



07 May 2021

**PHILIPPINE STOCK EXCHANGE, INC.**

Disclosure Department  
6F PSE Tower One Bonifacio High Street  
28<sup>th</sup> Street corner 5<sup>th</sup> Avenue, Bonifacio Global City  
Taguig City

ATTENTION: **MS. JANET A. ENCARNACION**  
Head – Disclosure Department

**PHILIPPINE DEALING & EXCHANGE CORP.**

Philippine Dealing System Holdings Corp. & Subsidiaries  
29<sup>th</sup> Floor, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City  
Telephone Number: 8884-4446

ATTENTION: **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**  
Head – Issuer Compliance and Disclosure Department

Mesdames:

We are pleased to furnish your good office with a copy of our SEC 17 A Annual Report (pursuant to section 20 of the Securities Regulation Code) filed with the Securities and Exchange Commission (SEC).

For your information and guidance.

Thank you.

Respectfully yours,

**ALEXANDER C. ESCUCHA**  
Corporate Information Officer



SEC Registration Number

4 4 3

C H I N A B A N K I N G C O R P O R A T I O N

(Company's Full Name)

1 1 F C H I N A B A N K B L D G 8 7 4 5 P A S E O

D E R O X A S C O R V I L L A R S T M A K A T I

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

ATTY. LEILANI B. ELARMO

Contact Person

888-55-145

Company Telephone Number

0 4

Month

1 4

Day

1 7 - A\*

FORM TYPE

0 6

Month

1 8

Day

Annual Meeting

Secondary License Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number / Section

1,891

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMP

\*with BIR-stamped AFS and CD Copy

Remarks: Please use BLACK ink for scanning purpose

14 April 2021

SECURITIES AND EXCHANGE COMMISSION  
SEC Bldg., EDSA Greenhills  
Mandaluyong City

Dear Sir/Madam:

In compliance with your requirements, we are submitting herewith the Bank's Annual Report pursuant to Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, together with the Audited Financial Statements for the years ended 2020 and 2019 stamped received by the Bureau of Internal Revenue, Statement of Management's Responsibility for Financial Statements, CD copy of the financial statements, and Sworn Certification. We have also attached machine copies in addition to the original copies of the foregoing documents.

With respect to the financial statements, please note that the accounting policies adopted are consistent with those of the previous financial year except for the following new, amendments and improvements to Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretation which became effective as of January 1, 2020. Except for the Amendments to PFRS 16, these changes in the accounting policies did not have any significant impact on the financial position or performance of the Group:

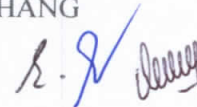
- *New and Amended Standards*
  - Amendments to PFRS 3, *Business Combinations, Definition of a Business* PFRS 9 (Amendment), *Prepayment Features with Negative Compensation*
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*
  - Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
  - Amendments to PFRS 16, *COVID-19-related Rent Concessions*

For a more detailed discussion on the changes in the Bank's accounting policies as required by the foregoing, please refer to Note 2 to the Audited Financial Statements.

Thank you very much.

Very truly yours,

  
WILLIAM C. WHANG  
President



**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 177  
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES**

**December 31, 2020**

1. For the fiscal year ended .....
2. SEC Identification Number **443** 3. BIR Tax Identification No. **000-444-210-000**
4. Exact name of issuer as specified in its charter **China Banking Corporation**
5. **Philippines** 6.  (SEC Use Only)  
Province, Country or other jurisdiction of Industry Classification Code:  
incorporation or organization  
**China Bank Building, 8745, Paseo de Roxas**
7. **cor. Villar St., Makati City** **1226**  
Address of principal office Postal Code
8. **(632) 888-55-555**  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA:

<i>Title of Each Class</i>	<i>Number of Shares Outstanding</i>
Common	2,685,899,812

10. Are any or all of these securities listed on a Stock Exchange.  
Yes ☒ No ☐
- The above common shares are listed in the Philippine Stock Exchange.
11. Check whether the issuer:
- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 177 of The Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):  
Yes ☒ No ☐
- (b) has been subject to such filing requirements for the past ninety (90) days:  
Yes ☒ No ☐
12. Aggregate market value of the voting stock held by non-affiliates: P38.27 Billion (as of 31 December 2020)
13. Portions of the Bank's 2020 Annual Report to Stockholders are incorporated by reference in Parts I & II of this report.

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## **PART I - BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

#### **(a) Form and Year of Organization**

China Banking Corporation (China Bank) is one of the leading private universal banks in the Philippines that offers a full range of banking products and services to institutional and individual customers, as well as thrift banking, investment banking, insurance brokerage, stock brokerage, and bancassurance through its subsidiaries, China Bank Savings, China Bank Capital, China Bank Securities, Chinabank Insurance Brokers (CIBI), and Manulife China Bank Life Assurance Corp (MCBLife). Its banking franchise stems from its 100-year history, a factor that has enabled it to become deeply entrenched within the socioeconomic fabric of the Chinese-Filipino community.

China Bank was incorporated on July 20, 1920 and commenced business on August 16 of the same year. It was listed on the local stock exchange in September 1927 and acquired its universal banking license in 1991. It played a key role in the post-war reconstruction and economic recovery by providing financial support to businesses and entrepreneurs.

In 2007, the Bank acquired Manila Banking Corporation, the oldest savings bank in the country, and renamed the same to China Bank Savings, Inc. (CBSI) in the following year. To fast-track the expansion, the Bank acquired Pampanga-based rural bank Unity Bank. It also entered into a bancassurance joint venture with Manulife to establish MCBLife. In 2014, the Parent Bank increased its equity stake in MCBLife to 40%.

In 2014, the Bank acquired Planters Development Bank (Plantersbank), the country's largest private development bank, which helped grow China Bank's middle market & SME portfolio, as well as its distribution network. In the following year, CBSI and Plantersbank completed its merger, with the former as the surviving entity.

In 2015, China Bank established its investment house, China Bank Capital Corporation (CBCC), and stock brokerage subsidiary, China Bank Securities Corporation. On the same year, the China Bank MasterCard was publicly launched.

In 2017, China Bank completed a P15-billion stock rights offer (SRO). This follows its P8-billion SRO in 2014.

In 2019, the Bank marked a successful return to the market with a USD 150-million Green Bond issue to the International Finance Corporation and the P30 billion Peso fixed-rate retail bond issue.

In 2020, China Bank celebrated its centennial anniversary, bearing the theme, "Celebrating the Past, Embracing the Future". The celebrations kicked off with the restoration & conversion of the Binondo Business Center as a heritage site, as well as the launch of two deposit promos for the Bank's loyal clientele. The Bank then embarked on a television & social media campaign that tells the story of its founding and how its core values remained amid the changing times. Also, the Board and stockholders approved and ratified, respectively, a centennial stock grant plan wherein qualified employees will receive 100 China Bank shares for every year of service.

At the annual stockholders' meeting conducted virtually on June 18, the Bank declared a P1.00 cash dividend per share for a total of P2.68 billion, 14% higher than the previous year. China Bank also listed P15 billion-peso bonds due 2022 on the Philippine Dealing & Exchange Corp. (PDEX) with a fixed rate of 2.75% *per annum*.

The COVID-19 global pandemic and the subsequent quarantine measures disrupted economic and business activities in 2020. Nevertheless, the Bank navigated this unprecedented time by adjusting its operations and customer service to the new normal. Aside from complying with the relief measures under the Bayanihan I and II, the Bank also invested in the health & safety of its employees and customers by establishing work-from-home setups, providing employees with temporary accommodation and transportation arrangements, setting up of dedicated antigen & swab testing facilities for employees, imposing a contact tracing scheme, paying employees' salaries in full during the ECQ, giving financial assistance to agency personnel, waiving InstaPay and PesoNet fees, increasing ATM withdrawal limits, and ensuring the availability of digital banking channels, among others.

China Bank continues to champion good corporate governance. The Bank was recognized at the ASEAN Corporate Governance Awards as one of the Top 20 ASEAN Publicly Listed Companies (PLCs), among the Top 3 in the Philippines, and among the ASEAN Asset Class PLCs for the year 2019.

China Bank's main business include corporate and SME lending, retail loans (e.g. credit cards, housing, auto, personal & automatic payroll deduction), treasury & foreign exchange trading, trust & asset management, investment banking & advisory services, wealth management, cash management, insurance products through CIBI and MCBLife, internet &

mobile banking, and remittances through tie-ups in the Middle East, Asia, and major US cities. The Bank also offers foreign currency deposits in four currencies, USD, EUR, CNY, and JPY.

China Bank offers a comprehensive suite of products and services through its 634 branches complemented by convenient and secure electronic banking channels which are available 24/7 — 1,022 ATMs, Cash Accept Machine, China Bank TellerPhone (phone banking), China Bank Online, and China Bank Mobile App.

Subsidiary	Effective Percentages of Ownership		Country of Incorporation	Principal Activities
	2020	2019		
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%	100.00%	Philippines	Stock brokerage

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 22.55% and 20.30% as of December 31, 2020 and 2019, respectively.

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

#### **(b) Bankruptcy, receivership or similar proceedings**

The Bank is not subject to any bankruptcy, receivership or similar proceedings.

#### **(c) Material Reclassification Merger, Consolidation or Purchase or Sale of Assets**

There were no Material Reclassification Merger, Consolidation or Purchase or Sale of Assets other than those reclassification of financial assets arising from the adoption of PFRS 9. Please refer to Audited Financial Statements.

#### **(d) Business of Issuer – Description of the Business and its Significant Subsidiaries**

China Bank's main businesses include deposit taking, corporate and middle market lending, retail loans including mortgage and auto loans & automatic payroll deduction, investment banking, insurance products through its subsidiaries, treasury and foreign exchange trading, trust and investment management, wealth management, cash management, internet banking and mobile banking services, inward remittances through tie-ups with remittance companies and exchange houses in the Middle East, Asia and major US cities. The income from these products/services is divided into two categories, namely (1) interest income from the Bank's deposit taking and lending/investment activities which accounts for 82% of gross revenues and (2) other income (includes service charges, fees & commissions, trading & securities gain, gain on disposal of investment securities at amortized cost, foreign exchange gain, trust fees, income from sale of acquired assets and other miscellaneous income) which account for 18% of gross revenues.

Percentage of sales or revenues and net income contribution from foreign sales (broken down into major markets such as Western Europe, Southeast Asia, etc.) for each of the last three years. Not applicable.

#### **DEPOSITS & RELATED SERVICES**

Peso Deposits: Checking - ChinaCheck Plus, Savings - Passbook Savings, ATM Savings, MoneyPlus Savings, Young Savers; Time - Regular Time Deposit, Diamond Savings, Money Lift Plus; Foreign Currency Deposits - Savings - (USD, Euro, RMB and JPY), Time - Foreign Currency Time Deposit Account, Premium Savings Account; Deposit-Related Services - Cash Card, SSS Pensioner's Account, Manager's Check, Gift Check, Demand Draft, Safety Deposit Box, Night Depository Services, Cash Delivery and Deposit Pick-up Services

#### **LOANS & CREDIT FACILITIES**

**Corporate & Commercial Loans:** Omnibus Line, Loan Line, Term Loan, Trade Finance Products, Factoring Receivable

**Consumer Loans:** HomePlus Real Estate Loan, AutoPlus Vehicle Loan, Contract to Sell Facility

**Credit Cards:** China Bank Prime Mastercard; China Bank Freedom Mastercard; China Bank Cash Rewards Mastercard; China Bank Platinum Mastercard; China Bank World Mastercard; China Bank Wealth Mastercard, China Bank Virtual Card -- card for internet use only; supplemental feature of a regular credit card.

### **INTERNATIONAL BANKING PRODUCTS & SERVICES**

Letters of Credit, Standby Letters of Credit, Shipping Guarantee, Documents against Payment, Documents against Acceptance, Advance Payment, Open Account, Trust Receipt Loans, Exports Bill Purchase, Export Collections, Customs and Duties Tax Payments; Advising of Letters of Credit and Standby Letters of Credit; Purchase and Sale of Foreign Exchange; Inward and Outward Remittances - Domestic and International, Foreign Currency Loans

### **INVESTMENT BANKING SERVICES**

Bonds, Syndicated Loans, Corporate Notes, Structured Loan, Project Finance, Long-term Negotiable Certificate of Deposit (LTNCD), Enrolled Notes (Short Dated Notes/QB Notes, Initial Public Offering, Follow On Offering, Preferred Shares, Convertible Shares, Exchangeable Shares, Mergers & Acquisition Advisory, Corporate Structuring, Valuation, Securitization

### **OVERSEAS KABABAYAN SERVICES**

China Bank Remittance; Overseas Kababayan Savings (OKS) Account (PHP and USD); Pay to Cash – Real-Time Cash Pick-Up Anywhere service and Same Day Cash Delivery (within NCR only)

### **TRUST SERVICES**

Unit Investment Trust Fund (UITF) - China Bank Money Market Fund, China Bank Cash 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, China Bank Dollar Money Market Fund; Wealth Management - Investment Management Arrangement, Personal Management Trust; Corporate Trust Services - Escrow Services Arrangement, Employee Benefit Fund Management, Corporate Fund Management, Facility Agency Arrangement, Security Trusteeship Arrangement, Collecting and Paying Agency Arrangement

### **TREASURY SERVICES**

Investments-Local currency denominated Government and Corporate Bond Issues and Perpetual Notes, Foreign currency denominated Government and Corporate Bond Issues and Perpetual Notes, China Bank Bond; Deposit and Deposit Substitutes- Long-Term Negotiable Certificate of Deposit (LTNCD), Treasury Certificate of Deposit (TCD), Promissory Note; Foreign Exchange & Derivatives-Foreign Exchange, Spot, Forward and FX Swaps; Derivatives-Interest Rate and Cross Currency Swaps

### **INSURANCE PRODUCTS**

Bancassurance: Platinum Invest Elite; Enrich Max; MCBL Affluence Income; MCBL Affluence Max Elite; MCBL Enrich; MCBL Invest; Base Protect Plus; Lifebuilder, Assure Max, HealthFlex; Group Yearly Renewable Term (GYRT), Group Credit Life (GCL); Group Personal Accident (GPA); Group Riders (applicable to Group Life and Group Credit Life only)

Non-Life Insurance: Fire and Allied Perils; Motor Car Insurance; Personal Accident and Travel; Travel Accident Insurance; Medical Insurance / Employee Benefit; Comprehensive General Liability Insurance; Electronic Equipment Insurance; Money, Securities and Payroll Insurance; Fidelity Guarantee Insurance; Property Floater; Contractors' Insurance All Risks (CARI); Erectors' Insurance All Risks (EARL); Marine Cargo; Marine Hull; Surety Bonds

### **PAYMENT & SETTLEMENT SERVICES**

Electronic Banking Channels: China Bank Automated Teller Machine (ATM); China Bank Cash Accept Machine (CAM); China Bank TellerPhone; China Bank Online; China Bank Mobile Banking App; Point-of-Sale (POS)



## CASH MANAGEMENT SOLUTIONS

**Account Management via China Bank Online Corporate:** Basic Services- Balance Inquiry and Transaction Reporting, Intra-bank transfer of funds to own &/or third Party account(s), Inter-bank Fund Transfer via Bancnet, Instapay and Pesonet Buy &/or sell foreign currency, Sure Sweep, Collection Arrangement Report; Self-Service Functionalities-Request for Bank Certificate, Checkbook Reorder, Stop Payment Order

**Liquidity Management via China Bank Online Corporate:** Multi-Bank SOA Concentration, Sure Sweep – Funds Consolidation, Funds Distribution; Corporate Inter-Bank Fund Transfer

**Receivables Management** - Automatic Debit Arrangement (ADA), Check Depot, Bills Pay Plus, Referenced Deposit Solution, Smart Cash Safe Solution; Check Pay Solution

**Payables Management** – Direct Debit Arrangement; Auto Credit Arrangement (ACA); Check Writing Services – Check Write Plus Software; Check Write Plus Outsourcing-, Check Write Plus Self-Service; Payroll Services – Payroll Crediting, China Pay Software, Payroll Processing

**POS Solutions** - ChinaBank Debit POS; ChinaBank POS Cash Out

**Trade and Settlement Solutions** –(Settle stock transactions with the Securities Corporation of the Philippines (SCCP) Broker's Solution; Electronic Invoicing & Payment Solution

**Government Payments and Collections** – Easy Tax Filing and Payment Solution, Tax Payment Solution; eGov Payments, SSS Sickness, Maternity, and Employee Compensation (SSS SMEC)

## CHINA BANK SECURITIES

Stock Brokerage; Research Services

### (a) Distribution Methods of Products and Services:

China Bank's products and services are made available across multiple distribution and delivery channels: 634 branch network (of which 476 are China Bank branches, 158 are China Bank Savings branches; 1,022 ATM network ( 636 in-branch and 386 off-site ATMs nationwide; founding member of the BancNet consortium, access to more than 21,000 ATMs nationwide of BancNet networks; online banking (through the Bank's e-portal [www.chinabank.ph](http://www.chinabank.ph)); TellerPhone (phone banking) and Mobile Banking. Its head office is located at 8745 Paseo de Roxas corner Villar Streets, Makati City.

### China Bank Parent

#### **Metro Manila Branches**

1. MAKATI MAIN BRANCH (Head Office) - CBC Bldg., 8745 Paseo de Roxas cor. Villar Sts., Makati City\*\*\*
2. BINONDO BUSINESS CENTER - CBC Bldg., Dasmariñas cor. Juan Luna St., Brgy. 287, Zone 27, District III, Binondo, Manila\*
3. 999 MALL BRANCH - Unit 3D-5 & 3D-7 999 Shopping Mall, Bldg. 2, Recto - Soler Sts., Binondo, Manila\*
4. A. BONIFACIO - MAUBAN BRANCH - G/F Urban Oasis Residences, 423-431 A. Bonifacio Ave., Brgy. San Jose, Quezon City\*
5. ALABANG HILLS BRANCH - G/F RBC-MDC Corporate Center, Don Jesus Blvd., Alabang Hills Village, Brgy. Cupang, Muntinlupa City\*
6. ALVARADO BRANCH - HS Commercial Tower, 854 Alvarado St. Binondo, Manila
7. ANONAS BRANCH - Anonas corner Marang Streets, Brgy. Quirino, Project 2, Quezon City\*
8. ANTIPOLO CITY BRANCH - G/F Budget Lane Arcade, No. 6, Provincial Road, Brgy. San Jose, Antipolo City, Rizal\*
9. ANTIPOLO - SUMULONG HIGHWAY BRANCH - No. 219 Sumulong Highway, Brgy. Mambugan, Antipolo City, Rizal\*
10. ANTIPOLO CITY-TAKTAK BRANCH - Sumulong Highway corner Taktak Road, Brgy. Dela Paz, Antipolo City, Rizal\*
11. ARANETA AVE. BRANCH - Philippine Whithasco Bldg., 420 Araneta Ave., cor. Bayani St., Doña Imelda, Quezon City\*
12. ARNAIZ AVE. BRANCH - United Life Assurance Building, A. Arnaiz Ave. (Pasay Road), Makati City\*
13. ARRANQUE BRANCH - Don Felipe Bldg., 675 Tomas Mapua St., Brgy. 301 Sta. Cruz, Manila\*
14. ASUNCION BRANCH - Units G6 & G7 Chinatown Steel Towers, 531 Asuncion St., San Nicolas, Manila\*
15. AURORA BLVD. - NEW MANILA BRANCH - Aurora Blvd., Brgy. Valencia, Quezon City\*
16. AYALA - ALABANG BRANCH - G/F CBC Bldg., Acacia Ave., Madrigal Business Park, Ayala Alabang, Muntinlupa City\*
17. AYALA AVE. - AMORSOLO BRANCH - G/F Teleperformance Bldg., Ayala Ave., Legazpi Village, Makati City\*
18. AYALA - COLUMNS BRANCH - G/F The Columns Tower 3, Ayala Ave cor. Sen. Gil Puyat Ave., Brgy. Bel-Air., Makati City\*
19. AYALA MALLS - MANILA BAY BRANCH - Level 2 Ayala Malls Manila Bay, D. Macapagal Ave., Parañaque City\*
20. BACLARAN - FB HARRISON BRANCH - BAGPI Main Bldg., 2935 Ortigas St. near cor. F.B. Harrison St., Pasay City\*
21. BALINTAWAK - BONIFACIO BRANCH - 657 A. Bonifacio Ave., Balintawak, Quezon City\*
22. BALUT BRANCH - North Bay Shopping Center, Honorio Lopez Boulevard, Balut, Tondo, Manila\*
23. BANAWA BRANCH - CBC Bldg., 680 Banawe Ave., Sta. Mesa Heights, District I, Quezon City\*
24. BANAWA - CALAMBA BRANCH - G/F One Banawe Complex Bldg., #119 Banawe St. cor Calamba St., Brgy. Sto. Domingo, Quezon City\*
25. BEL - AIR BRANCH - 2/F Saville Bldg., 8728 Paseo de Roxas, Makati City\*
26. BEL - AIR - JUPITER BRANCH - Buendia Car Exchange, Jupiter Street, Makati City\*
27. BETTER LIVING SUBD. BRANCH - 128 Doña Soledad Ave., Better Living, Brgy. Don Bosco, Parañaque City\*
28. BF HOMES BRANCH - Aguirre cor. El Grande Aves., United BF Homes, Parañaque City\*
29. BF HOMES - AGUIRRE BRANCH - Margarita Centre, Aguirre Ave. cor. Elsie Gaches St., BF Homes, Parañaque City\*
30. BF RESORT VILLAGE BRANCH - BF Resort Drive cor. Gloria Diaz St., BF Resort Village, Talon Dos, Las Piñas City\*

31. BGC - ICON PLAZA BRANCH - G/F Icon Plaza Bldg., 25th cor 5th Sts. Bonifacio South, Fort Bonifacio Global City, Taguig City\*
32. BGC - ONE WORLD PLACE BRANCH - G/F One World Place, 32nd Avenue, Fort Bonifacio Global City, Taguig City\*
33. BGC - WORLD PLAZA BRANCH - Unit 5 G/F World Plaza Bldg., L4B5 E-Square Information Technology Park, Crescent Park West, 5<sup>th</sup> Avenue, Bonifacio Global City, Taguig City \*
34. BGC - W TOWER - G/F W Tower, 39th St., North Bonifacio Triangle, Fort Bonifacio Global City, Taguig City, 1634\*
35. BINANGONAN BRANCH - National Road, Bo. Tagpos, Binangonan, Rizal\*
36. BLUMENTRITT BRANCH - 1777-1781 Cavite St. cor. Leonor Rivera St., Blumentritt, Sta. Cruz, Manila\*
37. BO. KAPITOLYO BRANCH - G/F P&E Bldg., 12 United cor. First Sts., Bo. Kapitolyo, Pasig City\*
38. BONNY SERRANO BRANCH - G/F Greenhills Garden Square, 297 Col. Bonny Serrano Ave., Bagong Lipunan ng Crame, Quezon City\*
39. CAINTA BRANCH - CBC Bldg., F.P. Felix Ave., Brgy. San Isidro, Cainta, Rizal\*
40. CAINTA - POBLACION BRANCH - A. Bonifacio Ave., Poblacion, Brgy. Sto. Domingo, Cainta, Rizal\*
41. CAPITOL HILLS BRANCH - G/F Design Pro Bldg., Capitol Hills, Old Balara, Quezon City\*
42. CENTURY CITY - KNIGHTS BRIDGE BRANCH - Unit 17 & 18 Knightsbridge Residences, Century City, Kalayaan Ave., Makati City\*
43. CIRCUIT MAKATI BRANCH - Level 3, Ayala Mall, Circuit Makati, Hippodromo St., Brgy. Carmona, Makati City\*
44. COMMONWEALTH AVE. BRANCH - LGF Ever Gotesco Mall, Commonwealth Ave. cor. Don Antonio Road, Quezon City\*
45. COMMONWEALTH AVE. EXTENSION - CASA MILAN BRANCH - ALX Center Building, Commonwealth Ave. Ext., Brgy. North Fairview, Quezon City\*
46. CONGRESSIONAL AVENUE BRANCH - G/F Unit C, The Arete Square, Congressional Ave., Project 8, Quezon City\*
47. CONGRESSIONAL AVE. EXTENSION - MIRA NILA BRANCH - CBC Building, #71 Lot 28 Blk 2 Mira Nila Homes, Congressional Ave. Ext., Quezon City\*
48. CONGRESSIONAL AVE. - PROJECT 8 BRANCH - 159 Congressional Ave., Brgy. Bahay Toro, Project 8, Quezon City\*
49. CORINTHIAN HILLS BRANCH - G/F The Clubhouse, Corinthian Hills, Temple Drive, Brgy. Ugong Norte, Quezon City\*
50. CUBAO - ARANETA BRANCH - Level 2, Ali Mall, Araneta Center, Cubao, Quezon City\*
51. CUBAO - AURORA BRANCH - 911 Aurora Boulevard Extension cor. Miami St., Cubao, Quezon City
52. CUBAO - P. TUAZON BRANCH - No. 287 P. Tuazon Ave. near corner 18<sup>th</sup> Avenue, Brgy. San Roque, Cubao, Quezon City\*
53. CULIAT- TANDANG SORA BRANCH - G/F Royal Midway Plaza, No. 419, Tandang Sora Ave. Brgy. Culiati, Quezon City\*
54. D. TUAZON BRANCH - 148 D. Tuazon St., Brgy. Lourdes, Sta. Mesa Heights, Quezon City\*
55. DAMAR VILLAGE BRANCH - The Clubhouse, Damar Loop, Damar Village, Quezon City\*
56. DASMARIÑAS VILLAGE BRANCH - G/F Manila Memorial Park Building, 2283 Pasong Tamo Ext. cor. Lumbang St., Makati City\*
57. DEL MONTE AVENUE BRANCH - G/F FRS Bldg., No. 497 Del Monte Ave., Brgy. Manresa, Quezon City\*
58. DEL MONTE - MATUTUM BRANCH - No. 202 Del Monte Ave. near cor. Matutum St., Brgy. St. Peter, Quezon City\*
59. DILIMAN - MATALINO BRANCH - J&L Building, #23 Matalino Street, Brgy. Central, Diliman, Quezon City\*
60. DIVISORIA - STA. ELENA BRANCH - Unit G22 New Divisoria Condominium Center., 632 Sta. Elena St., Binondo, Manila
61. DON ANTONIO BRANCH - G/F Royale Place, Don Antonio Ave., Old Balara, Quezon City\*
62. EASTWOOD CITY BRANCH - Unit D, Techno Plaza One, Eastwood City Cyberpark, E. Rodriguez Jr. Ave., Bagumbayan, Quezon City\*
63. EASTWOOD CITY FELINA CORPORATE PLAZA BRANCH - G/F Felina Corporate Plaza, #5 Eastwood Ave., Eastwood City, Quezon City\*
64. EDSA - KALOOKAN BRANCH - G/F HGL Building, 554 EDSA, Kalookan City\*
65. EDSA - PHILAM BRANCH - 917 EDSA, Brgy. Philam, Quezon City\*
66. EDSA - TIMOG AVE. BRANCH - G/F Richwell Corporate Center, 102 Timog Ave., Brgy. Sacred Heart, Quezon City\*
67. ELCANO BRANCH - G/F Elcano Tower, Elcano St., Binondo, Manila
68. E. RODRIGUEZ - ACROPOLIS BRANCH - G/F Suncrest Building, 82 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City\*
69. E. RODRIGUEZ - CORDILLERA BRANCH - 291 E. Rodriguez Sr. Blvd., Brgy. Doña Josefa, Quezon City\*
70. E. RODRIGUEZ - HILLCREST BRANCH - No. 402 RCR Bldg., E. Rodriguez Sr. Blvd., Brgy. Immaculate Concepcion, Cubao, Quezon City\*
71. E. RODRIGUEZ SR. BLVD. BRANCH - CBC Bldg., #286 E. Rodriguez Sr. Blvd., Brgy. Damayang Lagi, Quezon City\*
72. ERMITA BRANCH - G/F Ma. Natividad Bldg., #470 T. M. Kalaw cor. Cortada Sts., Brgy. 666, Ermita, Manila\*
73. ESCOLTA BRANCH - Burke Building, Escolta corner Burke Streets, Binondo, Manila\*
74. ESPAÑA BRANCH - 878 España cor. Valencia Sts., Sampaloc, Manila\*
75. EVANGELISTA BRANCH - 1748 AMV Building, Evangelista cor. Gen Estrella Sts., Bangkal, Makati City\*
76. EXAMINER BRANCH - No. 1525 Quezon Ave. cor. Examiner St., West Triangle, Quezon City\*
77. FAIRVIEW BRANCH - G/F Angelenix House, Commonwealth Ave. cor. Camaro Sts., Fairview Park Subdivision, Fairview, Quezon City\*
78. FAIRVIEW TERRACES BRANCH - LGF Fairview Terraces, Quirino Hiway cor. Maligaya Drive, Brgy. Pasong Putik, Novaliches, Quezon City\*
79. FILINVEST CORPORATE CITY BRANCH - G/F Wilcon Depot, Alabang- Zapote Rd cor. Bridgeway Ave., Filinvest Corporate City, Alabang, Muntinlupa City\*
80. FILINVEST CORP. CITY - COMMERCENTER BRANCH - G/F Commercenter Bldg., Commerce Ave. cor. Filinvest Ave., Filinvest Corp City, Alabang, Muntinlupa City
81. FILINVEST CORP. CITY - NORTHGATE BRANCH - G/F Aeon Centre Building, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City\*
82. FIVE E - COM CENTER BRANCH - G/F Five E-com Center, Harbor Drive, MOA Complex, Pasay City\*
83. FORT BONIFACIO GLOBAL CITY BRANCH - G/F Marajo Tower, 26th St. cor. 4<sup>th</sup> Avenue, Fort Bonifacio Global City, Taguig City\*
84. GEN. LUIS - KATIPUNAN - CBC Building, Gen. Luis St. corner Katipunan SB Road, Brgy. Nagkaisang Nayon, Novaliches, Quezon City\*
85. GIL PUYAT AVENUE BRANCH - Mitsu Bldg., No. 65 Sen. Gil Puyat Ave., Brgy. Palanan, Makati City\*

