- Corporate Inter-Bank Fund Transfer
- Outward Remittance (via China Bank Online Corporate)
- Automatic Credit Arrangement (ACA)
- Payroll Crediting
- China Pay (Payroll Software)
- Payroll Processing

POS Solutions

- China Debit POS
- POS Cash Out

Government Payments and Collections

- BIR eTax Payment
- eGov Payment
 - o Social Security System (SSS)
 - o Philippine Health Insurance Corporation (PhilHealth)
 - o Pag-IBIG
- SSS Sickness Maternity and Employee Compensation (SSS SMEC)

CHINA BANK SECURITIES

Stock Brokerage

Securities and Investment Research

INVESTOR INFORMATION

ANNUAL STOCKHOLDERS' MEETING

May 3, 2018, Thursday, 4:00 p.m.
Penthouse, China Bank Building
8745 Paseo de Roxas cor. Villar St.
Makati City 1226, Philippines

SHAREHOLDER SERVICES

For inquiries or concerns regarding dividend payments, account status, change of address or lost or damaged stock certificates, please get in touch with:

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China Banking Corporation
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8745 Paseo de Roxas cor. Villar St.
Makati City 1226, Philippines

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Fax No.: (+632) 403-2414

We welcome letters or all such communications on matters pertaining to the management of the Bank, stockholders' rights, or any other bank-related issues of importance. Stockholders who wish to communicate with any or all of the members of the China Bank Board of Directors may send letters to:

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Email: investor-relations@chinabank.ph
Website: www.chinabank.ph

CUSTOMER INFORMATION

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Customer Contact Center
Customer Experience Management Division
China Bank Tellerphone (Available 24/7)
Hotline # **(632) 88-55-888**
Domestic Toll-Free #s:
1-800-1888-5888 (PLDT)
1-800-3888-5888 (Digitel)

Fax No: (632) 519-0143
Email: online@chinabank.ph
Facebook Page:
www.facebook.com/chinabank.ph
Twitter Page:
www.twitter.com/chinabankph

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8745 Paseo de Roxas cor. Villar St.
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GRI CONTENT INDEX



GRI Standard	Disclosure	Page Number	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	Organizational Profile		
	102-1	Name of the organization	1
	102-2	Activities, brands, products, and services	1, 17, 235
	102-3	Location of headquarters	1, 236
	102-4	Location of operations	1, 212-231
	102-5	Ownership and legal form	79-80, 118
	102-6	Markets served	1, 212
	102-7	Scale of the organization	4-9, 52, 235
	102-8	Information on employees and other workers	52-56
	102-9	Supply chain	16
	102-10	Significant changes to the organization and its supply chain	There are no significant changes in the organization and supply chain.
	102-11	Precautionary principle or approach	50, 71-78
	102-12	External initiatives	62
	102-13	Membership of associations	Trust Officers Association of the Philippines; ACI Philippines; Association of Bank Compliance Officers, Inc.; Association of Bank Remittance Officers, Inc.; Association of Philippine Correspondent Banking Officers, Inc.; Bankers' Association of the Philippines; Bankers Institute of the Philippines Inc.; Bank Marketing Association of the Philippines; Business Continuity Managers Association of the Philippines; Chamber of Thrift Banks; Credit Card Association of the Philippines; Credit Management Association of the Philippines; Financial Executives of the Philippines; Fund Managers Association of the Philippines; Good Governance Advocates and Practitioners of the Philippines; Information Security Officers Group; Investment House Association of the Philippines; Money Market Association of the Philippines; Philippine Association of National Advertisers; Personnel Management Association; Philippine Business for the Environment; Philippine Payments Management, Inc.; Public Relations Society of the Philippines; UNISDR Private Sector Alliance for Disaster Resilient Societies; Various local business clubs