86. GIL PUYAT - ELIZABETH PLACE BRANCH - G/F Elizabeth Place Condominium, 322 H.V. Dela Costa St., Brgy. Bel-Air, Makati City\*
87. GIL PUYAT - REPOSO BRANCH - G/F 331 Bldg., Sen. Gil Puyat Ave., Brgy. Bel-Air, Makati City\*
88. GREENBELT 1 BRANCH - G/F Greenbelt 1, Legaspi St. near cor. Paseo de Roxas, San Lorenzo, Makati City\*
89. GREENHILLS BRANCH - G/F Gift Gate Bldg., Greenhills Shopping Center, San Juan City, Metro Manila\*\*
90. GREENHILLS - ANNAPOLIS BRANCH - Mercedes 1 Condominium, Annapolis St., Greenhills, San Juan City\*
91. GREENHILLS - CONNECTICUT BRANCH - 101 Missouri Square Bldg., Missouri cor. Connecticut St., Northeast Greenhills, San Juan City\*
92. GREENHILLS - ORTIGAS BRANCH - CBC Bldg., 14 Ortigas Ave. Greenhills, San Juan City, Metro Manila\*
93. HEROES HILLS BRANCH - Quezon Ave. cor. J. Abad Santos St., Heroes Hills, Brgy. Sta. Cruz, Quezon City\*
94. HOLY SPIRIT DRIVE BRANCH - CBC Building Lot 18 Block 6 Holy Spirit Drive, Don Antonio Heights, Brgy. Holy Spirit, Quezon City\*
95. ILAYA BRANCH - #947 APL-YSL Bldg., Ilaya, Tondo, Manila
96. INTRAMUROS BRANCH - Sitio Grande, No. 409 A. Soriano Ave., Intramuros, Manila\*
97. J. ABAD SANTOS AVENUE BRANCH - 2159 J. Abad Santos Ave. cor. Batangas St., Tondo, Manila\*
98. J. ABAD SANTOS AVE. - QUIRICADA BRANCH - #1714 J. Abad Santos Ave. near corner Quiricada Street, Brgy. 252, Tondo, Manila\*
99. JUAN LUNA BRANCH - G/F Aclem Bldg., 501 Juan Luna St., Binondo, Manila\*
100. KALAYAAN AVE. BRANCH - G/F PPS Bldg., Kalayaan Ave., Quezon City\*
101. KALOOKAN - 8TH AVE. BRANCH - No. 279 Rizal Ave. cor. 8th Ave., Grace Park, Kalookan City\*
102. KALOOKAN - 10TH AVE. BRANCH - No. 275 10th Ave. corner 3rd Street, Grace Park, Kalookan City\*
103. KALOOKAN BRANCH - CBC Bldg., 167 Rizal Ave. Extension, Grace Park, Kalookan City\*
104. KALOOKAN - CAMARIN BRANCH - L8B4 La Forteza Subd., Brgy. 175, Camarin, Kalookan City\*
105. KALOOKAN - MONUMENTO BRANCH - CBC Bldg., 779 McArthur Highway, District 2, Brgy. 78, Kalookan City\*
106. KAMIAS BRANCH - G/F CRM Bldg., 116 Kamias Road cor. Kasing-Kasing St., Quezon City\*
107. KAMUNING BRANCH - SKY47 Bldg., #47 Kamuning Road, Quezon City\*
108. KANLAON BRANCH - Kanlaon near corner N. Roxas Streets, Quezon City\*
109. KARUHATAN BRANCH - No. 253-B McArthur Highway cor. Bizotte St., Karuhatan, Valenzuela City\*
110. KATIPUNAN AVE. - LOYOLA HEIGHTS BRANCH - GF Elizabeth Hall Bldg., Katipunan Ave., Loyola Heights, Quezon City\*
111. KATIPUNAN AVE. - ST. IGNATIUS BRANCH - CBC Bldg., No. 121 Katipunan Ave., Brgy. St. Ignatius, Quezon City\*
112. LAGRO BRANCH - CBC Building, Lot 32 Blk 125, Quirino Highway, Greater Lagro, Quezon City\*
113. LAS PIÑAS BRANCH - CBC Bldg., Alabang-Zapote Road cor. Aries St., Pamplona Park Subd., Las Piñas City\*
114. LAS PIÑAS - MANUELA BRANCH - CBC Bldg., Alabang-Zapote Road cor. Philamlife Ave., Pamplona Dos, Las Piñas City\*
115. LAS PIÑAS - MARCOS ALVAREZ BRANCH - Metro Towne Center, 2020 Marcos Alvarez Ave., Talon 5, Moonwalk, Las Piñas City\*
116. LAS PIÑAS - NAGA ROAD BRANCH - Lot 3, Naga Road, Pulanglupa 2, Las Piñas City\*
117. LAVEZARES BRANCH - 412 Lavezares Street, San Nicolas, Manila\*
118. LEGASPI VILLAGE - AIM BRANCH - G/F Cacho-Gonzales Bldg, 101 Aguirre cor. Trasierra Sts., Legaspi Vill., San Lorenzo, Makati City\*
119. LEGASPI VILLAGE - AMORSOLO BRANCH - G/F CAP Bldg., Herrera cor. Amorsolo Sts., Legaspi Village, San Lorenzo, Makati City\*
120. LEGASPI VILLAGE - C. PALANCA BRANCH - G/F JCS Building, 119 Dela Rosa corner C. Palanca St., Legaspi Village, Makati City\*
121. LEGASPI VILLAGE - ESTEBAN BRANCH - G/F PPI Bldg., No. 109 Esteban St., Legaspi Village, Makati City\*
122. LEGASPI VILLAGE - PEREA BRANCH - G/F Greenbelt Mansion, 106 Perea St., Legaspi Village, Brgy. San Lorenzo, Makati City\*
123. LEGASPI VILLAGE - SALCEDO BRANCH - G/F Fedman Suites, 199 Salcedo St., Legaspi Village, Brgy. San Lorenzo, Makati City\*
124. M. DELA FUENTE - TRABAJO MARKET BRANCH - #771 M. Dela Fuente St., Sampaloc, Manila\*
125. MACAPAGAL AVE. - ASEANA SQUARE BRANCH - Aseana Square (Caltex Area), D. Macapagal Ave., Aseana City, Brgy. Tambo, Parañaque City\*
126. MACAPAGAL AVE. - BIOPOLIS BRANCH - G/F The Biopolis, Central Business Park, 1-A Diosdado Macapagal Avenue, Pasay City\*
127. MACAPAGAL AVE. - DOUBLE DRAGON BRANCH - G/F Phase 1, DD Meridian Park Plaza, Macapagal Ave. cor. EDSA Ext., Pasay City\*
128. MAGALLANES VILLAGE BRANCH - G/F DHI Bldg., No. 2 Lapu-Lapu Ave. cor. EDSA, Magallanes Village, Magallanes, Makati City\*
129. MAKATI AVENUE BRANCH - G/F CBC Bldg., Makati Ave. cor. Hercules St., Bel-Air Village, Brgy. Bel-Air, Makati City\*
130. MAKATI - COMEMBO BRANCH - F & V Bldg., No. 46 JP Rizal Ext., Brgy. Comembo, Makati City\*
131. MAKATI - JP RIZAL BRANCH - GF Casa Catalina Bldg., JP Rizal corner Honradez Streets, Brgy. Olympia, Makati City\*
132. MAKATI - KALAYAAN AVE. BRANCH - GF Zentro Bldg., 8445 Mercedes St. cor. Buntal St., Brgy. Poblacion, Makati City\*
133. MAKATI - YAKAL BRANCH - G/F Yakal Place #173 Yakal St. near corner Ayala Ave. Ext., Makati City\*
134. MALABON - CONCEPCION BRANCH - Gen. Luna cor. Paez Sts., Concepcion, Malabon City\*
135. MALABON - GOV. PASCUAL BRANCH - CBC Bldg., Gov. Pascual Ave., Brgy. Acacia, Malabon City\*
136. MALABON - POTRERO BRANCH - CBC Bldg., McArthur Highway, Potrero, Malabon\*
137. MALANDAY BRANCH - CBC Bldg. McArthur Highway, Mandalay, Valenzuela City\*
138. MANDALUYONG - BONI AVE. BRANCH - G/F VOS Bldg. Boni Ave. cor. San Rafael St., Plain View, Mandaluyong City\*
139. MANDALUYONG BONI - SAN ROQUE BRANCH - #768 Bonifacio Ave. cor. San Roque St., Brgy. Barangka Ilaya, Mandaluyong City\*
140. MANDALUYONG - D. GUEVARA BRANCH - Libertad Plaza, #19 Domingo Guevara St., Highway Hills, Mandaluyong City\*
141. MANDALUYONG - PIONEER BRANCH - UG-05 Globe Telecom Plaza Tower I, Pioneer St., Brgy. Ilaya, Mandaluyong City\*
142. MANDALUYONG - THE PODIUM - 3/F The Podium, ADB Avenue, Ortigas Center, Mandaluyong City\*
143. MANILA - MACEDA BRANCH - M. Daguman Bldg., A. Maceda St., Sampaloc, Manila\*
144. MARIKINA - FAIRLANE BRANCH - G/F E & L Patricio Bldg., No. 809 J.P. Rizal Ave., Concepcion Uno, Marikina City\*

145. MARIKINA - GIL FERNANDO BRANCH - Block 9 Lot 14 Gil Fernando Ave., Marikina City\*
146. MARIKINA - SSS VILLAGE BRANCH - Lilac corner Rainbow Sts., Rancho Estate IV, Concepcion Dos, Marikina City\*
147. MARIKINA - STA. ELENA BRANCH - 250 J.P. Rizal St., Sta. Elena, Marikina City\*
148. MASANGKAY BRANCH - 959-961 G. Masangkay St., Binondo, Manila\*
149. MASANGKAY - MAYHALIGUE BRANCH - No. 1417-1419 G. Masangkay St., Sta. Cruz, Manila\*
150. MAYON BRANCH - 480 Mayon St., Sta. Mesa Heights, Quezon City \*
151. MAYON - ROTONDA BRANCH - G/F One Mayon Place, #68 Mayon Street, Brgy. Sta. Teresita, Quezon City\*
152. MEDICAL CENTER PARAÑAQUE - GF Medical Center Paranaque, Dr. Arcadio Santos Ave., San Antonio, Paranaque City\*
153. MINDANAO AVE. BRANCH - 30 Mindanao Avenue, Brgy. Tandang Sora, Quezon City\*
154. MUNTINLUPA - PUTATAN BRANCH - G/F Teknikos Bldg., National Highway, Brgy. Putatan, Muntinlupa City\*
155. N. DOMINGO BRANCH - G/F The Main Place Bldg., No.1 Pinaglabanan cor. N. Domingo Sts., San Juan City\*
156. NAVOTAS BRANCH - No. 500 M. Naval St. near cor. Lacson St. Brgy. North Bay Blvd. North (NBBN), Navotas City\*
157. NOVALICHES - BAGBAG BRANCH - No. 658 Quirino Highway, Bagbag, Novaliches, Quezon City
158. NOVALICHES - GULOD BRANCH - 858 Krystle Building, Quirino Highway, Gulod, Novaliches, Quezon City\*
159. NOVALICHES - SANGANDAAN BRANCH - CBC Bldg., Quirino Highway cor. Tandang Sora Ave., Brgy. Sangandaan, Novaliches, QC\*
160. NOVALICHES - STA. MONICA BRANCH - G/F E & V Bldg., Quirino Highway corner Dumalay St., Novaliches, Quezon City\*
161. NOVALICHES - TALIPAPA BRANCH - 528 Copengco Bldg., Quirino Highway, Talipapa, Novaliches, Quezon City\*
162. NOVALICHES - ZABARTE - G/F C.I. Bldg 1151 Quirino Highway cor. Zabarte Road, Brgy. Kaligayahan, Novaliches, Quezon City\*
163. NUEVA BRANCH - Unit Nos. 557 & 559 G/F Ayson Bldg., Yuchengco St., Binondo, Manila\*
164. ONGPIN BRANCH - G/F Se Jo Tong Bldg., 814 & 816 Ongpin St., Brgy. 297, Sta. Cruz, Manila\*
165. OROQUIETA BRANCH - No. 1225 Oroquieta St., Sta. Cruz, Manila\*
166. ORTIGAS - ADB AVE. BRANCH - LGF Cityland Mega Plaza Bldg., ADB Ave. cor. Garnet Road, Ortigas Center, Brgy. San Antonio, Pasig City\*
167. ORTIGAS AVE. EXT. - RIVERSIDE BRANCH - Unit 2-3 Riverside Arcade, Ortigas Ave Ext. cor. Riverside Drive, Brgy. Sta. Lucia, Pasig City\*
168. ORTIGAS CENTER BRANCH - Unit 101 Parc Chateau Condominium Onyx cor. Sapphire Sts, Ortigas Center, Pasig City\*
169. ORTIGAS COMPLEX BRANCH - G/F Padilla Bldg., F. Ortigas Jr. Road, Ortigas Center, Brgy. San Antonio, Pasig City\*
170. ORTIGAS - JADE DRIVE BRANCH - Unit G-03, Antel - Global Corporate Center, Jade Drive, Ortigas Center, Brgy. San Antonio, Pasig\*
171. ORTIGAS - TEKTITE BRANCH - Unit EC-06B PSE Center (Tektite), Exchange Road, Ortigas Center, Pasig City\*
172. PACO BRANCH - 1049 Gen. Luna cor. Escoda St., Paco, Manila\*
173. PACO - ANGEL LINA O BRANCH - Unit 1636 & 1638 Angel Linao St. Paco, Manila\*
174. PACO - OTIS BRANCH - G/F Union Motor Corporation Bldg., 1760 Dra. Paz Guanzon St., Paco, Manila\*
175. PADRE FAURA BRANCH - G/F Regal Shopping Center, A. Mabini cor. Padre Faura Sts., Ermita, Manila\*
176. PADRE RADA BRANCH - G/F Gosiupo Bldg., Padre Rada corner Elcano Sts., Tondo, Manila
177. PARAÑAQUE - BACLARAN BRANCH - TCCT Bldg., 123 Quirino Avenue cor. Aragon St., Bacalaran, Parañaque City\*
178. PARAÑAQUE - MOONWALK BRANCH - G/F JDLA Bldg., Milky Way St. cor. Armstrong Avenue, Moonwalk Village, Brgy. Moonwalk, Parañaque City\*
179. PARAÑAQUE - NAIA BRANCH - G/F AFCI Bldg., 4988 Ninoy Aquino Ave., cor. Kabisasnan St., Brgy. San Dionisio, Parañaque City\*
180. PARAÑAQUE - SAN ANTONIO VALLEY BRANCH - San Antonio Shopping Center, San Antonio Road, Brgy. San Antonio Valley 1, Parañaque City\*
181. PARAÑAQUE - SUCAT BRANCH - No. 8260 Dr. A. Santos Ave., Brgy. San Isidro, Parañaque City\*
182. PASAY - LIBERTAD BRANCH - CBC Bldg., 184 Libertad St., Antonio Arnaiz Ave., Pasay City\*
183. PASAY - ROXAS BLVD. BRANCH - GF Unit G-01 Antel Seaview Towers, 2626 Roxas Blvd., Pasay City\*
184. PASIG - A. MABINI BRANCH - A. Mabini Street, Brgy. Kapasigan, Pasig City\*
185. PASIG - C. RAYMUNDO BRANCH - G/F MicMar Apartments No. 6353 C. Raymundo Ave., Brgy. Rosario, Pasig City\*
186. PASIG - DELA PAZ BRANCH - Amang Rodriguez Avenue, Brgy. Dela Paz, Pasig City\*
187. PASIG - CARUNCHO - No. 7 Caruncho Ave., Pasig City
188. PASIG - ESTANCIA BRANCH - LGF Estancia (Expansion) Capitol Commons, Meralco Ave., Pasig City
189. PASIG - MERCEDES BRANCH - Commercial Motors Corp. Compound, Mercedes Ave., Brgy. San Miguel, Pasig City\*\*
190. PASIG - ROSARIO BRANCH - 1864 Ortigas Ave. Ext., Rosario, Pasig City\*
191. PASIG - SAN JOAQUIN BRANCH - No. 43 M. Concepcion Ave., San Joaquin, Pasig City\*
192. PASIG - SANTOLAN BRANCH - G/F Felmarc Business Center, Amang Rodriguez Ave., Santolan, Pasig City\*
193. PASIG - SM SUPERCENTER BRANCH - G/F SM Supercenter Pasig, Frontera Drive, C-5, Brgy. Ugong, Pasig City\*
194. PASIG - VALLE VERDE BRANCH - G/F Reliance IT Center, E. Rodriguez Jr. Ave., Ugong, Pasig City\*
195. PASO DE BLAS BRANCH - #63 Paso de Blas, Valenzuela City\*
196. PASONG TAMO - BAGTIKAN BRANCH - G/F Trans-Phil House, 1177 Chino Roces Ave. cor. Bagtikan St., Makati City\*
197. PASONG TAMO - CITYLAND BRANCH - Units UG29-UG32 Cityland Pasong Tamo Tower, 2210 Pasong Tamo St., Makati City\*
198. PASONG TAMO - LA FUERZA - Unit 14 & 15 La Fuerza Plaza 1, 2241 Chino Roces Ave., Makati City\*
199. PATEROS BRANCH - G/F Adela Bldg., M. Almeda St., Brgy. San Roque, Pateros\*
200. PHILAM BRANCH - #8 East Lawin Drive, Philam Homes, Quezon City\*
201. PROJECT 8 - SHORTHORN - CBC Bldg., 43 Shorthorn Street, Bahay Toro, Project 8, Quezon City\*
202. PUREZA BRANCH - G/F Solicarel Building, Ramon Magsaysay Blvd. near corner Pureza St., Sta. Mesa, Manila

203. QUEZON AVE. BRANCH - No. 18, G/F G&D Bldg., Quezon Ave. cor. D. Tuazon St., Brgy. Doña Josefa, Quezon City\*
204. QUIAPO BRANCH - 216-220 Villalobos St., Quiapo, Manila
205. REGALADO AVE. - CBC Building, #34 Regalado Ave., North Fairview, Quezon City\*
206. REGALADO AVE. - WEST FAIRVIEW – CBC Building, Regalado Ave. corner Bulova St., Quezon City\*
207. RIZAL - ANGONO - Lot 3 Blk. 4 M.L Quezon Ave., Richmond Subd., Angono, Rizal\*
208. RIZAL - SAN MATEO BRANCH - #63 Gen. Luna corner Simon St., Banaba, San Mateo, Rizal\*
209. ROCKWELL - ORTIGAS BRANCH - G/F Tower 1, Rockwell Business Center, Ortigas Avenue, Pasig City
210. ROOSEVELT AVE. BRANCH - CBC Bldg., #293 Roosevelt Ave., San Francisco Del Monte, Quezon City\*
211. ROOSEVELT AVE. - FRISCO BRANCH - G/F Norita Bldg., #51 H. Francisco St. corner Roosevelt Ave., Brgy. Paraíso, Quezon City\*
212. SALCEDO VILLAGE - LP LEVISTE BRANCH - Unit 1-B G/F The Athenaeum, #160 LP Leviste St., Salcedo Village, Brgy. Bel-Air, Makati City\*
213. SALCEDO VILLAGE - TORDESILLAS BRANCH - G/F Prince Tower Condominium, 14 Tordesillas St., Salcedo Village, Makati City\*
214. SALCEDO VILLAGE - VALERO BRANCH - G/F Valero Tower, 122 Valero St., Salcedo Village, Makati City\*
215. SALES - RAON BRANCH - 611 Sales St., Quiapo, Manila\*
216. SAN ANTONIO VILLAGE - KAMAGONG BRANCH - Kamagong near corner St. Paul Streets, San Antonio Vill., Makati City\*
217. SAN ANTONIO VILLAGE - P. OCAMPO BRANCH - JM Macalino Auto Center, 1405 P. Ocampo Street cor. Dungon St., San Antonio Village, Makati\*
218. SAN JUAN - J. ABAD SANTOS BRANCH - Unit 3 Citiplace Bldg., 8001 Jose Abad Santos St., Little Baguio, San Juan City\*
219. SAN JUAN BRANCH - No. 17 F. Blumentritt St., San Juan, Metro Manila\*
220. SCT. BORROMEO BRANCH - G/F The Forum Building, 71- A Sct. Borromeo St., Diliman, Quezon City\*
221. SCT. CHUATOCO BRANCH - Estuar Building, No.880 Quezon Ave., Brgy. Paligsahan, Quezon City
222. SHAW - GOMEZVILLE BRANCH - Gomezville Street cor. Shaw Blvd., Mandaluyong City
223. SHAW - HAIG BRANCH - G/F First of Shaw Bldg, Shaw Blvd, cor. Haig St, Mandaluyong City\*
224. SHAW - PASIG BRANCH - G/F RCC Center, No. 104 Shaw Boulevard, Pasig City\*
225. SHAW - SUMMIT ONE BRANCH - Unit 102 Summit One Office Tower, 530 Shaw Boulevard, Mandaluyong City\*
226. SM AURA PREMIER BRANCH - LGF SM Aura Premier, McKinley Parkway, Fort Bonifacio Global City, Taguig City\*
227. SM CITY BF PARAÑAQUE BRANCH - G/F SM City BF Parañaque, Dr. A. Santos Ave. cor. President's Ave., BF Homes, Parañaque City\*
228. SM CITY BICUTAN BRANCH - LGF Bldg. B, SM City Bicutan Doña Soledad Ave. cor. West Service Road, Parañaque City\*\*
229. SM CITY FAIRVIEW BRANCH - LGF SM City Fairview, Quirino Ave. cor. Regalado Ave. Fairview, Greater Lagro, Quezon City\*
230. SM CITY MARIKINA BRANCH - G/F SM City Marikina, Marcos Highway, Brgy. Calumpang, Marikina City\*
231. SM CITY MASINAG BRANCH - LGF SM City Masinag, Marcos Highway, Brgy. Mayamot Antipolo City, Rizal\*
232. SM CITY SAN LAZARO BRANCH - UGF (Units 164-166) SM City San Lazaro, Felix Huertas St. cor. A.H. Lacson Ext., Sta. Cruz, Manila\*
233. SM CITY TAYTAY BRANCH - Unit 147 Bldg. B, SM City Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal\*
234. SM MALL OF ASIA BRANCH - G/F Main Mall Arcade, SM Mall of Asia, Bay Blvd., Pasay City\*\*
235. SM MEGAMALL BRANCH - LGF Bldg. A, SM Megamall, EDSA cor. Julia Vargas St., Mandaluyong City\*
236. SM NORTH EDSA BRANCH - GF Cyberzone Carpark Bldg., SM City North Ave cor. EDSA, Brgy. Sto. Cristo, Bago Bantay, Quezon City\*
237. SM NORTH TOWERS BRANCH - SM City North EDSA North Towers, SM City North EDSA Complex, Quezon City\*
238. SM SOUTHMALL BRANCH - UGF SM Southmall, Alabang-Zapote Road, Almanza Uno, Las Piñas City \*
239. SOLEMARE BRANCH - G-11 Solemare Parksuites, 5A Bradco Avenue, Aseana Business Park, Parañaque City\*
240. SOLER - ARRANQUE BRANCH - #715 T. Alonzo St. near corner CM Recto Avenue, Sta. Cruz, Manila\*
241. SOLER - 168 BRANCH - G/F R&S Bldg., Soler St., Binondo, Manila\*
242. SOUTH TRIANGLE BRANCH - G/F Sunshine Blvd. Plaza, Quezon Ave. cor. Sct. Santiago and Panay Ave., Brgy. South Triangle, QC\*
243. STA. MESA BRANCH - 1-B G. Araneta Avenue, Brgy. Doña Imelda, Quezon City\*
244. STO. CRISTO BRANCH - E-Square Bldg., 622 Sto. Cristo St. Binondo, Manila
245. STO. CRISTO - CM RECTO BRANCH - 858 Sto. Cristo Street, San Nicolas, Manila
246. STO. DOMINGO AVE. BRANCH - GF JRich Holdings Bldg., Sto. Domingo Ave., Brgy. Sto. Domingo, Quezon City\*
247. T. ALONZO BRANCH - Anttan Residences, 908 T. Alonzo cor. Espeleta Sts., Brgy. 298, Sta. Cruz, Manila\*
248. TAFT AVE. - NAKPIL BRANCH - G Square Taft Ave. corner Nakpil St., Malate, Manila\*
249. TAFT AVE. - QUIRINO BRANCH - The Gregorian Bldg., 2178 Taft Ave. near cor. Quirino Ave., Malate, Manila\*
250. TANDANG SORA - VISAYAS AVE. BRANCH - #250 Tandang Sora Ave., Brgy. Tandang Sora, Quezon City\*
251. TAYTAY - ORTIGAS EXTENSION BRANCH - The Gate, Baltao Compound, Ortigas Ave. Ext., San Isidro Taytay, Rizal\*
252. TAYTAY - SAN JUAN BRANCH - Velasquez St., Sitio Bangiad, Brgy. San Juan, Taytay, Rizal\*\*
253. THE MEDICAL CITY BRANCH - 2/F Medical Arts Building, The Medical City, Ortigas Ave., Pasig City
254. TIMOG AVE. BRANCH - G/F Prince Jun Condominium, #42 Timog Ave., Brgy. Laging Handa, Quezon City\*
255. TOMAS MAPUA - LAGUNA BRANCH - CBC Building, Tomas Mapua St., Sta. Cruz, Manila\*
256. TOMAS MORATO - E. RODRIGUEZ BRANCH - #42 Metrofocus Bldg., Tomas Morato Avenue, Brgy. Kristong Hari, Quezon City\*
257. TOMAS MORATO EXTENSION BRANCH - G/F QY Bldg., Tomas Morato Avenue, Brgy. South Triangle, Quezon City\*
258. TRINOMA BRANCH - Unit P002, Level P1, Triangle North of Manila, North Ave. cor. EDSA, Brgy. Pag-asa, Quezon City\*
259. TUTUBAN PRIME BLOCK BRANCH - Rivera Shophouse, Podium Area, Tutuban Center Prime Block, C.M. Recto Ave. cor. Rivera St., Manila\*
260. UP TECHNO HUB BRANCH - UP Ayala Land Techno Hub, Commonwealth Ave., Quezon City\*

261. UP VILLAGE - MAGINHAWA BRANCH - LTR Bldg, No. 46 Maginhawa St., UP Village, Quezon City\*
262. V. LUNA BRANCH - G/F AGGCT Bldg. No. 32 V. Luna cor Matapat Sts., Brgy. Pinyahan, Quezon City\*\*
263. VALENZUELA BRANCH - CBC Bldg., McArthur Highway cor. V. Cordero St., Marulas, Valenzuela City\*
264. VALENZUELA - GEN. LUIS BRANCH - AGT Bldg., 425 Gen. Luis St., Paso de Blas, Valenzuela City\*
265. VALENZUELA - MALINTA BRANCH - Jeep Center Bldg., MacArthur Highway, Brgy. Malinta, Valenzuela City\*
266. VISAYAS AVE. BRANCH - CBC Bldg., Visayas Ave. cor. Congressional Ave. Ext., Quezon City\*
267. WEST AVE. BRANCH - 82 West Ave., Brgy. Philam, Quezon City\*
268. XAVIERVILLE BRANCH - G/F Pamintuan Bldg., 65 Xavierville Ave., Loyola Heights, Quezon City\*
269. ZOBEL ROXAS BRANCH - 1247 Zobel Roxas Ave. corner Taal Street, Malate, Manila\*

## **China Bank Parent Provincial Branches**

1. ALBAY BRANCH - Rizal St. cor. Gov. Reynold Street, Old Albay District, Legazpi City, Albay\*
2. ANGELES CITY BRANCH - CBC Bldg., 949 Henson St., Angeles City, Pampanga\*
3. ANGELES CITY - BALIBAGO BRANCH - Diamond Square Bldg., Service Road McArthur Highway cor. Charlotte St., Balibago, Angeles City, Pampanga\*
4. ANGELES CITY - MARQUEE MALL BRANCH - G/F Activity Center, Marquee Mall, Angeles City, Pampanga\*
5. ANGELES - MCARTHUR HIGHWAY BRANCH - CBC Bldg., San Pablo St. cor. McArthur Highway, Brgy. CM Recto, Angeles City, Pampanga\*
6. ANGELES - STO. ROSARIO BRANCH - Angeles Business Center Bldg., Teresa Ave., Nepo Mart Complex, Angeles City, Pampanga\*
7. ANTIQUE - SAN JOSE BRANCH - Felrosa Bldg., Gen. Fullon St. cor. Cerdana St., San Jose, Antique\*
8. APALIT BRANCH - CBC Bldg., McArthur Highway, San Vicente, Apalit, Pampanga\*
9. BACOLOD - ARANETA BRANCH - CBC Bldg., Araneta cor. San Sebastian Sts., Bacolod City, Negros Occidental\*
10. BACOLOD - LACSON BRANCH - GF Soliman Bldg., Lacson corner Luzuriaga Sts., Brgy. 29, Bacolod City, Negros Occidental\*
11. BACOLOD - LIBERTAD BRANCH - Libertad St., Brgy. 40, Bacolod City, Negros Occidental\*
12. BACOLOD - MANDALAGAN BRANCH - COFA Building, Lacson St., Brgy. Mandalagan, Bacolod City, Negros Occidental\*
13. BACOLOD - NORTH DRIVE BRANCH - Unit 1, Anesa Bldg., B.S. Aquino Drive, Brgy. Villamonte, Bacolod City, Negros Occidental\*
14. BAGUIO CITY BRANCH - G/F Juniper Bldg., A. Bonifacio St., Brgy. ACBR, Baguio City, Benguet\*
15. BAGUIO CITY - ABANAO BRANCH - G/F Paladin Hotel, No. 136 Abanao Ext. cor. Cariño St., Baguio City, Benguet\*
16. BALANGA CITY BRANCH - G/F Dilig Bldg., Don Manuel Banzon St., Balanga City, Bataan\*
17. BALER BRANCH - Uy Bldg., Quezon St., Barrio Suklayain, Baler, Aurora\*\*
18. BALIWAG BRANCH - Km. 51, Doña Remedios Trinidad (DRT) Highway, Baliwag, Bulacan\*
19. BATAAN - DINALUPIHAN BRANCH - GNI Building, San Ramon Highway corner Doña Rosa Street and Mabini Ext., Dinalupihan, Bataan\*
20. BATANGAS CITY BRANCH - P. Burgos St., Brgy. 10, Poblacion, Batangas City, Batangas\*
21. BATANGAS CITY - KUMINTANG ILAYA BRANCH - CBC Building, Brgy. Kumintang Ilaya, Batangas City, Batangas\*
22. BATANGAS - BALAYAN BRANCH - CBC Building, Barrio Ermita, Balayan, Batangas\*
23. BATANGAS - BAUAN BRANCH - 62 Kapitan Ponso St., Bauan, Batangas\*
24. BATANGAS - LEMERY BRANCH - Miranda Bldg., Ilustre Ave. Lemery, Batangas\*
25. BATANGAS - ROSARIO BRANCH - Dr. Gualberto Ave., Brgy. B. Poblacion, Rosario, Batangas\*
26. BATANGAS - SAN JUAN BRANCH - Rizal St. near corner Gen. Luna St., Poblacion, San Juan, Batangas\*
27. BATANGAS - TANAUAN BRANCH - J.P Laurel Highway, Tanauan City, Batangas\*
28. BAYBAY CITY BRANCH - Brodeth Bldg., R. Magsaysay Ave., Baybay City, Leyte\*
29. BORONGAN BRANCH - E. Daza cor. Cardona St., Balud II, Poblacion Borongan, Eastern Samar\*
30. BULACAN - BALAGTAS BRANCH - G/F RES Bldg., McArthur Highway, Brgy. San Juan, Balagtas, Bulacan\*
31. BULACAN - GUIGUINTO BRANCH - CBC Building, Cagayan Valley Road, Brgy. Sta. Rita, Guiguinto, Bulacan\*
32. BULACAN - PLARIDEL BRANCH - CBC Building, Cagayan Valley Road, Brgy. Banga I, Plaridel, Bulacan\*
33. BULACAN - STA. MARIA BRANCH - J.P Rizal cor. C. De Guzman St., Poblacion, Sta. Maria, Bulacan\*
34. BUTUAN CITY BRANCH - CBC Building, J.C. Aquino Avenue, Brgy. Imadejas, Butuan City, Agusan del Norte\*
35. CABANATUAN CITY BRANCH - Melencio cor. Sanciango Sts., Cabanatuan City, Nueva Ecija\*
36. CABANATUAN - MAHARLIKA BRANCH - CBC Bldg., Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija\*
37. CAGAYAN DE ORO - CARMEN BRANCH - G/F GT Realty Bldg., Max Suniel St. cor. Yakal St., Carmen, Cagayan De Oro City, Misamis Oriental\*
38. CAGAYAN DE ORO - DIVISORIA BRANCH - RN Abejuela St., South Divisoria, Cagayan de Oro City, Misamis Oriental\*

39. CAGAYAN DE ORO - GAISANO CITY MALL BRANCH - G/F Gaisano City Mall, C. M. Recto Ave. cor. Corrales Ext., Cagayan De Oro City, Misamis Oriental\*
40. CAGAYAN DE ORO - LAPASAN BRANCH - CBC Bldg, Claro M. Recto Ave., Lapan, Cagayan de Oro City, Misamis Oriental\*
41. CAGAYAN DE ORO - PUERTO BRANCH - Luis A.S. Yap Bldg, Sayre Hiway, Zone 6, Brgy. Puerto, Cagayan De Oro City, Misamis Oriental\*
42. CALAPAN BRANCH - G/F Glicería Concepcion Bldg., J.P. Rizal St., San Vicente, Calapan City, Oriental Mindoro\*
43. CALBAYOG BRANCH - Cajurao cor. Gomez Sts., Balud, Calbayog Dist., Calbayog City, Samar\*
44. CAMALANIUGAN BRANCH - CBC Building, National Highway, Brgy. Dugo, Camalaniugan, Cagayan\*
45. CANDON CITY BRANCH - CBC Bldg., National Road, San Isidro, Candon City, Ilocos Sur\*
46. CARMONA BRANCH - CBC Bldg, Paseo de Carmona, Brgy. Maduya, Carmona, Cavite\*
47. CATARMAN BRANCH - Cor. Rizal & Quirino Sts, Brgy. Jose P. Rizal, Catarman, Northern Samar\*
48. CATBALOGAN BRANCH - CBC Bldg. Del Rosario St. cor. Taft Ave., Catbalogan City, Samar\*
49. CAUAYAN CITY BRANCH - G/F Prince Christopher Bldg. Maharlika Highway, Cauayan City, Isabela\*
50. CAVITE - DASMARIÑAS BRANCH - G/F CBC Bldg., Gen. E. Aguinaldo Highway, Dasmariñas, Cavite\*\*
51. CAVITE - GEN. TRIAS BRANCH - Lot 12 Brookside Lane 5 Arnaldo Highway, Brgy. San Francisco, Gen. Trias City, Cavite\*
52. CAVITE - IMUS BRANCH - G/F CBC Bldg., Nueno Ave., Tanzang Luma, Imus, Cavite\*
53. CAVITE - MOLINO BRANCH - Patio Jacinto, Molino Road, Molino 3, Bacoor, Cavite\*
54. CAVITE - ROSARIO BRANCH - G/F CBC Bldg., Gen Trias Drive, Rosario, Cavite\*
55. CAVITE - SILANG BRANCH - CBC Building, J.P Rizal St., Poblacion, Silang, Cavite\*
56. CAVITE - SM CITY BACOR BRANCH - LGF SM City Bacoor Tirona Highway cor. Aguinaldo Highway Bacoor, Cavite\*
57. CEBU - AYALA BRANCH - Unit 101 G/F Insular Life Cebu Business Center, Mindanao Ave. cor. Biliran Road, Cebu Business Park, Cebu City, Cebu\*
58. CEBU - BANAWA BRANCH - G/F The J Block, Duterte St., Banawa, Guadalupe, Cebu City, Cebu\*
59. CEBU - BANILAD BRANCH - CBC Bldg., A.S. Fortuna St., Banilad, Cebu City, Cebu\*
60. CEBU - BASAK - SAN NICOLAS BRANCH - Bai Center, N. Bacalso Ave., Brgy. Basak San Nicolas, Cebu City, Cebu\*
61. CEBU - BOGO BRANCH - G/F SIM Bldg., P. Rodriguez St., Bogo City Cebu\*
62. CEBU BUSINESS CENTER BRANCH - G/F Chinabank Corporate Center, Samar Loop cor. Panay Road, Cebu Business Park, Cebu City, Cebu\*
63. CEBU - CARCAR BRANCH - Dr. Jose Rizal St, Poblacion I, Carcar, Cebu City, Cebu\*
64. CEBU - CONSOLACION BRANCH - G/F SM City Consolacion, Brgy. Lamac, Consolacion, Cebu\*
65. CEBU - ESCARIO BRANCH - Units 3 & 5, Escario Central, Escario Road, Cebu City, Cebu\*
66. CEBU - F. RAMOS BRANCH - G/F Cebu Velez Hospital, 41-3 F. Ramos St., Brgy. Cogon, Cebu City, Cebu\*
67. CEBU - GORORDO BRANCH - No 424, Gorordo Ave., Bo. Kamputhaw, Cebu City, Cebu\*
68. CEBU - GUADALUPE BRANCH - CBC Bldg., M. Velez St., cor. V. Rama Ave., Guadalupe, Cebu City, Cebu\*
69. CEBU - IT PARK BRANCH - G/F, The Link, Cebu IT Park, Apas, Cebu City, Cebu\*
70. CEBU - LAHUG BRANCH - JY Square Mall, No. 1 Salinas Dr., Lahug, Cebu City, Cebu\*
71. CEBU - LAPU LAPU PUSOK BRANCH - G/F Goldberry Suites, President Quezon National Highway, Pusok, Lapu-Lapu City, Cebu\*
72. CEBU - LAPU LAPU CENTRO BRANCH - A. Geson Bldg., G.Y Dela Serna St., Poblacion, Lapu Lapu City, Cebu\*
73. CEBU - MAGALLANES BRANCH - CBC Bldg., Magallanes cor. Jakosalem Sts., Brgy. Sto. Niño, Cebu City, Cebu\*
74. CEBU - MANDAUE BRANCH - SV Cabahug Bldg., 155-B SB Cabahug St., Brgy. Centro, Mandaue City, Cebu\*
75. CEBU - MANDAUE CABANCALAN BRANCH - G/F A. Geson Bldg., M.L. Quezon St., Cabancalan, Mandaue City, Cebu\*
76. CEBU - MANDAUE - J. CENTRE MALL BRANCH - LGF J Centre Mall, A.S. Fortuna Ave., Bakilid Mandaue City, Cebu\*
77. CEBU - MANDAUE NORTH ROAD BRANCH - G/F Basak Commercial Bldg., North Road, Tabok, Mandaue City, Cebu\*
78. CEBU - MANDAUE NRA BRANCH - G/F Bai Hotel Cebu, Ouano Ave. cor. Seno Blvd, North Reclamation Area, Mandaue City, Cebu\*
79. CEBU - MINGLANILLA BRANCH - Unit 9 Plaza Margarita, Linao-Lipata, Minglanilla, Cebu\*
80. CEBU - NAGA BRANCH - Leah's Square, National South Highway, East Poblacion, Naga City, Cebu\*
81. CEBU - SM CITY BRANCH - UGF SM City Cebu, Juan Luna cor. A. Soriano Ave., North Reclamation Area, Brgy. Mabolo, Cebu City, Cebu\*\*
82. CEBU - SM SEASIDE CITY BRANCH - LGF SM Seaside City, SM Seaside Complex, South Road Properties, Mambaling, Cebu City, Cebu\*
83. CEBU - SUBANGDAKU BRANCH - G/F A.D. Gothong I.T. Center, Subangdaku, Mandaue City, Cebu\*
84. CEBU - TALAMBAN BRANCH - Unit UG-7 Gaisano Grand Mall Talamban, Gov. Cuenco Ave., Brgy. Talamban, Cebu City, Cebu\*
85. CEBU - TALISAY BRANCH - CBC Bldg., 1055 Cebu South National Road, Bulacao, Talisay City, Cebu\*
86. CLARK FREEPORT ZONE BRANCH - G/F Stotsenberg Lifestyle Center, N. Aquino corner S. Osmeña & E. Jacinto Sts., Clark Freeport Zone, Mabalacat, Pampanga\*
87. COTABATO CITY BRANCH - No. 76 BH Century Inc., S.K. Pendatun Ave., Cotabato City, Maguindanao\*
88. DAET BRANCH - Vinzons Ave., Daet, Camarines Norte\*
89. DAGUPAN - M.H.DEL PILAR BRANCH - Carried Realty Bldg., No. 28 M.H. del Pilar St., Dagupan City, Pangasinan\*
90. DAGUPAN - PEREZ BRANCH - GF Siapno Bldg., Perez Boulevard, Brgy. Pogo Chico, Dagupan City, Pangasinan\*
91. DAVAO - BAJADA BRANCH - B.I. Zone Bldg., J.P. Laurel Ave., Bajada, Davao City, Davao del Sur\*
92. DAVAO - BUHANGIN BRANCH - Km. 5 Buhangin Road, Davao City, Davao del Sur\*
93. DAVAO - CALINAN BRANCH - G/F TNE Bldg., Davao-Bukidnon National Hwy - Riverside, Calinan Proper, Davao City, Davao del Sur\*\*

94. DAVAO - INSULAR VILLAGE BRANCH - Km. 8, Insular Village I, Lanang, Davao City, Davao del Sur\*
95. DAVAO - MA-A BRANCH - G/F Lapeña Bldg., Mac Arthur Highway, Matina, Davao City, Davao del Sur\*
96. DAVAO - MATINA BRANCH - Comglasco Bldg., Km. 4 McArthur Highway, Matina, Davao City, Davao del Sur\*
97. DAVAO - MONTEVERDE BRANCH - Doors 1 & 2, Sunbright Bldg., Monteverde St., Brgy. 27-C, Poblacion District, Davao City, Davao del Sur\*
98. DAVAO - PANABO BRANCH - Grajeda Bldg (Major Building), Quezon St., Brgy New Pandan, Panabo City, Davao del Norte
99. DAVAO - RECTO BRANCH - CBC Bldg., C.M. Recto Ave. cor. J. Rizal St. Davao City, Davao del Sur\*
100. DAVAO - SM LANANG BRANCH - G/F SM Lanang Premier, J.P. Laurel Ave., Davao City, Davao del Sur\*
101. DAVAO - STA. ANA BRANCH - R. Magsaysay Ave. cor. F. Bangoy St., Sta. Ana District, Davao City, Davao del Sur\*
102. DAVAO - TAGUM BRANCH - 153 Pioneer Ave., Tagum, Davao del Norte\*
103. DAVAO - TORIL BRANCH - JFI Building, Mc Arthur Highway cor. St. Peter St., Crossing Bayabas, Toril, Davao City, Davao del Sur\*
104. DIPOLOG CITY BRANCH - CBC Bldg., Gen Luna cor. Gonzales Sts. Dipolog City, Zamboanga del Norte\*
105. DOLORES BRANCH - CBC Bldg., McArthur Highway, Dolores, City of San Fernando, Pampanga\*
106. DUMAGUETE CITY BRANCH - CBC Bldg., Real St., Dumaguete City, Negros Oriental\*
107. GAPAN BRANCH - G/F Walter Mart Center - Gapan, Maharlika Highway, Brgy. Bayanihan, Gapan, Nueva Ecija\*
108. GEN. SANTOS CITY BRANCH - CBC Bldg., I. Santiago Blvd., Gen. Santos City South Cotabato\*
109. GEN. SANTOS CITY - DADIANGAS BRANCH - M. Roxas Ave. corner Lapu-Lapu Street, Brgy. Dadiangas East, General Santos City, South Cotabato\*
110. GUAGUA BRANCH - Yabut Bldg., Plaza Burgos, Guagua, Pampanga\*
111. ILIGAN CITY BRANCH - Lai Bldg., Quezon Ave. Extension, Pala-o, Iligan City, Lanao del Norte\*
112. ILIGAN CITY - SOLANA DISTRICT BRANCH - G/F Andres Bonifacio Highway, Brgy. San Miguel, Iligan City, Lanao del Norte\*
113. ILOCOS NORTE - SAN NICOLAS BRANCH - National Highway, Brgy. 2, San Baltazar, San Nicolas, Ilocos Norte\*
114. ILOILO - IZNART BRANCH - G/F John A. Tan Bldg., Iznart St., Iloilo City, Iloilo\*
115. ILOILO - JARO BRANCH - CBC Bldg., E. Lopez St., Iloilo City, Iloilo\*
116. ILOILO - MABINI BRANCH - Tomas Sun Bldg., A. Mabini St., Iloilo City, Iloilo\*
117. ILOILO - MANDURRIO BRANCH - GF The Grid, Donato Pison cor. Pacencia Pison Avenues, Atria Park District, San Rafael, Mandurrio, Iloilo City
118. ILOILO - RIZAL BRANCH - CBC Bldg., Rizal cor. Gomez Sts., Brgy. Ortiz, Iloilo City, Iloilo\*
119. IRIGA CITY BRANCH - JP Rizal St., Highway 1, San Roque, Iriga City, Camarines Sur\*
120. ISABELA - ILAGAN BRANCH - G/F North Star Mall, Maharlika Highway, Brgy. Alibagu, Ilagan, Isabela\*
121. ISABELA - ROXAS BRANCH - National Road, Brgy. Bantug, Roxas, Isabela\*
122. KALIBO BRANCH - Aklan Catholic College, Arch. Gabriel M. Reyes St., 5600, Kalibo, Aklan\*
123. KIDAPAWAN CITY BRANCH - Datu Ingkal St., Brgy. Poblacion, Kidapawan City
124. KORONADAL CITY BRANCH - G/F LBU Bldg., Gen. Santos Drive cor. Aquino St. Koronadal City, South Cotabato\*
125. LA TRINIDAD BRANCH - G/F SJV Bulasao Bldg., Halsema Highway, Km. 4, La Trinidad, Benguet\*
126. LA UNION - AGOO BRANCH - National Highway, San Jose Norte, Agoo, La Union\*
127. LA UNION - SAN FERNANDO BRANCH - Roger Pua Phee Bldg., National Highway, Brgy. 3, San Fernando, La Union\*
128. LAGUNA - BIÑAN BRANCH - G/F Raja Cordelle Bldg, National Highway, Brgy. San Vicente, Biñan, Laguna\*
129. LAGUNA - CABUYAO BRANCH - G/F Centro Mall, Pulo, Cabuyao City, Laguna\*
130. LAGUNA - CALAMBA BRANCH - CBC Bldg., National Highway, Crossing, Calamba, Laguna\*
131. LAGUNA - LOS BAÑOS BRANCH - JM Place, National Road, San Antonio, Los Baños, Laguna\*
132. LAGUNA - SAN PEDRO BRANCH - No. 365 National Highway, Brgy. Nueva, San Pedro City, Laguna\*
133. LAGUNA - STA. CRUZ BRANCH - A. Regidor St., Poblacion IV, Sta. Cruz, Laguna\*
134. LAOAG CITY BRANCH - Liberato Abadilla St., Brgy 17, San Francisco, Laoag City, Ilocos Norte\*
135. LEGAZPI CITY BRANCH - G/F Emma Chan Bldg., F. Imperial St., Brgy. Capantawan, Legazpi City, Albay\*
136. LIPA CITY - TAMBO BRANCH - President Jose P. Laurel Highway, Tambo, Lipa City, Batangas\*
137. LUCENA CITY BRANCH - Georkimart Bldg., 223 Quezon Ave., Lucena City, Quezon\*
138. MAASIN CITY BRANCH - G/F SJC Bldg., Tomas Oppus St., Brgy. Tunga-Tunga, Maasin City, Southern Leyte\*
139. MABALACAT - DAU BRANCH - One North Mall, #1 McArthur Highway, Dau, Mabalacat, Pampanga\*
140. MALAYBALAY CITY BRANCH - G/F Bethelda Bldg., Sayre Highway, Malaybalay City, Bukidnon\*
141. MALOLOS CITY BRANCH - G/F Graceland Mall, BSU Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan
142. MARILAO BRANCH - G/F SM City Marilao, Km. 21, Brgy. Ibayo, Marilao, Bulacan\*
143. MARIVELES - FAB BRANCH - GF Tamayo's Building, Avenue of the Phils. Brgy. Malaya, Freeport Area of Bataan (FAB), Mariveles, Bataan\*
144. MASBATE BRANCH - G/F Espinosa Bldg., Zurbito St., Brgy. Pating, Masbate City, Masbate\*
145. MEYCAUAYAN BRANCH - CBC Bldg., Malhacan Road, Meycauayan, Bulacan\*
146. MIDSAYAP BRANCH - CBC Building, Quezon Ave., Poblacion 2, Midsayap, Cotabato\*
147. NAGA CITY BRANCH - CBC Building, Penafrancia Avenue, Naga City, Camarines Sur\*
148. NEGROS OCCIDENTAL - KABANKALAN BRANCH - CBC Bldg., National Hwy, Brgy. 1, Kabankalan, Negros Occidental\*
149. NEGROS OCCIDENTAL - SAN CARLOS BRANCH - Rizal cor. Carmona Sts., San Carlos City, Negros Occidental\*
150. NUEVA ECIJA - STA ROSA BRANCH - CBC Bldg., Maharlika Highway, Poblacion, Sta Rosa, Nueva Ecija\*
151. OCCIDENTAL MINDORO - SAN JOSE BRANCH - Liboro cor. Rizal St., San Jose, Occidental Mindoro\*