GRI Standard	Disclosure	Page Number	Omission
Strategy			
102-14	Statement from senior decision-maker	10	
102-15	Key impacts, risks, and opportunities	10	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	1, 62-78	
102-17	Mechanisms for advice and concerns about ethics	62, 74, 76, 77	
Governance			
102-18	Governance structure	69	
102-19	Delegating authority	65	
102-23	Chair of the highest governance body	63	
102-24	Nominating and selecting the highest governance body	64	
102-28	Evaluating the highest governance body's performance	68	
Stakeholder engagement			
102-40	List of stakeholder groups	48	
102-41	Collective bargaining agreements	53	
102-42	Identifying and selecting stakeholders	46	
102-43	Approach to stakeholder engagement	48, 57	
102-44	Key topics and concerns raised	48, 57	
Reporting Practice			
102-45	Entities included in the consolidated financial statements	As listed in Note 1 of Financial Statement: China Bank Insurance Brokers, Inc., CBC Properties and Computer Center, Inc., China Bank Savings, Inc., China Bank Capital Corporation, CBC Assets One, Inc., China Bank Securities Corporation	
102-46	Defining report content and topic boundaries	46	
102-47	List of material topics	46, 47	
102-48	Restatements of information	There are no restatements of information.	
102-49	Changes in reporting	There are no changes in reporting.	
102-50	Reporting period	i	
102-51	Date of most recent report	i	
102-52	Reporting cycle	i	
102-53	Contact point for questions regarding the report	81, 113, 236	
102-54	Claims of reporting in accordance with the GRI standards	i	
102-55	GRI content index	i, 237-240	
102-56	External assurance	This report is not externally assured.	

MATERIAL TOPICS

GRI Standard		Disclosure	Page Number	Omission
GRI 200 Economic Standard Series				
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 49	
	103-2	The management approach and its components	49	
	103-3	Evaluation of the management approach	49	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	49	
Indirect Economic Impacts				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	20, 22, 24, 40, 47	
	103-2	The management approach and its components	20-25, 40-42	
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	20-25, 40-42	
Anti-corruption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 76	
	103-2	The management approach and its components	76	
	103-3	Evaluation of the management approach	76	
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	76	
	205-3	Confirmed incidents of corruption and actions taken	There are no confirmed incidents of corruption.	
GRI 300 Environmental Standard Series				
Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 50	
	103-2	The management approach and its components	50	
	103-3	Evaluation of the management approach	51	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	51	
	302-2	Energy consumption outside of the organization	51	
Water				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 50	
	103-2	The management approach and its components	We continue to enhance our process and the components.	
	103-3	Evaluation of the management approach	We continue to review our measurements for the succeeding years.	
GRI 303: Water 2016	303-1	Water withdrawal by source	50	
Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 50	
	103-2	The management approach and its components	50	
	103-3	Evaluation of the management approach	51	
	305-1	Direct (scope 1) GHG emissions	No available data yet, but systems are being put in place for data gathering for the next reporting cycle.	
	305-2	Energy indirect (scope 2) GHG emissions	51	
	305-3	Other indirect (scope 3) GHG emissions	51	

GRI Standard	Disclosure		Page Number	Omission
GRI 400 Social Standard Series				
Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 52, 53, 55	
	103-2	The management approach and its components	52, 53, 55	
	103-3	Evaluation of the management approach	52, 55	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	52, 55	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	53	
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 54	
	103-2	The management approach and its components	54	
	103-3	Evaluation of the management approach	The policies are in place and we continue to review our evaluation of our programs for a healthy workplace, and to enhance its measurements.	
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	We are enhancing our tracking system.	
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 53, 54	
	103-2	The management approach and its components	53, 54	
	103-3	Evaluation of the management approach	53, 54	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	53	
	404-2	Programs for upgrading employee skills and transition assistance programs	54	
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47, 52	
	103-2	The management approach and its components	52	
	103-3	Evaluation of the management approach	52	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity in governance bodies and employees	52	
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	60	
	103-2	The management approach and its components	60	
	103-3	Evaluation of the management approach	60	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	60	
Customer Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	47	
	103-2	The management approach and its components	57	
	103-3	Evaluation of the management approach	The management approach is deemed successful since there are no substantiated complaints on breach of customer privacy.	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints on customer privacy breach.	



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