152. OLONGAPO - DOWNTOWN BRANCH - CBC Building, No. 2 corner 20th St., East Bajac-Bajac, Olongapo City, Zambales\*
153. ORMOC CITY BRANCH - CBC Bldg., Real cor. Lopez Jaena Sts., Ormoc City, Leyte\*
154. OZAMIZ CITY BRANCH - Gomez corner Kaamino Streets, Ozamiz City, Misamis Oriental\*
155. PAGADIAN CITY BRANCH - G/F Marasigan Bldg., F.S. Pajares Ave., Pagadian City, Zamboanga del Sur\*
156. PANGASINAN - ALAMINOS CITY BRANCH - Montemayor Bldg., Marcos Ave., Brgy. Palamis, Alaminos City, Pangasinan\*
157. PANGASINAN - BAYAMBANG BRANCH - CBC Bldg., Poblacion Sur, Bayambang, Pangasinan\*
158. PANGASINAN - ROSALES BRANCH - CBC Building, Calle Dewey, Rosales, Pangasinan\*
159. PANGASINAN - URDANETA BRANCH - EF Square Bldg., Poblacion St., MacArthur Highway, Urdaneta City, Pangasinan\*
160. PASEO DE STA. ROSA BRANCH - Unit 3, Paseo 5, Paseo de Sta. Rosa, Sta. Rosa City, Laguna\*
161. PUERTO PRINCESA CITY BRANCH - Bobby L. Castro Bldg., Malvar St. near cor. Valencia St., Puerto Princesa City, Palawan\*
162. QUEZON - CANDELARIA BRANCH - Pan Philippine Highway cor. Del Valle Street, Poblacion, Candelaria, Quezon\*
163. ROXAS CITY BRANCH - 1063 Roxas Ave. cor. Bayot Drive, Sumulong Highway, Brgy. Mambungan, Roxas City, Capiz\*
164. SAN FERNANDO BRANCH - CBC Bldg., V. Tionico St., Brgy. Sto. Rosario, City of San Fernando, Pampanga\*
165. SAN FERNANDO - SINDALAN BRANCH - Stall 123 G/F Jumbo Jenra Sindalan, Brgy. Sindalan, San Fernando City, Pampanga\*
166. SAN JOSE CITY BRANCH - G/F Violago Bldg., Maharlika Highway, Brgy. Malasin, San Jose City, Nueva Ecija\*
167. SAN PABLO CITY BRANCH - Unit 1, M. Paulino St., San Pablo City, Laguna\*
168. SANTIAGO CITY BRANCH - Navarro Bldg., Maharlika Highway near cor. Bayaua St., Santiago City, Isabela\*
169. SILAY CITY BRANCH - Margarita Bldg., Rizal St., Silay City, Negros Occidental\*
170. SM CITY CABANATUAN - UGF SM City Cabanatuan, Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City, Nueva Ecija\*
171. SM CDO DOWNTOWN PREMIER BRANCH - G/F SM CDO Downtown Premier, Claro M. Recto St., Lapasan, Cagayan de Oro City, Misamis Oriental\*
172. SM CITY CLARK BRANCH - G/F (Unit 172-173) SM City Clark, M. Roxas St., CSEZ, Angeles City, Pampanga\*\*
173. SM CITY DASMARIÑAS BRANCH - LGF SM City Dasmariñas, Gov Drive, Pala-Pala, City of Dasmariñas, Cavite\*
174. SM CITY LIPA BRANCH - G/F (Units 1111-1113) SM City Lipa, J.P. Laurel Highway, Brgy. Maraouy, Lipa City, Batangas\*
175. SM CITY NAGA BRANCH - SM City Naga, CBD II, Brgy. Triangulo, Naga City, Camarines Sur\*
176. SM CITY OLONGAPO CENTRAL BRANCH - G/F SM City Olongapo Central, East Tapinac, Olongapo City, Zambales\*
177. SM CITY PAMPANGA BRANCH - Unit AX3 102, Bldg. 4, SM City Pampanga, Mexico, Pampanga\*
178. SM CITY SAN JOSE DEL MONTE BRANCH - UGF SM City San Jose Del Monte, Quirino Highway, Brgy. Tungkong Mangga, San Jose Del Monte City, Bulacan\*
179. SM CITY SAN PABLO BRANCH - G/F SM City San Pablo, National Highway, Brgy. San Rafael, San Pablo City, Laguna\*
180. SM CITY STA. ROSA BRANCH - G/F SM City Sta. Rosa, Bo. Tagapo, Sta. Rosa, Laguna\*
181. SM CITY TELABASTAGAN BRANCH - G/F SM City Telabastagan, San Fernando City, Pampanga\*
182. SOLANO BRANCH - National Highway, Brgy. Quirino, Solano, Nueva Vizcaya\*
183. SORSOGON BRANCH - CBC Bldg., Ramon Magsaysay Ave., Brgy. Sirangan, Sorsogon City, Sorsogon\*
184. SUBIC BAY FREEPORT ZONE BRANCH - CBC Bldg, Rizal Highway, Subic Bay Gateway Park, Subic Bay Freeport Zone, Zambales\*
185. SURIGAO CITY BRANCH - CBC Bldg., Amat St., Barrio Washington, Surigao City, Surigao Del Norte\*
186. TABACO CITY BRANCH - G/F ANG Bldg., Ziga Ave. cor. Berces St., Tabaco City, Albay\*
187. TACLOBAN CITY BRANCH - Uytingkoc Bldg., Avenida Veteranos, Tacloban City, Leyte\*
188. TAGAYTAY CITY BRANCH - Foggy Heights Subdivision, E. Aguinaldo Highway, Tagaytay City, Cavite\*
189. TAGBILARAN CITY BRANCH - G/F Melrose Bldg., Carlos P. Garcia Ave., Tagbilaran City, Bohol\*
190. TALAVERA BRANCH - CBC Bldg., Maharlika Highway, Marcos District, Talavera, Nueva Ecija\*
191. TARLAC - BAMBAN BRANCH - National Road, Brgy. Anupul, Bamban, Tarlac\*
192. TARLAC - CAMILING BRANCH - Savewise Bldg., Romulo St., Poblacion, Camiling Tarlac\*
193. TARLAC - CONCEPCION BRANCH - G/F Descanzo Bldg., F. Timbol St., San Nicolas, Poblacion, Concepcion, Tarlac\*
194. TARLAC - PANQUI BRANCH - G/F Cedasco Bldg., M. H del Pilar St., Poblacion, Paniqui, Tarlac\*
195. TARLAC BRANCH - CBC Bldg., Panganiban near cor. F. Tañedo St., Brgy. San Nicolas, Tarlac City, Tarlac\*
196. TARLAC - SAN RAFAEL BRANCH - CBC Building, MacArthur Highway, San Rafael, Tarlac City, Tarlac\*
197. THE DISTRICT IMUS BRANCH - G/F The District Imus, Emilio Aguinaldo Highway, Anabu II, Imus, Cavite\*
198. TRECE MARTIRES BRANCH - G/F Walter Mart, Governor's Drive cor. City Hall Road, Brgy. San Agustin, Trece Martires City, Cavite\*
199. TUGUEGARAO - BALZAIN BRANCH - Editha Bldg., Balzain Highway, Tuguegarao City, Cagayan\*
200. TUGUEGARAO CITY BRANCH - A. Bonifacio St., Brgy. Centro 6, Tuguegarao, Cagayan \*
201. VALENCIA BRANCH - Tamay Lang Bldg., A. Mabini St., Brgy. Poblacion, Valencia, Bukidnon\*
202. VIGAN CITY BRANCH - Burgos St. near cor. Rizal St., Vigan City, Ilocos Sur\*
203. VIRAC BRANCH - Quezon Avenue, Brgy. Salvacion, Virac, Catanduanes\*
204. ZAMBALES - BOTOLAN BRANCH - National Highway, Brgy. Batonlapoc, Botolan, Zambales\*

205. ZAMBOANGA CITY BRANCH - CBC Bldg., Gov. Lim Ave. cor. Nuñez St., Zone III, Zamboanga City, Zamboanga del Sur\*
206. ZAMBOANGA - GUIWAN BRANCH - G/F Yang's Tower, Ma. Clara Lorenzo Lobregat National Highway, Guiwan, Zamboanga City, Zamboanga del Sur\*
207. ZAMBOANGA - SAN JOSE GUSU BRANCH - Yubenco Star Mall, San Jose Gusu, Zamboanga City, Zamboanga del Sur\*\*

\* One (1) ATM

\*\* Two (2) ATMs

\*\*\* Four (4) ATMs

### **China Bank Savings Metro Manila Branches**

1. ACACIA ESTATES -SAVEMORE BRANCH - Acacia Town Center, Acacia Estates, Ususan, Taguig City\*
2. AYALA BRANCH - 6772 Ayala Ave., Makati City\*\*
3. ADRIATICO -SM HYPERMARKET BRANCH – Adriatico St., Malate, Manila\*
4. ALABANG- GF / Common Goal Bldg., Finance cor. Industry Sts., Madrigal Business Park, Ayala Alabang, Muntinlupa City\*
5. AMANG RODRIGUEZ- SAVEMORE BRANCH – G/F GBU Bldg. Amang Rodriguez Ave cor. Evangelista St. Santolan, Pasig City\*
6. AMORANTO AVENUE – Unit 101 R. Place Building, 255 N.S Amoranto Sr. Avenue, Quezon City\*
7. ANONAS - SAVEMORE BRANCH - V. Luna St. corner Anonas Extension, Sikatuna Village, Quezon City\*
8. ARANETA CENTER COD - SAVEMORE BRANCH - Gen. Romulo St., Araneta Center, Cubao, Quezon City\*
9. BACLARAN – 3751 Quirino Avenue cor. Sta. Rita St., Baclaran, Parañaque City\*
10. BANAWA- Nos. 247-249 Banawe St., Sta. Mesa Heights, Brgy. Lourdes, Quezon City\*
11. BANGKAL- GF / Amara Bldg., 1661 Evangelista St., Bangkal, Makati City\*
12. BLUMENTRITT - Blumentritt St. near Oroquieta St. Sta. Cruz, Manila\*
13. BINONDO – JUAN LUNA – 694-696 Juan Luna St., Binondo, Manila
14. BONI AVENUE – Raymond Tower Boni, 615 Boni Avenue, Plainview, Mandaluyong City\*
15. BUENDIA- Main Branch, 314 Sen. Gil J. Puyat Ave., Makati City\*\*
16. COMMONWEALTH AVENUE - JocFer Building, Commonwealth Avenue, Brgy. Holy Spirit, Quezon City \*
17. CUBAO- Fernandina 88 Suites, 222 P. Tuazon Boulevard, Cubao, Quezon City\*
18. DEL MONTE- 392 Del Monte Ave., Brgy. Sienna, Quezon City\*
19. DIVISORIA – 3/F Dragon 8 Shopping Center, C.M Recto Avenue cor. Dagupan St., Divisoria Manila\*
20. E. RODRIGUEZ SR. - HEMADY - E. Rodriguez, Sr. cor Hemady St., Quezon City \*
21. ESPAÑA - SUNMALL, Espana Boulevard corner Mayon St., Manila \*
22. FELIX HUERTAS - JT Centrale Mall, 1686 V. Fugoso St. corner Felix Huertas St., Sta. Cruz, Manila \*
23. FILINVEST CORPORATE CITY BR - BC Group Bldg., East Asia Drive near cor. Comm. Ave., Filinvest Corp City, Alabang, Muntinlupa City\*
24. FTI-TAGUIG -SM HYPERMARKET BRANCH - DBP Avenue, Food Terminal Inc., Western Bicutan, Taguig\*
25. G. ARANETA AVENUE – 195 G. Araneta Avenue, Quezon City\*
26. GIL PUYAT-BAUTISTA – Lot 25 Blk 74 Bautista St. cor. Buendia Avenue, Makati City\*
27. GREENHILLS-ORTIGAS AVENUE - VAG Bldg., Ortigas Ave., Greenhills, San Juan, Metro Manila\*
28. GREENHILLS-WILSON BRANCH - 219 Wilson St., Greenhills, San Juan\*
29. GUIGUINTO-RIS - RIS-5 Industrial Complex, 68 Mercado St., Tabe, Guiguinto, Bulacan
30. KALOOKAN BRANCH - Augusto Bldg., Rizal Ave., Grace Park, Kalookan City\*
31. KALOOKAN-A. MABINI- AJ Bldg., 353 A. Mabini St., Kalookan City\*
32. KATIPUNAN – One Burgundy Condominium, Katipunan Avenue, Quezon City\*
33. LAGRO- Bonanza Bldg., Quirino Highway, Greater Lagro, Novaliches, Quezon City\*
34. LAS PIÑAS – ALMANZA UNO BRANCH - Alabang Zapote Road, Almanza Uno, Las Piñas City\*
35. MAKATI-CHINO ROCES BRANCH - 2176 Chino Rocas Ave., Makati City\*
36. MAKATI-J.P. RIZAL BRANCH - 882 J.P. Rizal St., Makati City\*
37. MALABON -SAVEMORE - Francis Market, Governor Pascual corner M.H. Del Pilar Sts., Malabon\*
38. MANDALUYONG- Paterno's Bldg., 572 New Panaderos St., Brgy. Pag-asa, Mandaluyong City\*
39. MANDALUYONG-SHAW BOULEVARD BRANCH – 500 Shaw Tower, 500 Shaw Boulevard, Mandaluyong City\*
40. MANILA - STA.ANA - SAVEMORE BRANCH - Savemore, Pedro Gil St., Sta. Ana, Manila \*
41. MARIKINA BRANCH - 33 Bayan-Bayanan Ave., Brgy. Concepcion 1, Marikina City\*
42. MARIKINA-GIL FERNANDO AVENUE - CTP Bldg., Gil Fernando Ave., Brgy. San Roque, Marikina City\*
43. MUÑOZ – JACKMAN BRANCH - Jackman Plaza, Lower Ground Floor, EDSA-Munoz, Quezon City\*
44. NEPA-Q-MART -SAVEMORE BRANCH - Rose Bldg., 770 St. EDSA and K-G St., West Kamias, Quezon City\*
45. NINOY AQUINO AVENUE- Ground Floor Skyfreight Bldg., Ninoy Aquino Ave. cor. Pascor Drive, Parañaque City\*
46. ORTIGAS BRANCH - Ground Floor, Hanston Square, San Miguel Ave., Ortigas Center, Pasig City\*
47. PARAÑAQUE - BETTER LIVING - 90 Dona Soledad Avenue, Better Living Subdivision, Parañaque\*
48. PARAÑAQUE - BF HOMES BRANCH - 284 Aguirre Ave., B.F. Homes, Paranaque\*

49. PARAÑAQUE-JAKA - Jaka Plaza Center, Dr. A. Santos Ave. (Sucat Road), Brgy. San Isidro, Parañaque City\*
50. PARAÑAQUE - LA HUERTA – 1070 Quirino Ave., La Huerta, Paranaque City\*
51. PARAÑAQUE – MOONWALK – Kassel Residence Building, E. Rodriguez Avenue, Moonwalk Parañaque City\*
52. PASAY-LIBERTAD – 533 Cementina St. Libertad, Pasay City\*
53. PASIG CANIOGAN - KSN Building, C. Raymundo Avenue, Caniogan, Pasig City \*
54. PASIG-MUTYA – Richcrest Building, Caruncho corner Market Avenue, San Nicolas, Pasig City\*
55. PASIG – PADRE BURGOS BRANCH - 114 Padre Burgos St., Kapasigan, Pasig City\*
56. PASO DE BLAS- Andok's Bldg., 629 General Luis St., Malinta Interchange-NLEX, Paso de Blas, Valenzuela City\*
57. PATEROS BRANCH – Unit CC1, GF East Mansion Townhomes, Sto. Rosario, Pateros\*
58. PATEROS-ALMEDA - 120 Almeda St., Pateros, Metro Manila\*
59. PEDRO GIL - LKE Bldg. Pedro Gil corner Pasaje, Rosario st. Paco, Manila
60. PLAZA STA. CRUZ BRANCH – MBI Building, Unit 103, Plaza Sta. Cruz, Sta. Cruz, Manila\*
61. QUEZON AVENUE BRANCH - G/F GJ Bldg., 385 Quezon Ave., Quezon City\*
62. QUEZON AVENUE-PALIGSAHAN - 1184-A Ben-Lor Bldg., Quezon Ave., Brgy. Paligsahan, Quezon City\*
63. QUIAPO – ECHAGUE - Palanca corner P. Gomez streets, Echague, Quiapo, City of Manila
64. QUIAPO – QUEZON BLVD. – 416 Quezon Boulevard, Quiapo Manila\*
65. RADA- LEGASPI - HRC Center , 104 Rada St., Legaspi Village, Makati City\*
66. ROOSEVELT – 342 Roosevelt Avenue, Quezon City\*
67. SAN JUAN - Madison Square, 264 N. Domingo St., Barangay Pasadena, San Juan\*
68. SOUTH TRIANGLE - Ground Floor, SUNNYMEDE IT CENTER, Brgy. South Triangle, Quezon Ave., QC
69. STA. MESA - 4128 Ramon Magsaysay Blvd., Sta. Mesa Manila\*
70. TANDANG SORA – Cecileville Bldg. III, 670 Tandang Sora Ave. corner General Ave., Tandang Sora, Quezon City\*
71. TAYUMAN – 1925-1929 Rizal Avenue near corner Tayuman St., Sta. Cruz, Manila\*
72. TIMOG- Jenkinsen Towers, 80 Timog Ave., Brgy. Sacred Heart, Quezon City\*
73. TWO E-COM – Two E-Com Center Tower B, Ocean Drive near cor. Bayshore Ave., Mall of Asia Complex, Pasay City\*
74. UN AVENUE- 552 U.N. Ave., Ermita, Manila\*
75. VALENZUELA-MARULAS- Ong-Juanco Bldg., 92 - J McArthur Highway, Marulas, Valenzuela City\*
76. VISAYAS AVENUE- Wilcon City Center Mall, Visayas Ave., Quezon City\*
77. ANTIPOLO- EMS Bldg., M.L. Quezon St. cor. F. Dimanlig St., Antipolo City, Rizal\*
78. ANGONO- Manila East Road cor. Don Benito St., Brgy. San Roque, Angono, Rizal\*
79. TAYTAY BRANCH - C. Gonzaga Bldg. II, Manila East Road, Taytay, Rizal\*

### **China Bank Savings Provincial Branches**

1. ANGELES-RIZAL AVENUE - 639 Rizal St., Angeles City\*
2. ARAYAT BRANCH - Cacutud, Arayat, Pampanga\*\*
3. BACOLOD BRANCH - SKT Saturn Bldg., Lacson cor. Rizal Sts., Bacolod City\*
4. BACORR - TALABA - Coastal Road cor. Aguinaldo Highway, Brgy. Talaba VII, Bacor City, Cavite\*
5. BAGUIO - SESSION - B108 Lopez Bldg., Session Road, Baguio City\*
6. BALAGTAS- McArthur Highway, Wawa, Balagtas, Bulacan\*
7. BALANGA - DM Banzon - D.M. Banzon St., Balanga City\*
8. BALIBAGO- JEV Bldg., McArthur Highway, Balibago, Angeles City\*
9. BALIUAG- Plaza Naning, Poblacion, Baliuag, Bulacan\*
10. BATANGAS - P. BURGOS - No. 3 P. Burgos St., Batangas City\*
11. BIÑAN- Nepa Highway, San Vicente, Biñan, Laguna\*
12. CABANATUAN-BAYAN - Burgos Ave., Cabanatuan City, Nueva Ecija\*
13. CAGAYAN DE ORO BRANCH - Sergio Osmeña St., Cogon District, Cagayan de Oro City\*
14. CALAMBA BRANCH - HK Bldg II, National Highway, Brgy. Halang, Calamba, Laguna\*
15. CAVITE CITY - 485 P. Burgos St., Brgy. 34, Caridad, Cavite City\*
16. CEBU – MANDAUE BRANCH - A. Del Rosario Ave., Mantuyong, Mandaue City, Cebu\*
17. CEBU – MANGO AVENUE, JSP Mango Plaza, Gen. Maxilom Ave. cor. Echavez St., Cebu City\*
18. CEBU-LAHUG BRANCH - G/F Skyrise IT Bldg., Brgy. Apas, Lahug, Cebu City\*
19. CEBU-MANDAUE BASAK - Co Tiao King Bldg., Cebu North Road Basak, Mandaue City\*
20. DAGUPAN BRANCH - G/F Lyceum-Northwestern University, Tapuac District, Dagupan City\*
21. DARAGA BRANCH - Rizal St., Brgy. San Roque, Daraga, Albay, Bicol\*
22. DASMARIÑAS- Veluz Plaza Bldg., Zone I, Aguinaldo Highway, Dasmariñas City, Cavite\*
23. DAU BRANCH - MacArthur Highway, Dau, Mabalacat, Pampanga\*
24. DAVAO – RECTO- C. M Ville Abrille Bldg., C. M. Recto St. Davao City\*
25. DAVAO BRANCH - G/F 8990 Corporate Center, Quirino Ave., Davao City\*
26. DOLORES- STCI Bldg., McArthur Highway, San Agustin, City of San Fernando, Pampanga\*
27. GENERAL SANTOS- I. Santiago Boulevard General, Santos City\*

28. GUAGUA BRANCH - Plaza Burgos, Guagua, Pampanga\*
29. ILOILO – JARO BRANCH - Lopez Jaena cor. EL 98 Sts., Jaro, Iloilo\*
30. ILOILO – IZNART - Golden Commercial Center Bldg, Iznart St. Iloilo City\*
31. IMUS- TANZANG LUMA - Tanzang Luma, Aguinaldo Highway, Imus City, Cavite\*
32. KALIBO-CITYMALL – F. Quimpo St. connecting Mabini and Toting Reyes Streets, Kalibo, Aklan\*
33. LA UNION- AG Zambrano Bldg., Quezon Ave., San Fernando City, La Union\*
34. LAGUNA-STA. CRUZ - E & E Building, Pedro Guevarra St., Sta. Cruz, Laguna.\*
35. LAOAG - J.P Rizal St. corner Balintawak St. Laoag City, Ilocos Norte\*
36. LEGAZPI CITY - F. Imperial Street, Barangay Bitano, Legazpi City\*
37. LINGAYEN - Unit 5-6, The Hub - Lingayen Building , National Road, Poblacion, Lingayen, Pangasinan
38. LIPA - CM RECTO - C.M. Recto Ave., Lipa City\*
39. LOS BAÑOS-CROSSING- Lopez Ave., Batong Malaki, Los Baños, Laguna\*
40. LUCENA- Merchan cor., Evangelista St., Lucena City\*
41. MACABEBE BRANCH - Poblacion, Macabebe, Pampanga\*
42. MALOLOS BRANCH - Canlapan St., Sto. Rosario, Malolos City, Bulacan\*
43. MALOLOS-CATMON - Paseo del Congreso, Catmon, City of Malolos, Bulacan\*
44. MEYCAUAYAN- Mancon Bldg., McArthur Highway, Calvario, Meycauayan, Bulacan\*
45. MOLINO-BACOR - 817 Molino Road Molino III, Bacoor, Cavite\*
46. MOUNT CARMEL- AMB Bldg., Km. 78 McArthur Highway, Brgy. Saguin, City of San Fernando, Pampanga\*
47. NAGA BRANCH - RL Bldg., Panganiban St., Lerma, Naga City\*
48. OLONGAPO BRANCH - Ground Floor, City View Hotel, 25 Magsaysay Drive, New Asinan, Olongapo City\*
49. ORANI BRANCH - Brgy. Balut, Orani, Bataan\*\*
50. PLARIDEL- 0226 Cagayan Valley Road, Banga 1st, Plaridel, Bulacan\*
51. PORAC BRANCH - Cangatba, Porac, Pampanga\*\*
52. ROXAS AVE.-CAPIZ CITYMALL - Roxas Ave, brgy VI, Roxas City, Capiz
53. SAN FERNANDO BRANCH - KHY Trading Bldg., San Fernando-Gapan Rd., San Fernando City, Pampanga\*
54. SAN FERNANDO – BAYAN BRANCH - JSL Building, Consunji St., San Fernando, Pampanga\*
55. SAN ILDEFONSO-SAVEMORE BRANCH - Savemore San Ildefonso, Poblacion, San Ildefonso, Bulacan\*
56. SAN JOSE DEL MONTE BRANCH - Ground Floor, Giron Bldg., Gov. Halili Ave., Tungkong Mangga, City of San Jose Del Monte, Bulacan\*
57. SAN MIGUEL- Norberto St., San Jose, San Miguel, Bulacan\*
58. SAN NARCISO BRANCH - Brgy. Libertad, San Narciso, Zambales\*
59. SAN PABLO-RIZAL AVE. BRANCH – Rizal Avenue cor. Lopez Jaena St. San Pablo City, Laguna\*
60. SAN PEDRO BRANCH - Gen - Ber Bldg. National Highway Landayan, San Pedro Laguna\*
61. SAN RAFAEL BRANCH - Cagayan Valley cor. Cruz na Daan Roads, San Rafael, Bulacan\*
62. SANTIAGO - VICTORY NORTE - JECO Bldg., Maharlika Highway cor. Quezon St., Victory Norte, Santiago City\*
63. STA. ANA BRANCH - Poblacion, Sta. Ana, Pampanga\*
64. STA. MARIA- JC De Jesus cor. M. De Leon, Poblacion, Sta. Maria, Bulacan\*
65. STA. RITA BRANCH - San Vicente, Sta. Rita, Pampanga\*
66. STA. ROSA BRANCH - Sta. Rosa-Tagaytay Highway, Sta. Rosa, Laguna\*
67. STA. ROSA-BALIBAGO - National Highway cor. Lazaga St. Balibago, Sta. Rosa, Laguna\*
68. STO. TOMAS- MAHARLIKA - Agojo Bldg., Maharlika Highway, Sto. Tomas, Batangas\*
69. SUBIC BRANCH - Baraca, Subic, Zambales\*
70. TACLOBAN CITY – GF,YVI Center, Bldg A, Fatima Village, Tacloban City, Leyte\*
71. TAGAYTAY-MENDEZ-SAVEMORE - Mendez Crossing West, Tagaytay-Nasugbu Highway corner Mendez - Tagaytay Rd, Tagaytay City\*
72. TAGUM-CITYMALL – Maharlika Highway cor. Lapu-Lapu Extension, Brgy. Magugpo Tagum City\*
73. TALISAY-NEGROS-SAVEMORE BRANCH – Talisay, Mabini St., Zone 12 Paseo Mabini Talisay City Negros Occidental\*
74. TANAUAN CITY - Jose P. Laurel National Highway, Darasa, Tanauan City, Batangas
75. TARLAC - MAC ARTHUR - McArthur Highway, San Nicolas, Tarlac City\*
76. TUGUEGARAO- Metropolitan Cathedral Parish, Rectory Complex, Rizal St., Tuguegarao City\*
77. URDANETA- MacArthur Highway, Nancayasan, Urdaneta City, Pangasinan\*
78. VIGAN- Plaza Maestro Convention Center, Florentino St. and Burgos St. Vigan City, Ilocos Sur\*
79. ZAMBOANGA-CITYMALL BRANCH – CityMall, Don Alfaro St., Tetuan, Zamboanga\*

**China Bank - Off Branch ATM Directory**  
**Metro Manila**

1. 168 MALL - 3F Food Court, 168 Mall, Sta. Elena St., Binondo, Manila
2. 999 SHOPPING MALL - Basement Lobby 999 Shopping Mall, 1002-1062 Soler St., Brgy. 293, Zone 28, District 3, Binondo, Manila
3. 999 SHOPPING MALL 2 - Basement, 999 Shopping Mall Bldg. 2, Recto - Soler Sts., Binondo, Manila
4. ALABANG MALL - Alabang Town Center, Alabang - Zapote Road cor. Madrigal Ave., Muntinlupa City
5. ALFAMART A. MABINI MANGGAHAN - A. Mabini Street, Manggahan, Pasig City
6. ALFAMART DAEZ CAMARIN CALOOCAN - Daez Commercial Bldg., Susano Road, Bagumbong, Caloocan City
7. ALFAMART F.B. HARRISON - GF F.B. Harrison St., Brgy. San Rafael, Pasay City
8. ALFAMART JHOCSON SAMPALOC - 534-548 M.F. Jhocson St., Zone 042, Brgy. 408, Sampaloc, Manila
9. ALFAMART MAAX - Unit 111 Mall of Asia Annex Bldg. (MAAX), Seaside Blvd., San Rafael, Pasay City
10. ALFAMART NAGA ROAD LAS PIÑAS - Alfamart, Naga Road, Pulang Lupa 2, Las Piñas City
11. ALFAMART SAN LAZARO - Units 108B-113B SM City San Lazaro, A.H. Lacson Ext., Sta. Cruz, Manila
12. ALI MALL - ATM Booth #1 UGF Ali Mall, P.Tuazon Blvd., Araneta Center, Quezon City
13. ALI MALL 2 - LGF Times Square Entrance, Ali Mall, P. Tuazon Blvd., Araneta Center, Quezon City
14. ARMSCOR MARIKINA - 2 Armscor Avenue, Brgy. Fortune, Marikina City
15. ATENEO DE MANILA UNIVERSITY - G/F Kostka Hall, Ateneo De Manila University, Katipunan Ave., Loyola Heights, Quezon City
16. CASH AND CARRY - 2/F Cash and Carry Mall, between South Super Highway & Filmore St., Brgy. Palanan, Makati City
17. CBS HEAD OFFICE LOBBY - CBS Lobby, 314 Sen. Gil J. Puyat Avenue, Makati City
18. CHIANG-KAI-SHEK - Chiang Kai Shek College, 1274 P. Algue St., Tondo, Manila
19. CENTURY CITY MALL - 3F Century City Mall, Kalayaan Ave. cor. Salamanca St., Brgy. Poblacion, Makati City
20. COMEMBO COMMERCIAL COMPLEX - Comembo Commercial Complex, J.P. Rizal Ext. cor. Sampaguita St., Comembo, Makati City
21. COMMERCE CENTER - Commerce Ave. cor. Filinvest Ave., Alabang, Muntinlupa City
22. CONRAD S MAISON MALL - 2F Conrad Hotel, Coral Ave., SM MOA Complex, Pasay City
23. CYBER PARK TOWER 1 CUBAO - Lobby Tower 1, Araneta Center, Cubao, Quezon City
24. CYBER PARK TOWER 2 CUBAO - Lobby Tower 2, Araneta Center, Cubao, Quezon City
25. DASMARIÑAS VILLAGE ASSOCIATION OFFICE - 1417 Campanilla St., Brgy. Dasmariñas Village, Makati City
26. EASTWOOD CITY WALK 2 - G/F ATM 1 Eastwood City Walk Ph. 2, Eastwood City Cyberpark, 188 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
27. EASTWOOD CYBERMALL - 2F Eastwood Cybermall, Eastwood Ave., Eastwood City Cyberpark, Bagumbayan, Quezon City
28. EASTWOOD MALL - Level 1 ATM 2 Ph.2, Eastwood Mall, E. Rodriguez Jr. Ave., Bagumbayan, Quezon City
29. FAMILY MART PARK SQUARE - Park Square Bldg., South Drive cor. Theater Drive, Ayala Center, Makati City
30. FAMILY MART UP TECHNOHUB - Space 132 GF UP Technohub, Quezon City
31. GATEWAY MALL - Booth 4 Level 2 Gateway Mall, Cubao, Quezon City
32. GLORIETTA 4 - Glorietta 4, Ayala Center, Makati City
33. GREENBELT 3 - Greenbelt 3 Drop-off Area, Makati Ave., Makati City
34. GREENHILLS THEATER MALL - Main Entrance Greenhills Theater Mall, San Juan City
35. GREENMEADOWS CLUBHOUSE - Lovebird St., Green Meadows Subdivision, Brgy. Ugong Norte, Quezon City
36. HIGH POINTE MEDICAL HUB - 241 Shaw Blvd, Mandaluyong City
37. HOLIDAY ISLAND CALOOCAN - G/F Phase 2, Commercial Site Dutong St. cor. Kanlaon St., Bagong Silang, Caloocan City
38. ICADEMY BUENDIA - G/F iAcademy Plaza, H.V. Dela Costa St., Makati City
39. JACKMAN EMPORIUM - Jackman Emporium Department Store Bldg., Grace Park, Kalookan City
40. JACKMAN PLAZA - MUÑOZ - Jackman Plaza Muñoz, EDSA, Muñoz, Quezon City
41. JGC ALABANG - JGC PHILS. Bldg., 2109 Prime St., Madrigal Business Park Ph III, Ayala Alabang, Muntinlupa City
42. KATARUNGAN VILLAGE - Katarungan Village Admin Office, F. Reria cor. University Road, Muntinlupa City
43. KIMSTON PLAZA - Kimston Plaza, P. Victor St. cor. P. Burgos St., Guadalupe Nuevo, Makati City
44. LANDMARK - MAKATI - G/F The Landmark Bldg., Makati Ave., Ayala Center, Makati City
45. LANDMARK - TRINOMA - ATM Slot 4, 2F Landmark Trinoma, North Ave. cor. EDSA, Quezon City
46. LIANA'S SAMPALOC - 537 Earnshaw St., Sampaloc, Manila
47. LOYOLA GRAND VILLAS - Loyola Grand Villas Lifeline, Soliven Ave., Quezon City
48. LRT 2 PUREZA - Westbound, LRT 2 Pureza Station, R. Magsaysay Blvd., Sta. Mesa, Manila
49. LRT 2 RECTO EAST - East Side, LRT 2 Recto Station, Recto Avenue, Sta. Cruz, Manila
50. LRT 2 RECTO WEST - West Side, LRT 2 Recto Station, Recto Avenue, Sta. Cruz, Manila
51. LRT 2 V. MAPA - Westbound, LRT 2 V. Mapa Station, R. Magsaysay Blvd., Sta. Mesa, Manila
52. MALABON CITISQUARE - G/F Malabon Citisquare, C-4 Road cor. Dagat-dagatan Ave., Malabon City
53. MARKET! MARKET! 1 - Market! Market!, Fort Bonifacio Global City, Taguig City
54. MARKET! MARKET! 2 - 2F Market! Market!, Fort Bonifacio Global City, Taguig City
55. MARKET! MARKET! 3 - G/F ATM Center in Fiesta Market, Market! Market!, Fort Bonifacio Global City, Taguig City
56. MEDICAL CITY - Medical City, Ortigas Ave., Pasig City
57. METRO POINT MALL - 3F Metro Point Mall, EDSA cor. Taft Ave., Pasay City

58. METROWALK - ATM 1 Bldg C, G/F Metrowalk Commercial Complex, Meralco Ave., Pasig City
59. MIDAS HOTEL - Midas Hotel, 2702 Roxas Blvd., Pasay City
60. MONDE MY SAN CAINTA - Gracia St., Marick Subdivision, Cainta, Rizal
61. MRT - BONI STATION - MRT - Boni Station, EDSA, Mandaluyong City
62. MRT - CUBAO STATION - MRT - Cubao Station, EDSA, Quezon City
63. MRT - SHAW - MRT - Shaw Station, EDSA, Mandaluyong City
64. MULTINATIONAL CLUBHOUSE - Clubhouse, Nazareth cor. Judea St., Multinational Village, Parañaque City
65. NEWPORT MALL 4F - 4F Newport Mall, Resorts World, Newport City, Pasay City
66. NOVA SQUARE - G/F Nova Square, Quirino Highway, Brgy. San Bartolome, Novaliches, Quezon City
67. ONE E - COM CENTER - G/F One E-Com Center, Palm Coast Ave., SM MOA Complex, Pasay City
68. ONE MALL VALENZUELA - Gen. T. De Leon, Valenzuela City
69. PROMENADE GREENHILLS - Missouri Entrance, Promenade Mall, Greenhills Shopping Center, San Juan City
70. PUREGOLD - BLUMENTRITT - 286 Blumentritt St., Sta Cruz, Manila
71. PUREGOLD - E. RODRIGUEZ - ATM #1 Puregold E. Rodriguez, Cosco Bldg., E. Rodriguez Ave. cor. G. Araneta Ave., Quezon City
72. PUREGOLD - LAKEFRONT - Puregold Lakefront, Presidio Subdivision, Lakefront, Muntinlupa City
73. PUREGOLD - PASO DE BLAS - LGF Puregold Plaso de Blas, Plaso de Blas cor. Gen. Luis St., Malinta Ex, Valenzuela City
74. PUREGOLD JR. - PANDACAN - Puregold Jr. Pandacan, West J. Zamora St., Pandacan, Manila
75. PUREGOLD MAYPAJO KALOOKAN - Puregold Maypajo, J.P. Rizal St., Brgy. Maypajo, Caloocan City
76. QUICKLEAN MAYBUNGA - 369 Dr. Sixto Antonio Avenue, Maybunga, Pasig City
77. REGALIA PARK TOWER - 150 P. Tuazon Blvd., Cubao, Quezon City
78. RESORTS WORLD GAMING AREA - G/F Casino Gaming Area, Resorts World, Pasay City
79. ROBINSONS FORUM PIONEER - ATM Center Pioneer Side, Forum Robinsons, Pioneer St. cor. EDSA, Mandaluyong City
80. ROBINSONS GALLERIA - Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
81. ROBINSONS GALLERIA 2 - Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
82. ROBINSONS GALLERIA 3 - West Wing, Robinsons Galleria, EDSA cor. Ortigas Ave., Pasig City
83. ROBINSONS PLACE - MANILA - G/F Padre Faura Entrance, Robinsons Place Manila, Pedro Gil cor. Adriatico St., Ermita, Manila
84. ROCKWELL BUSINESS CENTER - Rockwell Business Center, Ortigas Ave., Pasig City
85. ROCKWELL POWER PLANT - Stall No. 060 Ground Level, Power Plant Mall, Makati City
86. SAVERS CENTER - G/F Savers Center (right side of Main Entrance), along EDSA cor. Taft Ave., Pasay City
87. SHOP N RIDE - 248 Gen. Luis St., Brgy. Nova Proper, Novaliches, Quezon City
88. SHOP N RIDE 2 - ATM 2, 248 Gen. Luis St., Brgy. Nova Proper, Novaliches, Quezon City
89. SHOP N RIDE STA. MONICA - Shop & Ride Sta. Monica, 1004 Quirino Highway, Dumalay Street, Brgy. Sta. Monica, Novaliches, QC
90. SHOPWISE - ANTIPOLO - Shopwise Bldg., M.L. Quezon St. cor. Circumferential Road, San Roque, Antipolo City
91. SHOPWISE - COMMONWEALTH - Shopwise, Blk 17, Commonwealth Ave., Quezon City
92. SHOPWISE MARKETPLACE EAST BAY - Marketplace East Bay, East Service Road, Muntinlupa City
93. SHOPWISE METLIVE PASAY - Blue Wave Mall, Diosdado Macapagal cor. EDSA, Metropolitan Park Bay City, Pasay
94. SHOPWISE SUCAT - Shopwise Sucat, Dr. A. Santos Avenue corner Soreena Avenue, Paranaque City
95. SM CENTER LAS PIÑAS - G/F SM Center Las Piñas, Alabang - Zapote Road, Las Piñas City
96. SM CITY THE BLOCK - GF Hypermarket - The Block, SM City North Edsa, North Avenue corner EDSA, Quezon City
97. SM HYPERMARKET - MANDALUYONG - SM Hypermarket Mandaluyong, 121 Shaw Blvd. cor. E. Magalona St., Brgy. Bagong Silang, Mandaluyong City
98. SM MANILA - UGF SM Manila Main Entrance, Natividad A. Lopez cor. Antonio Villegas St., Ermita, Manila
99. SM MEGAMALL BLDG. B - Level 2 Bldg. B, SM Megamall, EDSA cor. Julia Vargas St., Mandaluyong City
100. SM MOA HYPERMARKET - G/F SM Hypermarket, SM Mall of Asia, Pasay City
101. SM MOA SEASIDE FERRY TERMINAL - SM MOA Seaside Blvd. near Esplanade, Pasay City
102. SM MUNTINLUPA - ATM 2 G/F (beside Rear Entrance) SM Muntinlupa, National Road, Brgy. Tunasan, Muntinlupa City
103. SM TAYTAY OFF-BRANCH - 2/F Bldg. A, SM Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal
104. SOLAIRE MANILA 2 - Entertainment City, Aseana Ave., Tambo, Parañaque City
105. SOLAIRE RESORT & CASINO - Entertainment City, Aseana Ave., Tambo, Parañaque City
106. SOUTHGATE MALL - Alphaland Southgate Mall, EDSA cor. Chino Roces Ave., Makati City
107. ST. FRANCIS SQUARE - Basement 1 St. Francis Square, Doña Julia Vargas Ave. cor. Bank Drive, Ortigas Center, Mandaluyong City
108. ST. JUDE COLLEGE - Dimasalang St. cor. Don Quijote St., Sampaloc, Manila
109. ST. LUKE'S - THE FORT - Basement, St. Luke's Medical Center, 5th Ave., Fort Bonifacio Global City, Taguig City
110. ST. LUKE'S - THE FORT 2 - Basement, St. Luke's Medical Center, 5th Ave., Fort Bonifacio Global City, Taguig City
111. STI - DELOS SANTOS MEDICAL CENTER - 201 E. Rodriguez Sr. Blvd., Quezon City
112. TAFT - U.N. - G/F Times Plaza, T.M Kalaw cor. Gen. Luna St., Ermita, Manila
113. TIENDESITAS - Tiendesitas, Ortigas Ave. cor. E. Rodriguez Ave., Pasig City
114. TRINOMA OFF-BRANCH 1 - Level 1 Trinoma, North Ave. cor. EDSA, Quezon City
115. TRINOMA OFF-BRANCH 2 - Level 1 Trinoma, North Ave. cor. EDSA, Quezon City
116. TWO SHOPPING CENTER - Two Shopping Center, Taft Ave. Ext., 026 Zone 10, Pasay City
117. UNIMART GREENHILLS - B1 Unimart Greenhills Shopping Center, Ortigas Ave., San Juan City
118. UP TOWN CENTER - 2F UP Town Center, Katipunan Ave., Brgy. UP Campus Diliman, Quezon City

119. UPM - PGH - Faculty Medical Arts Bldg., PGH Compound, Taft Ave., Ermita, Manila
120. URDANETA VILLAGE - Urdaneta Village Clubhouse, Urdaneta Ave., Makati City
121. UST - DOCTOR'S CLINIC - University of Sto. Tomas Hospital, Vestibule and New Doctor's Clinic, A.H. Lacson Ave., Sampaloc, Manila
122. UST HOSPITAL - University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila
123. UST HOSPITAL 3 - G/F Clinical Division, University of Sto. Tomas Hospital, A.H. Lacson Ave., Sampaloc, Manila
124. VICTORY CENTRAL MALL - ATM 2 G/F Victory Central Mall, #717 Old Victory Compound, Rizal Ave., Monumento, Caloocan City
125. VICTORY FOOD MARKET BACLARAN - Victory Food Market, Redemptorist Road, Baclaran, Parañaque City
126. VICTORY PASAY MALL - Victory Pasay Mall, Antonio S. Arnaiz Ave, Pasay City
127. WACK WACK GOLF & COUNTRY CLUB - Main Lobby Clubhouse, Wack Wack Golf & Country Club, Shaw Blvd., Mandaluyong City
128. WALTER MART - MAKATI - G/F Waltermart Makati, 790 Chino Roces Ave. cor. Antonio Arnaiz, Makati City
129. WALTER MART - NORTH EDSA - Walter Mart Bldg., EDSA, Quezon City
130. WALTER MART - SUCAT - Walter Mart Sucat, Dr. A. Santos Ave., Brgy. San Isidro, Sucat, Parañaque City
131. WHITE PLAINS CLUBHOUSE - 10 Natabo Rd., White Plains Clubhouse Area, Quezon City
132. WORLD CITI MEDICAL ANONAS - Lobby Entrance, 960 Aurora Blvd. corner Anonas St., Quezon City
133. ZABARTE TOWN CENTER - Basement Zabarte Town Center, 588 Camarin Road corner Zabarte Road, Caloocan City

## **China Bank - Off Branch ATM Directory**

### ***Provincial***

- 1.2 MANGO AVENUE - 2 Mango Ave. - Solara Bldg., General Maxilom Ave, Cebu City
2. 7-11 CHDG LA TRINIDAD - MB 73 Puguis, La Trinidad, Benguet
3. 7-11 IMUS BAYAN LUMA - Aguinaldo Highway cor. Patindig Araw Road, Bayan Luma VIII, Imus, Cavite
4. 7-11 IMUS TANZANG LUMA - Aguinaldo Highway cor. Captain B. Paredes St., Tanzang Luma 1, Imus, Cavite
5. A. BONIFACIO - MCDONALD'S BAGUIO - Villanueva Bldg., Lower Bonifacio St., Baguio City
6. ABREEZA MALL - Abreeza Mall, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur
7. ACC HYPERMART SAN ANDRES - San Andres, Catanduanes
8. ACIENDA DESIGNER OUTLET SILANG - G/F Acienda Designer Outlet, E. Aguinaldo Highway, Silang, Cavite
9. ADVENTIST UNIVERSITY OF THE PHILIPPINES - Adventist University of the Philippines, Sta. Rosa - Tagaytay Road, Puting Kahoy, Silang, Cavite
10. AG&P - Atlantic, Gulf & Pacific Company of Manila Inc., Brgy. San Roque, Bauan, Batangas
11. ALFAMART - LUMINA - Alfamart Lumina, Aguinaldo Highway cor. Nueno Ave., Imus, Cavite
12. ALFAMART - TRECE MARTIRES - CPC Bldg., Governor's Drive cor. Hugo Perez, Trece Martires, Cavite
13. ALFAMART FILINVEST TANZA - Alfamart Filinvest Tanza, Filinvest Ave., Westwood Place Subd. Ph. 2, Brgy. Paradahan, Tanza, Cavite
14. ALFAMART GOLDEN CITY - Molino-Paliparan Road, Salawag, Dasmariñas City, Cavite
15. ALFAMART ILANG-ILANG TANZA - Alfamart Ilang-Ilang Tanza, Ilang-ilang St., De Roman Subd., Daang Amaya 1, Tanza, Cavite
16. ALFAMART LANCASTER - Alfamart Lancaster, MCS Bldg., Advincula Ave., Alapan II-A, Imus, Cavite
17. ALFAMART L'PASEO ARCADE INDANG - LGF L'Paseo Building, Indang-Trece Martires Road, Indang, Cavite
18. ALFAMART PACITA COMPLEX - Alfamart, Block 3 Phase 3A Pacita Complex, San Pedro, Laguna
19. ALFAMART POBLACION 4 CALACA - #149 Marasigan St., Poblacion 4, Calaca, Batangas
20. ALFAMART POBLACION ROSARIO - Alfamart Poblacion Rosario, 153 Gen. Trias Drive, Brgy. Poblacion, Rosario, Cavite
21. ALFAMART SAN ROQUE DAU LUBAO - San Roque Dau, Lubao, Pampanga
22. ALFAMART SONGCO FLORIDABLANCA - Songco St., Poblacion, Floridablanca, Pampanga
23. ALFAMART TABANGG PLARIDEL - 2586 F. Ignacio St., Santa Ines, Tabang, Plaridel, Bulacan
24. ALFAMART VILLA CATALINA DASMARIÑAS - Lot 6123 Don Placido Campos Avenue, San Agustin, Dasmariñas City, Cavite
25. ALFAMART YAKAL SILANG CAVITE - G/F Alfamart Yakal Silang Cavite, 137 Pedro Montoya St. cor. Yakal, Silang, Cavite
26. ALLEN AVENUE CATBALOGAN - Centro Mall, Allen Ave., Brgy. 04, Catbalogan City, Samar
27. ALWANA BUSINESS PARK - National Highway, Brgy. Cugman, Cagayan de Oro City, Misamis Oriental
28. ANGELES UNIVERSITY FOUNDATION MEDICAL CENTER - Basement, Angeles University Foundation Medical Center, McArthur Highway cor. Diego Silang St., Angeles City, Pampanga
29. ARAULLO UNIVERSITY - Araullo University, Maharlika Highway, Brgy. Bitas, Cabanatuan City, Nueva Ecija
30. ATENEO DE DAVAO UNIVERSITY - Ateneo de Davao University, Roxas Ave, Poblacion Dist., Davao City, Davao del Sur
31. ATHLETES VILLAGE BLDG. 2 - New Clark City Registration Center, Capas, Tarlac
32. AVENUE HOTEL BACOLOD - Avenue Suites Hotel and Spa, 12th St. cor Lacson St., Bacolod City, Negros Occidental
33. AYALA CENTER CEBU - Level 3 ATM 1 Ayala Center Cebu, Cebu Business Park, Cebu City
34. BRENT INTERNATIONAL SCHOOL MANILA - Brentville Subdivision, Mamplasan, Biñan, Laguna
35. CALTEX - SLEX 1 - South Luzon Expressway - Northbound, Brgy. San Antonio, San Pedro, Laguna
36. CAPITOL HILL HOTEL ANGELES - Sierra Madre St., Angeles City, Pampanga
37. CB MALL URDANETA - CB Mall, McArthur Highway, Brgy. Nancayasan, Urdaneta City, Pangasinan
38. CDO MEDICAL CENTER - CDO Medical Center Bldg. 2, Tiano Brothers cor. Nacalaban St., Cagayan de Oro City, Misamis Oriental
39. CEBU DOCTORS' HOSPITAL - Cebu Doctors' University Hospital, Osmeña Blvd., Cebu City, Cebu
40. CEBU DOCTORS' UNIVERSITY - Cebu Doctors' University Hospital, #1 Potenciano Larrazabal Ave., North Reclamation Area, Mandaue City, Cebu

41. CELEBES COCONUT BUTUAN - Km. 9, Brgy. Taguibo, Butuan City, Agusan Del Norte
42. CENTRIO MALL - G/F Centrio Mall, CM Recto cor. Corrales St., Cagayan de Oro, Misamis Oriental
43. CLARK GATEWAY - Clark Gateway Commercial Complex, Gil Puyat Ave., Brgy. San Francisco, Mabalacat, Pampanga
44. CORPUS CHRISTI - Corpus Christi School, Tomas Saco St., Macasandig, Cagayan de Oro City, Misamis Oriental
45. DAGUPAN - NEPO MALL - G/F Nepo Mall Dagupan, Arellano St., Dagupan City, Pangasinan
46. DAVAO ADVENTIST HOSPITAL - Davao Adventist Hospital, Km. 7 McArthur Highway, Bangkal, Davao City, Davao del Sur
47. DAVAO METRO SHUTTLE - Pereyras Terminal 1, Magugpo West, Tagum City, Davao del Norte
48. DIPOLOG CENTER MALL - Dipolog Center Mall, 138 Rizal Ave., Dipolog City, Zamboanga del Norte
49. DIPSSCOR - Davao Integrated Port And Stevedoring Services Corporation Bldg., International Port of Davao, Sasa Wharf, Davao City, Davao del Sur
50. DLSU - DASMARIÑAS - College of Engineering, DLSU Dasmariñas, Dasmariñas City, Cavite
51. DLSU - HEALTH SCIENCE CAMPUS - De La Salle University Health Science Campus Inc., Congressional Road, Dasmariñas City, Cavite
52. DLSU MAC - G/F Medical Arts Centre Bldg., DLSU Medical Center Compound, Congressional Road, Dasmariñas City, Cavite
53. DUSIT THANI D2 DAVAO - Stella Hizon Reyes Drive, Bo. Pampanga, Davao City, Davao del Sur
54. EAGLE RIDGE COUNTRY CLUB - Clubhouse, Eagle Ridge and Country Club, Brgy. Javalera, Gen. Trias, Cavite
55. ECCO BUILDING - G/F ECCO Bldg. (beside unit A), Fil-Am Friendship Highway, Brgy. Anunas, Angeles City, Pampanga
56. FAMILY MART BALITI PAMPANGA - McArthur Hiway cor. Baliti Road, San Fernando, Pampanga
57. FAMILY MART ONE NORTHMALL - McArthur Hiway, Dau, Mabalacat, Pampanga
58. FESTIVE WALK - ANNEX BLDG. - Annex Bldg., Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
59. FESTIVE WALK - FOOD HALL - Food Hall, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
60. FESTIVE WALK - OUTDOOR - Outdoor Area, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
61. FESTIVE WALK - WILCON - Wilcon Area, Iloilo Festive Walk, Megaworld Blvd., Iloilo Business Park, Mandurriao, Iloilo City
62. FRIENDSHIP SUPERMARKET MUÑOZ NE - D. Delos Santos St., Science City of Muñoz, Nueva Ecija
63. GAISANO - BULUA - Gaisano Bulua Mall, Bulua St., Cagayan de Oro City, Misamis Oriental
64. GAISANO - ILIGAN - G/F Gaisano Citi Super Mall, Iligan City, Lanao del Norte
65. GAISANO - LAPU-LAPU CITY - Gaisano Mactan Island Mall, Pusok, Lapu-Lapu City, Cebu
66. GAISANO - MASBATE - Gaisano Capital Masbate, Quezon St., Crossing, Masbate City, Masbate
67. GAISANO - PUERTO - Unit #1 ATM - 2nd Level Gaisano Puerto, Sayre Highway, Puerto, Cagayan de Oro City, Misamis Oriental
68. GAISANO MALL - BAJADA DAVAO - Gaisano Mall of Davao, J.P. Laurel Ave., Bajada, Davao City, Davao del Sur
69. GAISANO MALL - CAGAYAN DE ORO - Unit #3 Level 2 Atrium Gaisano Mall, Corrales Extension cor. CM Recto Ave., Cagayan de Oro City, Misamis Oriental
70. GOLDEN PRINCE HOTEL - Golden Prince Hotel & Suites, Acacia St. cor. Archbishop Reyes Ave., Cebu City, Cebu
71. GOOD SAMARITAN HOSPITAL - Good Samaritan Compound, Burgos Ave., Cabanatuan City, Nueva Ecija
72. GREEN CITY MEDICAL CENTER DOLORES - Gapan Olongapo Road, San Fernando, Pampanga
73. GROSVENOR SQUARE - Grosvenor Square, Josefa St., Angeles City, Pampanga
74. HOLY ANGEL UNIVERSITY 2 - G/F Holy Angel University Student's Center, Sto. Rosario St., Angeles City, Pampanga
75. ILIGAN LIGHT AND POWER - Iligan Light and Power, Main Office Bldg. Bro. Jeffrey road, Pala-o, Iligan City
76. JENRA JUMBO DOLORES - Olongapo-Gapan Road, Dolores, San Fernando, Pampanga
77. JENRA MALL - JENRA Grand Mall, Sto. Rosario St., Angeles City, Pampanga
78. JOLLIBEE - MABALACAT - ATM 2 ATM Center (beside Jollibee), McArthur Highway, Brgy. San Francisco, Mabalacat City, Pampanga
79. JOLLIBEE FLORIDABLANCA - Macabulos St., Floridablanca, Pampanga
80. JOLLIBEE FLORIDABLANCA 2 - Macabulos St., Floridablanca, Pampanga
81. JOLLIBEE GUAGUA - Jollibee Compound, Jose Abad Santos Avenue, Guagua, Pampanga
82. JOLLIBEE MONCADA - McArthur Highway, Poblacion 1, Moncada, Tarlac
83. KCC MALL - GENSAN - G/F KCC Mall GenSan, J. Catolico Sr. Ave., Gen. Santos City, South Cotabato
84. KCC MALL DE ZAMBOANGA - KCC Mall de Zamboanga, Gov. Camins Rd., Camino Nuevo, Zamboanga City, Zamboanga del Sur
85. KMSCI - Kidapawan Medical Specialist Center Inc., Sudapin, Kidapawan City, North Cotabato
86. LA NUEVA MINGLANILLA - La Nueva Supermart Inc., Poblacion, Minglanilla, Cebu
87. LA NUEVA SUPERMART - La Nueva Supermart Inc., G.Y. Dela Serna St., Lapu-Lapu, Cebu City, Cebu
88. LAKEVIEW BINANGONAN - Manila East Road, Tagpos, Binangonan, Rizal
89. LCC PEÑARANDA - LCC Supermarket, Peñaranda cor. Rizal St., Legazpi City, Albay
90. LCC SUPERMAKET AYALA LEGAZPI - Liberty Center, Quezon Ave., Capantawan, Legazpi City, Albay
91. LEE HYPERMARKET - G/F Lee Hypermart, Jose E. Romero Sr. Ave., Bagacay, Dumaguete City, Negros Oriental
92. LEE SUPER PLAZA - G/F Lee Super Plaza, M. Perdices cor. San Jose St., Dumaguete City, Negros Oriental
93. LEGAZPI INTERNATIONAL AIRPORT - Magayon Dr., Legazpi City International Airport, Legazpi City, Albay
94. LIM KET KAI MALL - M4-193B LIMKETKAI Mall, Lim Ket Kai Drive, Cagayan de Oro City, Misamis Oriental
95. LITE PORT TAGBILARAN - Celestino Gallares St., Poblacion 2, Tagbilaran City, Bohol
96. LOPUE'S EAST CENTRE - Lopue's East Centre, Burgos St. cor. Carlos Hilado National Highway, Bacolod City, Negros Occidental
97. LORMA HOSPITAL - Lorma Medical Center, San Fernando, La Union
98. LOTRIM DAVAO CITY - GF LCI Building 2, 100 Roxas Avenue, Barangay 32-D Poblacion, Davao City, Davao del Sur
99. LOTUS CENTRAL MALL - G/F Lotus Central Mall, Nueno Ave., Imus, Cavite



100. LVGH VALENCIA - La Viña General Hospital, ML Quezon St., Poblacion, Valencia City, Bukidnon
101. MAAP - Maritime Academy of Asia and the Pacific, Kamaya Point Road, Mariveles, Bataan
102. MACTAN ISLA RESORT - Agus Road, Ibabao, Marigondon, Lapu Lapu City, Cebu
103. MACTAN MARINA MALL - G/F Mactan Marina Mall, MEPZ 1, Lapu-Lapu City, Cebu
104. MAGIC MALL - G/F Magic Mall, Alexander St., Poblacion, Urdaneta City, Pangasinan
105. MAGIC STARMALL - UGF Magic Star Mall, Romulo Blvd., Brgy. Cut-Cut 1, Tarlac City, Tarlac
106. MALOLOS OFF-BRANCH - G/F Graceland Mall, Bulacan State University Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan
107. MALTA HOSPITAL TORIL - Malta Hospital Toril, McArthur Highway, Toril, Davao City, Davao del Sur
108. MARIA REYNA HOSPITAL - Beside Hospital Entrance/Exit, Maria Reyna Hospital, T.J. Hayes St., Cagayan De Oro City, Misamis Oriental
109. MARITON GROCERY DON DOMINGO - Mariton Grocery, Don Domingo, Tuguegarao City, Cagayan
110. MARKET CITY - Market City Bldg., Bus Terminal, Agora, Cagayan De Oro, Misamis Oriental
111. MARQUEE MALL 1 - G/F Activity Center, Marquee Mall, Aniceto Gueco St., Angeles City, Pampanga
112. MATINA TOWN SQUARE - G/F Strip Bldg., Matina Town Center, along McArthur Highway, Matina, Davao City, Davao del Sur
113. MCIA - DOMESTIC CHECK-IN AREA - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
114. MCIA - DOMESTIC DEPARTURE HALL - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
115. MCIA DEPARTURE CHECK-IN SOUTHWING - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
116. MCIA DOMESTIC ARRIVAL - Mactan Cebu International Airport, Lapu-Lapu Airport Road, Lapu-Lapu City, Cebu
117. MERCY HOSPITAL ILIGAN - Sister of Mercy Road, Iligan City, Lanao del Norte
118. MHAM CEBU - Entrance Matias H. Aznar, Memorial College, R. Duterte St., Cebu City, Cebu
119. MINDANAO SANITARIUM AND HOSPITAL - Mindanao Sanitarium and Hospital, Tibanga Highway, Iligan City, Lanao del Norte
120. MJS HOSPITAL - Manuel J. Santos Hospital, 554 Montilla Blvd., Butuan City, Agusan del Norte
121. MONDE MY SAN CALAMBA - Carmelray II, Ridge Ave., Calamba, Laguna
122. MOTHER TERESA HOSPITAL - Mother Teresa of Calcutta Medical Center, McArthur Highway, Brgy. Maimpis, City of San Fernando, Pampanga
123. MUZON UPTOWN - G/F Muzon Uptown, Brgy. Muzon, San Jose Del Monte, Bulacan
124. NAGA PAROCHIAL SCHOOL - Corner Bagumbayan Sur and Ateneo Avenue, Naga City, Camarines Sur
125. NAGALAND E-MALL - P.Diaz cor. Elias Angeles St., San Francisco, Naga City, Cebu
126. NAKASHIN DAVAO INTERNATIONAL - Malagamot Road, Kilometer 14, Panacan, Davao City
127. NEPO MALL - ANGELES - Nepo Mall Angeles, Doña Teresa Ave. cor. St. Joseph St., Nepo Mart Complex, Angeles, Pampanga
128. NEWPOINT ANGELES - GF ATM Center Newpoint Mall, Plaridel St., Sto. Rosario, Angeles City, Pampanga
129. NORTHSIDE DOCTORS HOSPITAL - Northside Doctors Hospital, Guimod, Bantay, Vigan City, Ilocos Sur
130. NOTRE DAME DE CHARTRES HOSPITAL - Notre Dame De Chartres Hospital, #25 Gen. Luna Road, Baguio City, Benguet
131. NUEVA ECIJA DOCTORS HOSPITAL - Nueva Ecija Doctors Hospital, Maharlika Highway, Cabanatuan City, Nueva Ecija
132. NUVALI SOLENAD 2 - G/F Solenad 2 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
133. NUVALI SOLENAD 3 BLDG. B - G/F Bldg. B Solenad 3 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
134. NUVALI SOLENAD HAWKERS MARKET - Hawkers Market, Solenad 3 Nuvali, Sta. Rosa-Tagaytay Road, Don Jose, Sta. Rosa, Laguna
135. ORCHARD GOLF AND COUNTRY CLUB - Gate 2, The Orchard Golf and Country Club Inc., Jose Abad Santos, Dasmariñas City, Cavite
136. OSPA - FARMERS' MEDICAL CENTER - Ormoc Sugarcane Planters Association - Farmers Medical Center, Carlota Hills, Brgy. Can-Adieng, Ormoc City, Leyte
137. OUR LADY OF THE PILLAR - G/F Our Lady of the Pillar Medical Center (near Emergency Room), Tamsui Ave., BayanLuma II, Imus, Cavite
138. PACIFIC MALL 2 - Pacific Mall Bldg., Landco Business Park, F. Imperial St., Legazpi Port District, Legazpi City
139. PANGASINAN MEDICAL CENTER - Pangasinan Medical Center, Nable St., Dagupan City, Pangasinan
140. PAVILION MALL - G/F Bldg. A, Pavilion Mall, KM. 35 Brgy. San Antonio, Biñan, Laguna
141. PELCO 1 MEXICO - Jose Abad Santos Ave., Mexico, Pampanga
142. PELCO III APALIT - PELCO III, Mc Arthur Highway, Sampaloc, Apalit, Pampanga
143. PLAZA FINA MAGALANG - Plaza Fina, Don Andres Luciano St., Magalang, Pampanga
144. PLG ECOZONE HERMOSA BATAAN - PLG Prime Global, FTI Group Bldg., GF Ecozone, Hermosa, Bataan
145. PORTA VAGA MALL - Porta Vaga Mall, Along Session Road, Baguio City, Benguet
146. PPL MCDONALD'S ORMOC - G/F IAL Building, Burgos St. cor. Rizal St., Ormoc City, Leyte
147. PRIMEWAY PLAZA CEBU - F. Ramos St., Sta. Cruz, Cebu City, Cebu
148. PRINCE HYPERMART BAGO - Poblacion, Bago City, Negros Occidental
149. PRINCE HYPERMART DAANBANTAYAN - Prince Hypermart, Poblacion, Daanbantayan, Cebu
150. PRINCE HYPERMART HIMAMAYLAN - Brgy. Poblacion, Himamaylan City, Negros Occidental
151. PRINCE HYPERMART MANOLO FORTICH - Prince Hypermart, Sayre Highway, Manolo Fortich, Bukidnon
152. PRINCE HYPERMART TALISAY - Poblacion, Talisay City, Negros Occidental
153. PRINCE MALL OF BAYBAY - Prince Town Baybay, Andres Bonifacio & Manuel L. Quezon St., Baybay, Leyte
154. PUREGOLD - DAU - Lot 9 Blk 19 Cosco Building, McArthur Highway, Dau, Mabalacat, Pampanga
155. PUREGOLD LUCENA - Brgy. Gulang Gulang, Quezon Ave., Lucena City, Quezon
156. PUREGOLD OBANDO - Puregold Obando, P. Sevilla St., Brgy. Catanghalan, Obando, Bulacan
157. PUREMART MARAGONDON - Poblacion 1-A, Maragondon, Cavite
158. QUICKMART DARAGA - Quickmart Bldg., Rizal St., Daraga, Albay

159. RIVERA HOSPITAL PANABO - Rivera Medical Center, National Highway, 7302 Brgy. San Francisco, Panabo City, Davao Del Norte
160. ROBINSONS CALASIAO - Robinsons Place Pangasinan, Brgy. San Miguel, Calasiao, Pangasinan
161. ROBINSONS GENSAN - G/F Robinsons Gensan, Jose Catolico Sr. Ave., Brgy. Lagao, General Santos City, South Cotabato
162. ROBINSONS TAGUM - National Highway, Tagum, Davao del Norte
163. ROYAL DUTY FREE 2 - Bldg. 1109, Palm St., Subic Gateway District, Subic Bay Freeport Zone. Olongapo City, Zambales
164. ROYCE HOTEL - Royce Hotel, Manuel A. Roxas Highway cor. Ninoy Aquino Avenue, Clark Freeport Zone, Mabalacat, Pampanga
165. ROYCE HOTEL 2 - Royce Hotel, Manuel A. Roxas Highway cor. Ninoy Aquino Avenue, Clark Freeport Zone, Mabalacat, Pampanga
166. ROYCE HOTEL 3 - Royce Hotel, Manuel A. Roxas Highway cor. Ninoy Aquino Avenue, Clark Freeport Zone, Mabalacat, Pampanga
167. RPGMC TUGUEGARAO - Ronald P. Guzman Medical Center, Enrile Blvd., Carig, Tuguegarao City, Cagayan
168. SAMULCO - Sta. Ana Multi-Purpose Cooperative, Bldg. 1, Monteverde St., Davao City, Davao del Sur
169. SAN FERNANDINO HOSPITAL - San Fernandino Hospital, McArthur Highway, Bo. Dolores, San Fernando, Pampanga
170. SAVEWISE - POZORRUBIO - Savewise Bldg., Caballero St., Brgy. Cablong, Pozorrubio, Pangasinan
171. SHOP N RIDE GROTTO - Santa Maria Tungkong Mangga Road, San Jose Del Monte, Bulacan
172. SHOPWISE - CEBU - Shopwise Bldg., N. Bacalso Ave., Basak, San Nicolas, Cebu City, Cebu
173. SHOPWISE - SAN PEDRO - Shopwise, National Highway, Brgy. Landayan, San Pedro, Laguna
174. SHOPWISE BUHAY NA TUBIG IMUS - Brgy. Buhay na Tubig, Imus, Cavite
175. SHOPWISE GRAND TERMINAL BATANGAS - Diversion Road, Brgy. Alangilan, Batangas City, Batangas
176. SHOPWISE LANCASTER IMUS - G/F Shopwise Lancaster City, Advincula Avenue, Imus City, Cavite
177. SIBALOM MUNICIPAL ANTIQUE - G/F Sibalom Municipal Hall, Sibalom, Antique
178. SKYRISE REALTY - G/F Skyrise IT Bldg., Gorordo Ave. cor. N. Escario St., Cebu City, Cebu
179. SM BAGUIO - SM Baguio, Luneta Hill, Upper Session Road, Baguio City, Benguet
180. SM CENTER ANGONO - SM Center Angono, Quezon Ave. Angono, Rizal
181. SM CENTER DAGUPAN - 2F SM Center Dagupan, M.H. del Pilar, Dagupan City
182. SM CENTER IMUS - N.I.A Road, Barangay Bucandala III, Imus, Cavite
183. SM CENTER TUGUEGARAO - 2F SM Center Tuguegarao Downtown, Luna St. cor. Mabinit St., Tuguegarao City, Cagayan
184. SM CITY BACOLOD - G/F Bldg. A, ATM #3 SM City Bacolod, Reclamation Area, Bacolod City, Negros Occidental
185. SM CITY BALIWAG - G/F SM City Baliwag, Doña Remedios Trinidad Highway, Brgy. Pagala, Baliwag, Bulacan
186. SM CITY BATANGAS - SM City Batangas, M. Pastor Ave., Pastor Village, Brgy. Pallocan Kanluran, Batangas City, Batangas
187. SM CITY BATANGAS 2 - SM City Batangas, M. Pastor Ave, Pastor Village, Brgy. Pallocan Kanluran, Batangas City, Batangas
188. SM CITY CABANATUAN - ATM Center, SM City Cabanatuan, Maharlika Highway, Brgy. H. Concepcion, Cabanatuan City, Nueva Ecija
189. SM CITY CAGAYAN DE ORO - ATM Center 2, Main Entrance, SM City Cagayan de Oro, Masterson Ave., Cagayan De Oro, Misamis Oriental
190. SM CITY CALAMBA - G/F SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
191. SM CITY CALAMBA 2 - 2F SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
192. SM CITY CALAMBA 3 - SM City Calamba, National Road, Brgy. Real, Calamba City, Laguna
193. SM CITY CAUAYAN - Maharlika Highway, Brgy. District II, Cauayan City, Isabela
194. SM CITY CLARK OFF-BRANCH - ATM #1 SM City Clark (in-front of transport terminal), M. Roxas Highway, CSEZ, Angeles City, Pampanga
195. SM CITY DASMARIÑAS 2 - G/F SM City Dasmariñas, Governor's Drive cor. Aguinaldo Hiway, Brgy. Sampaloc 1, Dasmariñas, Cavite
196. SM CITY GENERAL SANTOS - SM City Gen Santos, Santiago Blvd. cor. San Miguel St., Brgy. Lagao, Gen. Santos City, South Cotabato
197. SM CITY ILOILO - GF SM City Iloilo, Old Iloilo-Capiz Road, Iloilo City
198. SM CITY LIPA OFF-BRANCH - ATM 2, SM City Lipa, Ayala Highway, Brgy. Maraouy, Lipa City, Batangas
199. SM CITY OLONGAPO CENTRAL 2F - 2F East Tapinac, Olongapo City, Zambales
200. SM CITY ROSALES - SM City Rosales, MacArthur Highway, Carmen East, Rosales, Pangasinan
201. SM CITY TARLAC - G/F SM City Tarlac, McArthur Highway, Brgy. San Roque, Tarlac City, Tarlac
202. SM CITY URDANETA - McArthur Highway, Urdaneta, Pangasinan
203. SM DAVAO - ATM Center 1, SM City Davao, Quimpo Blvd. cor. Tulip Drive, Ecoland Subd., Brgy. Matina, Davao City, Davao del Sur
204. SM LANANG PREMIER OFF-BRANCH - UGF SM Lanang Premier, J.P. Laurel Ave., Brgy. San Antonio, Davao City, Davao del Sur
205. SM LEMERY - SM Center Lemery, Ilustre Avenue, Lemery, Batangas
206. SM MARILAO OFF-BRANCH - G/F SM City Marilao, MacArthur Highway, Marilao, Bulacan
207. SM MARKET MALL - ATM 3 SM Market Mall Dasmariñas, Congressional Ave., Dasmariñas Bagong Bayan, Dasmariñas, Cavite
208. SM SUPERCENTER MOLINO - G/F SM Supercenter Molino, Molino Road, Brgy. Molino 4, Bacoar, Cavite
209. SOCSARGEN COUNTY HOSPITAL - Socsargen County Hospital, Arradaza St., General Santos City, South Cotabato
210. SOUTH TOWN CENTRE TALISAY - South Gate Mall, Tabunok, Talisay, Cebu
211. SOUTHWAY MALL - The Southway Square Mall, Gov. Lim Ave. cor. La Purisima St., Zamboanga City, Zamboanga del Sur
212. ST. ELIZABETH HOSPITAL - L. Santiago Blvd. corner National Highway, General Santos City
213. ST. ELIZABETH HOSPITAL 2 - Lobby Out Patient, L. Santiago Blvd. corner National Highway, General Santos City
214. STA. ROSA HOSPITAL - Sta. Rosa Hospital and Medical Center, San Lorenzo Road, Brgy. Balibago, Sta. Rosa, Laguna
215. SUPER METRO CARCAR - Natalio B. Bacalso National Highway, Carcar City, Cebu
216. SUPERL PHILS BACOLOR - Angeles Industrial Park, PEZA, Brgy. Calibutbut, Bacolor, Pampanga
217. TARGET MALL 1 - G/F Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna

218. TARGET MALL 2 - ATM 4 Canopy Area, Target Mall, Sta. Rosa Commercial Complex, Brgy. Balibago, Sta. Rosa, Laguna
219. THE DISTRICT - DASMARIÑAS - G/F The District - Dasmariñas, Molino-Paliparan Road, Dasmariñas City, Cavite
220. THE DISTRICT - IMUS - The District Imus, Aguinaldo Highway cor. Daang Hari Road, Brgy. Anabu II-D, Imus, Cavite
221. THREADNETICS PULILAN - San Bernardino St., Dampot II-B, Pulilan, Bulacan
222. TOYOTA SAN NICOLAS - Brgy. 16 San Marcos, San Nicolas, Ilocos Norte
223. UNION CHRISTIAN COLLEGE - Union Christian College, Widdoes St., Brgy. II, San Fernando, La Union
224. UNIVERSITY OF BAGUIO - University of Baguio, Assumption Road, Baguio City, Benguet
225. UNIVERSITY OF BOHOL - University of Bohol, Ma. Clara St., Tagbilaran City, Bohol
226. UNIVERSITY OF PERPETUAL HELP - BIÑAN - Dr. Jose Tamayo Medical Bldg., University of Perpetual Help System Laguna, Brgy. Sto. Niño, Biñan, Laguna
227. UNIVERSITY OF SAN CARLOS - University of San Carlos Main University Bldg., Pantaleon del Rosario St., Cebu City, Cebu
228. USC - TALAMBAN - USC Talamban Campus, Gov. M. Cuenco Ave., Brgy. Nasipit, Talamban, Cebu City, Cebu
229. VIRAC TOWN CENTER - Catanduanes Circumferential Road, Virac, Catanduanes
230. VISION FEEDMILLS ROSARIO - Rosario - San Juan - Candelaria Road, Rosario, Batangas
231. WALTER MART - CABANATUAN - Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija
232. WALTER MART - CALAMBA - G/F Waltermart Calamba, Real St., Brgy. Real, Calamba City, Laguna
233. WALTER MART - CARMONA - G/F Walter Mart Carmona, Macaria Business Center, Governor's Drive, Carmona, Cavite
234. WALTER MART - DASMARIÑAS - G/F Walter Mart Dasmariñas, Barrio Burol Aguinaldo Highway, Dasmariñas City, Cavite
235. WALTER MART - GEN. TRIAS - G/F Waltermart General Trias, Governors Drive, Barrio Mangahan, General Trias, Cavite
236. WALTER MART - SAN FERNANDO - Walter Mart San Fernando, McArthur Highway, Brgy. San Agustin, San Fernando, Pampanga
237. WALTER MART - STA. ROSA 1 - UGF Waltermart Sta. Rosa, San Lorenzo Village, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna
238. WALTER MART - STA. ROSA 2 - UGF Waltermart Sta. Rosa, San Lorenzo Village, Balibago Road, Brgy. Balibago, Sta. Rosa, Laguna
239. WALTER MART - STA. ROSA BEL-AIR - Walter Mart Bel-Air, Sta. Rosa Tagaytay Road, Pulong Sta. Cruz, Sta. Rosa, Laguna
240. WALTER MART - TAGAYTAY - G/F Ayala Mall Serin, Tagaytay-Nasugbu Highway, Silang Junction South, Tagaytay City, Cavite
241. WALTER MART - TANAUAN - Walter Mart Tanauan, J. P. Laurel National Highway, Brgy. Darasa, Tanauan, Batangas
242. WELLCOME MINIMART BASISTA - National highway, Basista, Pangasinan
243. WESLEYAN UNIVERSITY - Wesleyan University of the Philippines, Mabini St. Extension, Cabanatuan City, Nueva Ecija
244. WNU STI UNIVERSITY - STI West Negros University, Burgos cor. Hilado St., Bacolod City, Negros Occidental
245. XAVIER UNIVERSITY - G/F Library Annex, Xavier University, Corrales Ave., Cagayan De Oro City, Misamis Oriental
246. YASHANO MALL LEGAZPI - Yashano Mall, F. Imperial St. cor. Terminal Rd. 1, Legazpi Port District, Legazpi City, Albay
247. YUBENCO STARMALL - Yubenco Starmall, Maria Clara Lorenzo Lobregat Highway, Putik, Zamboanga City, Zamboanga del Sur
248. YU-YU CAFÉ & DESSERT SHOPPE TAGUM - National Hiway cor. Quirante II St., Magugpo Poblacion, Tagum City, Davao del Norte
249. ZAMBOANGA PENINSULA MEDICAL CENTER - Zamboanga Peninsula Medical Center, Maria Clara Lorenzo Lobregat Highway, Putik, Zamboanga City, Zamboanga del Sur

### **China Bank Savings - Off Branch ATM Directory**

1. Calamba Hospital - KM. 49 National Highway, Parian, Calamba City, Laguna
2. RIS - RIS DEVELOPMENT CORPORATION - 168 Mercado St Tabe, Guiguinto, Bulacan 03015 (Balagtas Branch)
3. ZAMECO - ZAMECO II Head Office Compound, National Road, Brgy. Magsaysay, Castillejos, Zambales (Olongapo Branch)
4. SAINT LOUIS COLLEGE LA UNION - St. Louis College Carlatan San Fernando City La Union

**(e) Status of Publicly Announced New Products and Services**

<i>Product</i>	<i>Status</i>
Deposit Products	
Young Savers	Fully operational

**(f) Competition**

The combined assets of the universal & commercial banking (UK/B) and thrift banking (TB) industries as of December 2020, expanded by 6% or P1.1 trillion year-on-year to P19.2 trillion. China Bank remained as the country's fifth largest private commercial bank, growing by 8% or P76 billion to P1.0 trillion total assets.

Industry deposits went up 9% (+P1.2 trillion) to P14.7 trillion, while net loans contracted by 2% (-P258 billion) to P10.4 trillion. Gross non-performing loans jumped 79% to P371 billion, resulting in an uptick in gross NPL ratio to 3.6% from 2.0%. NPL coverage ratio, on the other hand, inched up to 95% from 94%.

Combined equity of the UK/B & TB industries went up by 5% or P110 billion to P2.4 trillion. UK/B industry CAR as of September 2020 improved to 16.77% on a solo basis and 17.18% on a consolidated basis.

**(g) Transactions with and/or dependence on related parties**

In the ordinary course of business, the Bank has loans and other transactions with its subsidiaries and affiliates, and with certain directors, officers, stockholders and their related interest (DOSRI). These loans and other transactions are in accordance with the Bank's policy should be reviewed by the Related Party Transaction Committee to ensure that they are conducted at arm's length basis at fair market prices and upon terms not less favorable to Bank than those offered to others and in compliance with all regulatory requirements. Related party transactions are presented to the stockholders during the annual stockholders' meeting for ratification.

**(h) Trademarks, Licenses, Franchises, etc.**

China Bank is operating under a universal banking license obtained in 1991. Over the years, China Bank has registered its corporate brand, slogan and product trademarks with the Intellectual Property Office (IPO) of the Philippines – Bureau of Trademarks, as follows:

- China Bank - Your Success Is Our Business. More Than Your Banker, The Right Partner
- China Bank Treasury Investments
- China Bank GS Fund
- China Bank Online
- China Bank Diamond Savings Account
- China Bank Dollar Fund
- China Bank Check Plus
- China Bank HomePlus
- China Bank AutoPlus
- China Bank Platinum
- China Bank Prime
- China Bank World
- China Bank Money Plus
- China Bank Cash Management
- China Bank Check Write Plus
- China Bank Check Depot
- China Bank Sure Sweep
- China Bank Sure Collect
- China Bank Bills Pay Plus
- China Bank ACA Auto-Credit Arrangement
- China Bank ADA Auto-Debit Arrangement
- China Bank EGOV
- China Bank Corporate Bills Payment
- China Bank Escrow Agency Service POEA
- China Bank Partnership Banking
- China Bank EIPS Electronic Invoicing and Payment Solution

All the Bank's trademark registrations are valid for 10 years with expiration dates varying from 2020 to 2025. The Bank closely monitors the expiry and renewal dates of these trademark names to protect the Bank's brand equity.

**(i) Sources and Availability of raw materials and the names of principal suppliers.**

Not applicable.

**(j) Disclose how dependent the business is upon a single customer or a few customers.**

Not applicable.

**(k) Need for any government approval of principal products or services.**

The Bank secures regulatory approval of all its products and services, as required.

**(l) Effect of existing or probable governmental regulations on the business.**

The Bank strictly complied with the Bangko Sentral ng Pilipinas (BSP) requirements in terms of reserves, liquidity position, capital adequacy, limits on loan exposure, cap on foreign exchange holdings, provision for losses, anti- money laundering provisions and other reportorial requirements.

**(m) Amount spent on research and development activities**

<b>(In Thousand Pesos)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Education & Training	27,325	71,165	50,837
Advertising Expenses	87,179	55,197	32,729
Technology	1,159,747	1,186,258	892,431

**(n) Cost and effect of compliance with environmental laws.** Not applicable.

**(o) Total number of employees**

Below is the breakdown of the manpower complement in 2020 as well as the projected headcount for 2021:

	<b>2021</b>	<b>2020</b>
Officers	3,888	3,705
Staff	6,109	6,120
Total	9,997	9,825

The CBC Employees Association (CBCEA) members have an existing Collective Bargaining Agreement with the Bank for the period 01 August 2020 to 31 July 2022.

**(p) 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.

As mandated under existing regulations, the Board is responsible for the approval and oversight of the implementation of risk management policies. The Board has delegated this function to the Risk Oversight Committee (ROC) 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. The ROC regularly reviews China Bank's risk profile and the effectiveness of risk management systems. Moreover, internal auditors test and evaluate our risk management program to determine effectiveness and communicate the results to the Board and the Audit Committee.

The Risk Management Group (RMG), headed by our chief risk officer, First Vice President II Ananias S. Cornelio III, is responsible for executing the risk management function and the guidelines set by the ROC, including the identification and evaluation on a continuous basis of all considerable risks to the business, and challenging business lines on all aspects of risks arising from the Bank's activities.

RMG continues to strengthen China Bank's risk management framework to effectively assess, manage, and monitor risks across a broad range of activities. Through a strong collaboration between RMG and Financial Control, and the engagement of Moody's Analytics, the smooth transition to the Bank's adoption of PFRS 9 was assured. Foundation for the Bank's adoption of the Basel III framework on liquidity risk management has been prepared. On Information Technology, emphasis was given on cybersecurity and core system testing on disaster preparedness was completed.

## ***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 a risk management framework comprising of limits, triggers, monitoring and reporting process that is 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 – on an annual basis. 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.

On stress testing, an Integrated Stress Testing framework (IST) is in place in addition to the silo stress tests. The IST complements the Internal Models Approach which is the basis for ICAAP capital charge under normal environment. The IST framework allows the Bank to evaluate its overall vulnerabilities on specific events or crisis and gauge its ability to withstand stress events.

## ***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 counterparties and/or group of counterparties, countries, and industry sectors. 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 auto loans and housing loans, while Transunion score is used for credit cards in conjunction with other credit acceptance criteria.

In addition, we have a rating system used for Philippine universal, commercial, thrift, rural, and cooperative banks and a Sovereign Risk Rating Model used 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, we engaged Moody's Analytics for the quantitative and qualitative validation of the ICRRS, followed by the model recalibration in 2015. In 2016, with the assistance of Teradata as its technology provider, we completed the statistical validation of the BCS using the same methodology applied to the validation of the corporate risk rating model. The validation of the two proposed recalibrated ICRRS models continued in 2017 and 2018, and in 2019, the Board approved the recalibrated model to be used in lieu of the old ICRRS model. In 2019 and 2020, we also continued to run performance metrics on the BCS, and the auto and housing loans scorecards.

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

In line with the guidelines set by Bangko Sentro ng Pilipinas (BSP) in BSP Circular No. 900, the Bank has established an Operational Risk Management (ORM) Framework which forms part of its enterprise-wide risk management system. It outlines the policies, guidelines, procedures and the tools to implement an effective operational risk control environment covering all business and operating units of the Bank as well as its subsidiaries. The ORM framework employs the risk management cycle, which includes risk identification, assessment, mitigation, monitoring and reporting. Among the tools that are already in place that provides the Bank with the ability to identify and assess material operational risks include the Risk & Control Self-Assessment (RCSA), Loss Incident Reporting System (LIRS) and the Key Risk Indicators (KRI). Financial and non-financial impacts of operational risks are captured for this purpose.

Specific to Information Technology, the Bank has established a robust IT Risk Management Framework anchored on its business strategy, capabilities, and risk appetite. The IT Risk Management practices of the Bank is governed by 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). The IT Risk Assessment (ITRA) serves as the main tool of the Bank in identifying vulnerabilities, determining effectiveness of controls and in developing mitigating plans in addressing identified risks.

Recognizing the major disruptions that extreme events may cause to the Bank's operations, an extensive Business Continuity Management (BCM) program was developed as an integral part of its operational risk management system. The BCM was designed to enable the Bank to immediately resume critical operations and minimize adverse effect to the business of a major disruption. Included in the program are the resiliency strategies, recovery procedures and facilities, business continuity, pandemic and crisis management plans. Tests and simulation exercises are regularly performed in various degrees.

In addition, the Bank's recognition of the increasing level and sophistication of cyber security threats prompted the development of a Cyber Resilience Framework. The framework is a supplement to the Bank's Information Security Management System (ISMS) & BCM program which provides the details related to the preparations and measures needed to protect the Bank's disaster recovery infrastructure against cyberattacks.

### ***Trust Risk***

We manage our trust risk based on the regulations specified in the Guidelines in Strengthening Corporate Governance and Risk Management Practices on Trust, Other Fiduciary Business and Investment Management Activities (BSP Circular No. 766). 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, compliance risk, legal risk, strategic risk and reputational risks specific to our Trust business.

Trust Risk measurement methodologies includes Management Action Triggers (MAT), Equity Price Alert, various Limits Monitoring, Stress Testing and Accounts Review.

### **(q) Additional requirements as to certain issues or issuers. Not Applicable**

- (i) Debt Issues
- (ii) Investment Company Securities

## Item 2. Properties

### (a) Principal Properties Owned

The Bank conducts its business in its Makati headquarters situated on a 2,977 square meter lot (2 parcels) with a multi storey building appraised at P1.8 billion, with business address at 8745 Paseo de Roxas cor. Villar St., Makati City. Its Binondo Business Center is located at a 1,233 sq. m. lot at the corner of Dasmarinas and Juan Luna streets (4 parcels of land with two multi-storey commercial buildings). China Bank Savings Head Office is situated on a 2,400 square meter lot (2 parcels) with a multi storey building with business address at 6722, Ayala Avenue, Makati City. The average lease period of branches is 10 years and the average annual rental fee is around P1.6 million.

### China Bank Parent

#### (i) Bank-owned Properties - Metro Manila & Provincial Branches

	BRANCH	ADDRESS
1	Angeles City	CBC-Building, 949 Henson St., Angeles City
2	Araneta Ave	Philippine Whithasco Bldg. 420 Araneta Avenue, cor. Bayani St., Quezon City
3	Asuncion	Units G6 & G7 Chinatown Steel Towers, Asuncion St., San Nicolas, Manila
4	Bacolod – Araneta	CBC-Building, Araneta corner San Sebastian Streets, Bacolod City
5	Banawe	CBC Building, 680 Banawe Avenue, Sta. Mesa Hts. District I, Quezon City
6	Binondo Business Center	CBC Bldg., Dasmariñas cor. Juan Luna Sts. Binondo, Manila
7	Butuan	CBC-Building J.C. Aquino Ave. Butuan City
8	Cabanatuan - Maharlika	CBC-Building, Maharlika Highway Cabanatuan City
9	Cagayan De Oro - Lapasan	CBC Building, Claro M. Recto Avenue, Lapasan, Cagayan de Oro City
10	Cainta	CBC Bldg (Beside Sta. Lucia East Mall) Felix Ave. (Imelda Ave.), Cainta, Rizal
11	Catbalogan	CBC-Building Del Rosario St. cor. Taft Ave., Catbalogan City
12	Cavite - Dasmariñas	CBC-Building, Gen. E. Aguinaldo Highway, Dasmarinas, Cavite
13	Cavite – Imus	CBC-Building, Nueno Avenue Tanzang Luma, Imus, Cavite
14	Cavite – Rosario	CBC-Building, Gen Trias Drive, Rosario, Cavite
15	Cebu – Banilad	CBC-Building AS Fortuna St. Banilad Cebu City
16	Cebu – Guadalupe	CBC Building, M. Velez Street, cor. V. Rama Ave., Guadalupe, Cebu City
17	Cebu – Magallanes	CBC-Building, Magallanes corner Jakosalem Sts., Cebu City
18	Cebu – Talisay	CBC-Building., 1055 Cebu South National Road Bulacao, Talisay City, Cebu
19	Cebu Business Center	CBC-Building, Samar Loop corner Panay Road, Cebu Business Park, Cebu City
20	Cubao Aurora	911 Aurora Blvd Ext. corner Miami Street, QC
21	Davao – Recto	CBC-Building, C.M. Recto Ave. cor. J. Rizal St. Davao City
22	Dipolog City	CBC Building, Gen Luna corner Gonzales Streets, Dipolog City
23	Divisoria Sta. Elena	Unit G22 New Divisoria Condominium Ctr, Sta. Elena St. near cor Tabora St., Binondo, MM
24	Dumaguete City	CBC-Building Real St., Dumaguete City
25	E. Rodriguez Sr. Blvd	CBC Bldg., #286 E. Rodriguez Sr. Blvd., Brgy. Damayang Lagi, Quezon City
26	Gen. Santos City	CBC-Building, I. Santiago Blvd., Gen. Santos City, South Cotabato
27	Gil Puyat- Elizabeth Place	G/F Elizabeth Place, Gil Puyat Ave., Makati City
28	Iloilo – Rizal	CBC-Building Rizal cor. Gomez Sts., Brgy. Ortiz, Iloilo City
29	Kalookan	CBC Bldg., 167 Rizal Avenue Extension Grace Park, Kalookan City
30	Katipunan-St. Ignatius Branch	CBC Bldg., No. 121 Katipunan Ave. Bgy. St. Ignatius, Quezon City



	<b>BRANCH</b>	<b>ADDRESS</b>
31	Las Piñas	CBC- Bldg., Alabang-Zapote Road cor. Aries St, Pamplona Park Subd., Las Piñas City
32	Legaspi Village - AIM	G/F Cacho-Gonzales Building, 101 Aguirre cor. Trasierra Sts, Legaspi Vill., Makati City
33	Legaspi Village - Salcedo	G/F Fedman Suites, 199 Salcedo Street Legaspi Village, Makati City
34	Makati Main	CBC Building 8745 Paseo de Roxas corner Villar Streets, Makati City
35	Malabon - Gov. Pascual Ave.	CBC Building, Gov. Pascual Ave., Malabon City
36	Malabon - Potrero	CBC Bldg., McArthur Highway, Potrero, Malabon
37	Mandaluyong - Pioneer	UG-05 Globe Telecom Plaza Tower I Pioneer Street, Mandaluyong City
38	Ormoc City	CBC-Building, Real cor. L. Jaena Sts., Ormoc City
39	Ortigas - ADB Ave.	LGF City & Land Mega Plaza ADB Ave. cor. Garnet Rd. Ortigas Ctr. Pasig City
40	Ortigas - Jade Drive	Unit G-03, Antel Global Corporate Center Jade Drive, Ortigas Center, Pasig
41	Pasay - Roxas Blvd.	GF Unit G-01 Antel Seaview Towers 2626 Roxas Blvd., Pasay City
42	Pasay - Libertad	CBC-Building, 184 Antonio Arnaiz Avenue (Formerly Libertad), Pasay City
43	Pasong Tamo - Cityland	Units UG29-UG32 Cityland Pasong Tamo Tower 2210 Pasong Tamo St., Makati City
44	Quiapo	216-220 Villalobos St, Quiapo, Manila
45	Roosevelt	CBC Bldg., #293 Roosevelt Ave., San Francisco Del Monte, Quezon City
46	Salcedo Village - LP Leviste	Unit 1-B G/F The Athenaeum San Agustín – LP Leviste St., Salcedo Village, Makati City
47	Salcedo Village - Tordesillas	G/F Prince Tower Condominium 14 Tordesillas St., Salcedo Village, Makati City
48	Salcedo Village - Valero	Valero Tower, 122 Valero Street Salcedo Village, Makati City
49	San Fernando	CBC-Building, V. Tiomico Street San Fernando, Pampanga
50	San Fernando - Dolores	CBC-Building, McArthur Highway, Dolores, City of San Fernando, Pampanga
51	San Juan	17 (new) F. Blumentritt St, San Juan, M. M.
52	Shaw - Haig	G/F First of Shaw Bldg, Shaw Blvd. corner Haig St, Mandaluyong City
53	Shaw- Summit One	Unit 102 Summit One Office Tower 530 Shaw Boulevard Mandaluyong City
54	Sorsogon	CBC Building, Ramon Magsaysay Avenue Sorsogon City, Sorsogon
55	Tarlac	CBC Building, Panganiban near corner F. Tanedo Street, Tarlac City, Tarlac
56	Timog Avenue	G/F Prince Jun Condo., 42 Timog Ave., Q.C.
57	Valenzuela	CBC-Bldg., Mc Arthur Highway cor. V. Cordero St., Marulas, Valenzuela City
58	Visayas Ave.	CBC-Building, Visayas Avenue corner Congressional Ave. Ext., Quezon City
59	West Ave.	82 West Avenue, Quezon City
60	Zamboanga City	CBC-Building, Gov. Lim Avenue corner Nunez Street, Zamboanga City
61	Bel-Air Jupiter	Buendia Car Exchange, Jupiter Street, Makati City
62	BF Resort Village	BF Resort Drive cor. Gloria Diaz St, BF Resort Village Talon Dos, Las Piñas City
63	Cagayan De Oro - Divisoria	RN Abejuela St, South Divisoria, Cagayan de Oro City
64	Gen. Santos City - Dadiangas	M. Roxas Ave. corner Lapu-Lapu Street, Brgy. Dadiangas East, Gen. Santos City, South Cotabato
65	Las Piñas - Manuela	Alabang-Zapote Road cor Philamlife Ave., Pamplona Dos, Las Piñas City
66	Ortigas Complex	G/F Padilla Building, F. Ortigas Jr. Road (formerly Emerald Avenue), Ortigas Center, Pasig City.
67	Philam	#8 East Lawin Drive, Philam Homes, QC

**(ii) Leased Properties – Metro Manila & Provincial Branches**

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
1	999 Mall (formerly Tutuban Center)	November 27, 2017	November 26, 2022	173,216.93
2	A. Bonifacio - Mauban	April 1, 2016	March 31, 2026	104,737.50
3	Alabang Hills	May 1, 2016	April 30, 2026	122,361.34
4	Albay	December 1, 2017	November 30, 2037	85,566.60
5	Alvarado	August 1, 2017	July 31, 2027	101,368.42
6	Angeles City- Marquee Mall	October 1, 2017	September 30, 2022	184,932.22
7	Angeles City-Balibago	August 10, 2011	August 9, 2021	155,132.85
8	Angeles- Stb. Rosario	May 1, 2012	April 30, 2022	85,766.12
9	Angeles-McArthur Highway	September 1, 2009	August 31, 2024	111,171.06
10	Anonas	August 01, 2018	July 31, 2028	152,388.39
11	Antipolo City	January 1, 2015	December 31, 2024	130,180.05
12	Antipolo City - Taktak	January 1, 2017	December 31, 2026	131,197.50
13	Antipolo- Sumulong Highway	July 16, 2014	July 15, 2024	67,004.70
14	Antique- San Jose	June 1, 2020	May 31, 2030	37,522.68
15	Apalit	January 1, 2011	December 31, 2030	42,882.00
16	Arnaiz Ave.	February 01, 2018	January 31, 2023	61,424.88
17	Arranque	August 1, 2019	July 31, 2024	267,857.14
18	Aurora Blvd. - New Manila	November 1, 2016	October 31, 2026	182,325.00
19	Ayala Ave. - Amorsolo	May 1, 2017	April 30, 2022	316,032.60
20	Ayala Malls Manila Bay	September 6, 2019	September 30, 2024	289,211.00
21	Ayala-Alabang	January 1, 2015	December 31, 2024	294,822.00
22	Ayala-Columns	October 1, 2017	September 30, 2018	110,619.00
23	Baclaran- F.B. Harrison	January 1, 2018	December 31, 2027	172,725.00
24	Bacolod - Lacson	October 1, 2017	December 31, 2027	93,712.50
25	Bacolod- Libertad	July 1, 2012	June 30, 2022	56,285.02
26	Bacolod-Mandalagan	December 16, 2019	March 15, 2030	55,500.00
27	Bacolod-North Drive	June 1, 2020	March 31, 2030	73,872.77
28	Baguio City	January 1, 2019	December 31, 2021	249,859.02
29	Baguio City-Abanao	March 1, 2019	February 29, 2024	89,792.82
30	Balanga City	January 1, 2012	December 31, 2021	145,928.53
31	Baler	December 1, 2013	November 30, 2023	58,894.19
32	Balintawak-Bonifacio	May 1, 2012	April 30, 2022	75,425.97
33	Baliwag	January 1, 2018	December 31, 2027	76,966.00
34	Balut	August 1, 2018	July 31, 2028	200,004.02
35	Banawe Calamba (formerly Banawe Ma. Clara)	October 1, 2017	September 30, 2027	203,962.50
36	Bataan - Dinalupihan	March 16, 2018	March 15, 2028	84,000.00
37	Batangas- Balayan	September 1, 2017	August 31, 2037	78,750.00
38	Batangas- Bauan	December 16, 2012	December 15, 2022	93,079.69
39	Batangas City	November 1, 2012	October 31, 2022	97,240.50
40	Batangas City- Kumintang Ilaya	April 16, 2018	April 15, 2033	42,500.00

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
41	Batangas- Lemery	May 1, 2013	April 30, 2023	84,426.03
42	Batangas- Rosario	December 1, 2014	November 30, 2024	66,150.00
43	Batangas - San Juan	December 01, 2018	November 30, 2033	65,000.00
44	Batangas- Tanauan	October 1, 2014	September 30, 2024	70,195.49
45	Baybay	July 16, 2020	July 15, 2021	47,093.89
46	Bel-Air	January 1, 2019	December 31, 2021	86,131.71
47	Better Living Subdivision	March 1, 2019	April 30, 2029	112,126.64
48	BF Homes	March 1, 2015	February 25, 2025	127,628.90
49	BF Homes Aguirre	February 1, 2019	January 31, 2029	171,034.00
50	BGC - Icon Plaza	July 1, 2016	June 30, 2026	385,875.00
51	BGC - W Tower	January 16, 2017	January 15, 2025	291,883.57
52	BGC- One World Place	July 16, 2015	July 15, 2020	447,305.60
53	BGC- World Plaza	September 15, 2017	September 14, 2022	623,554.47
54	Binangonan	April 1, 2015	March 31, 2025	85,086.00
55	Blumentritt	March 6, 2018	March 5, 2021	80,482.50
56	Bo. Kapitolyo	August 1, 2015	July 30, 2022	151,749.50
57	Bonny Serrano	July 5, 2016	July 4, 2026	105,327.12
58	Borongan	February 1, 2019	January 31, 2029	51,546.46
59	Bulacan- Balagtas	January 1, 2015	December 31, 2024	29,203.20
60	Bulacan- Guiguinto	July 01, 2018	June 30, 2043	50,000.00
61	Bulacan- Plaridel	May 1, 2015	April 30, 2035	46,246.20
62	Bulacan- Sta. Maria	September 1, 2012	September 1, 2022	88,647.33
63	Cabanatuan City	June 16, 2017	June 15, 2027	103,000.00
64	Cagayan de Oro- Puerto	April 1, 2015	March 31, 2025	94,042.20
65	Cagayan De Oro-Carmen	December 1, 2017	November 30, 2027	247,963.70
66	Cainta- Poblacion	December 1, 2017	November 30, 2027	120,749.40
67	Calapan City	April 17, 2016	April 16, 2026	112,568.03
68	Calbayog City	June 1, 2017	May 31, 2027	52,223.71
69	Camalaniugan	July 1, 2017	June 30, 2037	39,900.00
70	Candon City	December 1, 2013	November 30, 2033	40,303.63
71	Capitol Hills	November 1, 2018	October 31, 2023	132,548.06
72	Carmona	March 20, 2018	March 19, 2028	80,002.48
73	Catarman	October 3, 2017	October 2, 2022	76,499.76
74	Cauayan City	August 1, 2016	July 31, 2021	99,244.69
75	Cavite - Gen. Trias	September 1, 2018	August 31, 2028	100,000.00
76	Cavite- Molino	August 16, 2012	August 12, 2024	78,797.63
77	Cavite- Silang	May 1, 2015	April 30, 2035	60,459.12
78	Cavite- SM City Bacoor	August 1, 2017	July 31, 2022	284,557.00
79	CDO- Gaisano City Mall	November 15, 2012	November 14, 2022	96,248.01
80	Cebu - Mandaue Nra	February 1, 2017	January 31, 2027	121,390.87
81	Cebu -Ayala	February 1, 2016	January 31, 2021	328,188.00
82	Cebu- Banawa	June 16, 2015	June 15, 2025	59,690.04
83	Cebu- Basak- San Nicolas	July 1, 2015	June 30, 2025	70,875.00
84	Cebu- Bogo	February 1, 2014	January 31, 2024	28,940.63
85	Cebu- Carcar	September 1, 2017	August 31, 2027	81,033.75
86	Cebu- Consolacion	June 1, 2017	April 30, 2022	279,041.60
87	Cebu- Escario	May 11, 2012	May 10, 2022	118,196.44
88	Cebu- Gorordo	October 1, 2013	September 30, 2023	75,983.42
89	Cebu- IT Park	September 1, 2018	August 31, 2023	141,790.56
90	Cebu- Lapu Lapu Centro	May 1, 2015	April 30, 2025	87,584.82

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
91	Cebu- Naga	September 20, 2013	September 19, 2023	65,450.27
92	Cebu- SM Seaside City	November 27, 2015	October 31, 2020	323,499.00
93	Cebu- Talamban	December 1, 2017	December 31, 2022	91,496.01
94	Cebu-F. Ramos	August 1, 2019	July 31, 2022	121,565.03
95	Cebu-Lahug	March 29, 2013	March 28, 2023	120,729.22
96	Cebu-Lapu Lapu Pusok	May 15, 2020	May 14, 2025	131,950.00
97	Cebu-Mandaue	December 1, 2015	November 30, 2025	153,153.79
98	Cebu-Mandaue Cabancalan	November 1, 2019	October 31, 2029	94,923.84
99	Cebu-Mandaue J Centre Mall	September 30, 2016	September 29, 2021	136,940.00
100	Cebu-Mandaue North Road	February 1, 2016	January 31, 2026	139,783.22
101	Cebu-Minglanilla	May 1, 2011	April 30, 2021	65,040.30
102	Cebu-SM City	May 1, 2016	April 30, 2021	447,752.20
103	Cebu-Subangdaku	June 1, 2017	May 31, 2027	122,736.36
104	Century City - Knightsbridge	December 26, 2016	December 25, 2026	198,218.48
105	Circuit Makati	July 27, 2018	September 30, 2023	107,209.31
106	Clark Freeport Zone	December 16, 2016	December 15, 2031	141,561.00
107	Commonwealth Ave	December 1, 2017	November 30, 2022	134,646.23
108	Commonwealth Ave. Ext. – Casa Milan	January 1, 2018	December 31, 2027	191,008.13
109	Congressional Ave	January 1, 2020	December 31, 2029	73,160.34
110	Congressional Ave. Extension – Mira Nila	December 1, 2017	November 30, 2032	123,039.00
111	Congressional Ave. - Project 8	January 01, 2020	December 31, 2029	193,800.00
112	Corinthian Hills	March 1, 2019	April 30, 2022	195,939.49
113	Cotabato City	April 1, 2017	March 31, 2022	73,112.69
114	Cubao- P. Tuazon	March 1, 2015	April 30, 2025	72,929.70
115	Cubao-Araneta	August 1, 2018	September 30, 2034	131,554.50
116	Culiat- Tandang Sora	June 1, 2014	May 31, 2024	69,457.50
117	D. Tuazon	February 1, 2017	January 31, 2027	95,256.00
118	Daet	October 1, 2013	September 30, 2023	89,339.71
119	Dagupan- Perez	May 1, 2017	April 30, 2027	179,178.41
120	Dagupan-M.H. Del Pilar	September 1, 2019	August 31, 2029	105,000.00
121	Damar Village	August 1, 2019	July 31, 2026	70,052.63
122	Dasmarinas Village	May 16, 2013	May 15, 2023	120,591.00
123	Davao - Calinan	November 1, 2016	October 31, 2026	54,780.00
124	Davao - Monteverde	August 16, 2017	August 15, 2027	85,050.00
125	Davao- Buhangin	July 1, 2017	June 30, 2022	62,015.76
126	Davao- Insular Village (formerly Davao - Lanang)	September 1, 2017	August 31, 2027	88,869.99
127	Davao- MacArthur Highway	December 1, 2014	November 30, 2024	68,918.85
128	Davao- Panabo	February 16, 2020	February 15, 2030	59,999.84
129	Davao- SM Lanang	November 1, 2017	October 31, 2022	234,255.75
130	Davao-Bajada	May 25, 2015	May 24, 2025	88,448.18
131	Davao-Matina	November 16, 2017	November 15, 2027	116,384.08
132	Davao-Sta. Ana	October 1, 2016	September 30, 2021	254,883.06
133	Davao-Tagum	November 2, 2012	November 1, 2022	43,999.40
134	Davao-Toril	March 1, 2011	February 28, 2026	54,432.00
135	Del Monte - Matutum	March 16, 2017	March 15, 2027	138,456.05
136	Del Monte Ave	March 1, 2013	February 28, 2023	167,454.33
137	Diliman - Matalino	March 16, 2018	March 15, 2028	210,000.60
138	Don Antonio	October 5, 2017	October 4, 2020	87,946.51
139	E. Rodriguez- Acropolis	July 1, 2014	June 30, 2024	160,812.00
140	E. Rodriguez- Cordillera	June 16, 2014	June 15, 2024	102,102.00

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
141	E. Rodriguez- Hillcrest	December 1, 2009	November 30, 2019	65,500.00
142	Eastwood City	February 1, 2019	January 31, 2021	309,295.80
143	Eastwood City Felina Corporate Plaza	August 01, 2019	July 31, 2029	147,420.00
144	EDSA - Philam	September 1, 2017	August 31, 2027	183,676.50
145	EDSA- Kalookan	October 16, 2020	October 15, 2030	90,000.00
146	EDSA-Timog (former Tomas Morato)	February 15, 2011	February 14, 2021	211,371.57
147	Elcano	May 1, 2014	April 30, 2024	54,454.74
148	Ermita	April 16, 2018	April 15, 2023	266,900.30
149	Escolta	December 1, 2019	November 30, 2029	80,000.00
150	España	December 1, 2012	November 30, 2017	103,675.27
151	Evangelista	December 1, 2016	November 30, 2026	159,916.79
152	Examiner	August 16, 2019	September 15, 2025	132,289.40
153	Fairview	November 16, 2016	November 15, 2021	151,938.28
154	Fairview Terraces	July 1, 2019	June 30, 2024	223,396.90
155	Filinvest Corp. City - Commercenter	February 1, 2016	January 31, 2021	104,617.55
156	Filinvest Corp. City - Northgate	December 1, 2015	November 30, 2020	236,060.00
157	Filinvest Corporate City	August 1, 2015	July 31, 2020	166,827.68
158	Five E-Com Center	November 1, 2018	October 31, 2021	206,076.00
159	Fort Bonifacio Global City	July 16, 2016	July 15, 2024	419,349.00
160	Gapan	May 1, 2019	April 30, 2021	96,648.25
161	Gen. Luis - Katipunan	August 1, 2016	July 31, 2031	83,349.00
162	Gil Puyat Ave. - Reposo	September 1, 2017	August 31, 2022	413,967.57
163	Gil Puyat Avenue	March 1, 2014	February 28, 2022	172,299.00
164	Greenbelt 1	April 1, 2017	December 31, 2018	306,945.64
165	Greenhills	January 1, 2017	December 31, 2019	675,908.00
166	Greenhills- Annapolis	May 15, 2018	May 14, 2028	200,319.85
167	Greenhills- Connecticut	April 1, 2015	March 31, 2025	120,941.36
168	Greenhills-Ortigas	April 1, 2013	March 31, 2023	422,128.35
169	Guagua	January 1, 2014	December 31, 2024	80,000.00
170	Heroes Hills	January 1, 2021	December 31, 2025	256,800.00
171	Holy Spirit Drive	April 1, 2015	March 31, 2030	114,865.34
172	Ilaya	March 15, 2018	March 14, 2023	121,000.00
173	Iligan City	July 1, 2010	June 30, 2020	100,836.39
174	Iligan City- Solana District	October 1, 2017	September 30, 2027	68,250.00
175	Ilocos Norte- San Nicolas	September 1, 2015	August 31, 2025	69,457.08
176	Iloilo- Jaro	September 1, 2013	August 31, 2033	22,995.00
177	Iloilo-Iznart	January 1, 2020	December 31, 2029	120,000.00
178	Iloilo-Mabini	June 1, 2009	May 31, 2025	69,983.67
179	Iloilo-Mandurriao	December 1, 2019	November 30, 2029	130,058.50
180	Intramuros	October 1, 2016	September 30, 2021	148,506.75
181	Iriga City	December 1, 2015	February 28, 2026	109,395.56
182	Isabela- Ilagan	April 1, 2012	March 31, 2022	51,359.17
183	Isabela- Roxas	January 16, 2014	January 15, 2024	70,351.35
184	J. Abad Santos Ave.- Quiricada	August 1, 2017	July 31, 2027	115,500.00
185	J. Abad Santos Avenue	October 1, 2019	September 30, 2025	125,652.45
186	Juan Luna	December 16, 2017	December 15, 2022	213,260.57
187	Kalayaan Ave.	August 1, 2017	July 31, 2022	93,079.50
188	Kalibo	June 16, 2017	June 15, 2032	50,298.81
189	Kalookan - 10th Ave.	December 1, 2016	November 30, 2026	130,232.81
190	Kalookan- 8th Ave.	July 1, 2014	June 30, 2024	134,009.56

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
191	Kalookan- Camarin	July 1, 2018	June 30, 2028	73,500.00
192	Kalookan-Monumento	March 1, 2012	February 28, 2022	171,384.83
193	Kamias	January 1, 2016	December 31, 2025	138,000.38
194	Kamuning	January 1, 2017	December 31, 2026	110,249.08
195	Kanlaon	December 01, 2019	November 30, 2029	124,200.45
196	Karuhatan	August 1, 2018	October 31, 2028	73,500.00
197	Katipunan Ave. - Loyola Heights	March 3, 2017	March 2, 2027	186,702.57
198	Kidapawan City	Feb. 16, 2020	Feb. 15, 2021	250,000.00
199	Koronadal City	August 1, 2011	September 30, 2019	100,041.98
200	La Trinidad	August 19, 2012	August 18, 2022	66,000.00
201	La Union - San Fernando	October 1, 2014	September 30, 2024	103,455.00
202	La Union- Agoo	January 1, 2015	December 31, 2024	46,305.00
203	Lagro	October 1, 2016	September 30, 2036	82,687.50
204	Laguna - Calamba	July 1, 1998	June 30, 2020	195,003.10
205	Laguna - Los Baños	September 1, 2017	August 31, 2027	104,447.37
206	Laguna - San Pedro	March 1, 2017	February 28, 2027	88,200.00
207	Laguna- Biñan	July 16, 2015	July 15, 2025	81,438.92
208	Laguna- Cabuyao	July 1, 2015	June 30, 2025	72,201.07
209	Laguna-Sta Cruz	August 1, 2011	July 31, 2021	73,483.97
210	Laoag City	December 1, 2016	November 30, 2026	132,250.00
211	Las Piñas - Marcos Alvarez Ave.	November 1, 2017	October 31, 2027	130,900.00
212	Las Piñas - Naga Road	July 16, 2017	July 15, 2027	164,845.80
213	Lavezares	January 1, 2015	December 31, 2024	99,555.75
214	Legaspi Vill. -C. Palanca	October 1, 2020	September 30, 2030	330,264.00
215	Legaspi Village - Esteban	June 16, 2016	June 15, 2026	227,906.70
216	Legaspi Village- Amorsolo	February 1, 2015	January 31, 2023	182,326.00
217	Legaspi Village-Perea	January 16, 2016	January 15, 2026	223,583.33
218	Legazpi City	January 1, 2016	December 31, 2026	112,971.70
219	Lipa City - Tambo	May 1, 2017	April 30, 2027	220,500.00
220	Lucena City	January 16, 2012	January 15, 2022	57,500.00
221	Maasin City	June 1, 2011	May 31, 2021	50,655.62
222	M. Dela Fuente-Trabajo Market	September 16, 2018	November 15, 2028	181,912.50
223	Mabalacat- Dau	December 1, 2020	November 30, 2030	119,000.00
224	Macapagal Ave. - Aseana Square	July 1, 2017	June 30, 2027	196,047.60
225	Macapagal Ave. - Biopolis	April 1, 2017	March 31, 2027	288,809.55
226	Macapagal Ave. – Doubledragon	December 1, 2017	November 30, 2022	285,017.62
227	Magallanes Village	December 1, 2016	November 30, 2024	94,008.60
228	Makati - Comembo	December 1, 2015	November 30, 2025	111,826.00
229	Makati – Kalayaan Ave.	December 1, 2017	November 30, 2027	252,693.00
230	Makati - Yakal	November 16, 2019	November 15, 2029	182,000.00
231	Makati Avenue	December 1, 2017	November 30, 2025	289,608.69
232	Makati- JP Rizal	June 16, 2015	June 15, 2025	151,937.91
233	Malabon-Concepcion	February 16, 2014	February 14, 2024	115,948.35
234	Malanday	December 1, 2011	November 30, 2031	59,098.22
235	Malaybalay City	June 1, 2012	May 31, 2022	58,221.60
236	Malolos City	July 15, 2011	July 14, 2021	79,632.27
237	Mandaluyong - Boni Ave.	January 1, 2016	December 31, 2025	99,226.03
238	Mandaluyong- Boni San Roque	July 01, 2018	June 30, 2028	115,920.00
239	Mandaluyong - D. Guevara	May 1, 2016	April 30, 2026	232,162.56
240	Mandaluyong - The Podium	June 01, 2020	July 31, 2025	132,242.00

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
241	Manila- Maceda	June 16, 2015	June 15, 2025	95,721.12
242	Marikina – Fairlane	October 1, 2016	September 30, 2026	136,135.76
243	Marikina – Gil Fernando	January 1, 2013	December 31, 2022	84,426.00
244	Marikina- Sta. Elena	January 1, 2013	May 31, 2023	147,746.00
245	Marikina-SSS Village	June 1, 2017	May 31, 2027	110,249.76
246	Marilao	November 1, 2017	October 31, 2022	259,107.75
247	Mariveles - FAB	April 01, 2018	March 31, 2028	84,000.00
248	Masangkay	January 1, 2017	December 31, 2026	362,915.98
249	Masangkay-Mayhaligue (reloc of Masangkay Luzon)	June 1, 2019	May 31, 2029	110,000.55
250	Masbate	April 9, 2013	April 8, 2023	59,895.00
251	Mayon	June 1, 2016	May 31, 2026	98,398.13
252	Mayon-Rotonda	February 01, 2020	January 31, 2030	118,690.00
253	Medical Center Parañaque	December 01, 2020	November 30, 2030	100,000.00
254	Meycauayan	July 1, 2014	June 30, 2034	75,554.64
255	Midsayap	April 1, 2015	March 31, 2030	28,750.00
256	Mindanao Ave.	September 16,2019	September 15, 2029	92,007.84
257	Muntinlupa – Putatan	August 21, 2012	August 20, 2022	65,884.22
258	N. Domingo	September 1, 2017	August 31, 2025	147,600.80
259	Naga City	July 1, 2014	June 30, 2024	140,105.26
260	Navotas	December 1, 2011	November 30, 2021	77,566.41
261	Negros Occ.- Kabankalan	January 1, 2015	December 31, 2034	38,500.00
262	Negros Occidental- San Carlos	July 1, 2013	June 30, 2023	60,455.44
263	Novaliches-Bagbag	July 1, 2019	June 30, 2029	105,262.74
264	Novaliches-Gulod (formerly Novaliches)	December 16, 2018	December 15, 2028	121,275.00
265	Novaliches - Sta. Monica	April 1, 2017	May 31, 2027	173,643.75
266	Novaliches- Sangandaan	October 16, 2009	October 15, 2024	115,447.52
267	Novaliches- Zabarte	September 7, 2019	September 6, 2029	115,500.00
268	Novaliches-Talipapa	March 15, 2018	March 14, 2028	259,667.68
269	Nueva	August 16, 2016	August 15, 2022	146,708.57
270	Nueva Ecija- Sta. Rosa	November 16, 2013	November 15, 2033	63,669.37
271	Occ. Mindoro- San Jose	September 16, 2014	September 15, 2024	89,250.00
272	Olongapo – Downtown	January 16, 2018	January 15, 2028	126,000.00
273	Ongpin	September 1, 2016	August 31, 2022	307,461.00
274	Oroquieta	January 1, 2016	December 31, 2026	56,250.00
275	Ortigas - Tekite	April 01, 2017	March 31, 2027	175,187.26
276	Ortigas Ave. Ext - Riverside	April 21, 2016	April 20, 2021	131,904.99
277	Ortigas Center	January 1, 2016	December 31, 2020	215,896.72
278	Ozamiz City	March 1, 2016	February 25, 2031	75,000.20
279	Paco	July 16, 2020	July 15, 2030	114,000.00
280	Paco - Angel Linao	January 1, 2016	December 31, 2025	81,395.51
281	Paco-Otis	February 17, 2017	February 15, 2027	132,300.00
282	Padre Faura	May 1, 2016	April 30, 2021	257,505.00
283	Padre Rada	January 16, 2020	January 15, 2035	120,000.00
284	Pagadian City	December 1, 2013	November 30, 2023	216,972.36
285	Pangasinan- Bayambang	October 1, 2014	September 30, 2034	19,800.00
286	Pangasinan- Rosales	October 1, 2015	September 30, 2035	54,450.00
287	Pangasinan-Alaminos City	June 1, 2018	May 31, 2028	80,000.00
288	Pangasinan-Urdaneta	April 1, 2010	March 31, 2020	130,638.17
289	Parañaque - Bacaran	August 1, 2017	July 31, 2027	137,812.00
290	Parañaque - Naia	December 1, 2017	November 30, 2027	208,372.80

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
291	Parañaque- Moonwalk	March 1, 2015	February 28, 2025	80,421.60
292	Parañaque-San Antonio Valley	October 1, 2016	September 30, 2026	131,275.20
293	Paranaque-Sucat	November 1, 2011	October 31, 2021	131,769.00
294	Paseo De Sta. Rosa	October 1, 2018	September 30, 2023	206,446.43
295	Pasig- Caruncho	March 01, 2020	April 30, 2029	152,250.45
296	Pasig - A. Mabini	March 1, 2017	February 28, 2027	157,501.03
297	Pasig – Dela Paz	February 1, 2018	December 31, 2028	140,710.50
298	Pasig - Rosario	June 16, 2019	June 15, 2034	107,143.38
299	Pasig – SM Supercenter (G/F)	May 1, 2019	April 30, 2024	122,452.00
	Pasig – SM Supercenter (Mezzanine)	May 01, 2019	April 30, 2024	15,636.50
300	Pasig - Valle Verde	November 16, 2015	November 15, 2025	82,398.75
301	Pasig- C. Raymundo	August 1, 2017	July 31, 2027	48,620.60
302	Pasig- Estancia	November 8, 2019	November 7, 2025	175,014.00
303	Pasig- San Joaquin	March 1, 2015	February 28, 2025	121,274.10
304	Pasig-Mercedes	January 1, 2017	December 31, 2026	106,212.09
305	Pasig-Santolan	March 1, 2012	February 29, 2020	153,254.52
306	Paso De Blas	December 16, 2019	December 15, 2029	123,750.00
307	Pasong Tamo - Bagtikan	January 1, 2018	December 31, 2021	90,728.87
308	Pasong Tamo - La Fuerza - Ground Floor	September 1, 2017	August 31, 2022	208,372.50
	Pasong Tamo - La Fuerza - 2/F	September 1, 2017	August 31, 2022	138,915.00
309	Pateros	September 1, 2014	August 31, 2024	79,860.00
310	Project 8 - Shorthorn	November 1, 2016	October 31, 2031	157,263.36
311	Puerto Princesa City	November 16, 2018	November 15, 2026	121,275.00
312	Pureza	July 01, 2019	June 30, 2020	78,000.00
313	Quezon - Candelaria	September 1, 2017	August 31, 2027	82,687.50
314	Quezon Ave.	January 21, 2015	January 20, 2022	108,483.93
315	Regalado Ave.	July 1, 2015	June 30, 2030	85,085.44
316	Regalado Ave. - West Fairview	February 01, 2018	January 31, 2038	101,955.00
317	Rizal - Angono	January 1, 2017	December 31, 2026	115,500.00
318	Rizal- San Mateo	October 1, 2015	September 30, 2025	89,339.52
319	Rockwell - Ortigas	April 28, 2017	April 27, 2022	128,072.22
320	Roosevelt Ave. - Frisco	June 1, 2016	May 31, 2026	115,762.50
321	Roxas City	April 1, 2015	March 31, 2025	51,051.26
322	Sales-Raon	January 1, 2020	December 31, 2029	128,840.80
323	San Antonio Village - Kamagong	November 1, 2017	October 31, 2027	157,147.82
324	San Antonio Village- P. Ocampo	December 1, 2014	November 30, 2024	102,102.40
325	San Fernando – Sindalan	January 1, 2012	December 31, 2021	85,727.87
326	San Jose City	December 1, 2011	November 30, 2021	71,502.69
327	San Juan- J. Abad Santos	December 1, 2014	November 30, 2024	74,381.31
328	San Pablo City	November 16, 2014	November 15, 2019	100,000.00
329	Santiago City	January 16, 2014	January 15, 2024	70,531.35
330	Sct. Borromeo	May 1, 2017	April 30, 2027	128,906.25
331	Sct. Chuatoco	June 01, 2018	May 31, 2028	173,250.00
332	Shaw-Pasig	December 1, 2011	November 30, 2021	177,962.27
333	Shaw- Gomezville	September 1, 2019	August 31, 2029	103,317.50
334	Silay City	September 1, 2020	August 31, 2030	48,756.03
335	SM Fairview	November 1, 2018	October 31, 2023	298,344.00
336	SM North Edsa	February 01, 2020	January 31, 2025	354,202.50
337	SM North Towers	December 07, 2018	November 30, 2030	131,083.50
338	SM Southmall	February 1, 2015	January 31, 2020	551,031.00
339	SM Aura Premier	May 1, 2019	April 30, 2024	232,297.50
340	SM CDO Downtown Premier (formerly CDO - Borja)	May 12, 2017	April 30, 2022	175,813.75



		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
341	SM City BF Parañaque	December 16, 2019	January 31, 2024	410,112.50
342	SM City Bicutan	November 1, 2018	October 31, 2023	242,575.00
343	SM City Cabanatuan	March 14, 2018	February 28, 2023	172,460.20
344	SM City Clark	November 1, 2019	October 31, 2024	284,965.00
345	SM City Dasmariñas	February 1, 2017	January 31, 2022	221,458.50
346	SM City Lipa	November 1, 2017	October 31, 2022	234,328.40
347	SM City Marikina	November 1, 2017	October 31, 2022	209,491.80
348	SM City Masinag	August 1, 2016	July 31, 2021	193,269.10
349	SM City Naga	February 1, 2019	January 31, 2024	117,377.50
350	SM City Olongapo Central (former SM City Olongapo)	September 13, 2019	October 31, 2024	155,416.75
351	SM City Pampanga	November 1, 2019	October 31, 2020	168,888.00
	SM City Pampanga (Mezzanine)	November 1, 2019	October 31, 2020	10,836.00
352	Sm City San Jose Del Monte	July 1, 2016	July 31, 2021	147,742.80
353	SM City San Lazaro	November 1, 2018	October 31, 2023	306,450.00
354	SM City San Pablo	November 1, 2015	October 31, 2020	224,468.00
355	SM City Sta. Rosa	May 1, 2019	April 30, 2024	218,329.00
356	SM City Taytay	November 1, 2018	October 31, 2023	145,145.00
357	SM City Telabastagan	July 01, 2018	April 30, 2023	165,936.15
358	SM Mall Of Asia	May 1, 2019	April 30, 2020	481,236.00
359	SM Megamall	November 1, 2017	October 31, 2022	581,322.50
360	Solano	2020	2030	120,000.00
361	Solemare	January 1, 2015	December 31, 2024	158,062.43
362	Soler-168	January 1, 2020	December 31, 2024	122,559.85
363	Soler-Arranque	November 01, 2018	October 31, 2028	206,000.00
364	South Triangle	January 16, 2015	January 15, 2025	174,729.02
365	Sta. Mesa (formerly Mezza Residences)	December 1, 2016	November 30, 2026	133,127.31
366	Sto. Cristo	June 1, 2016	May 31, 2026	140,000.00
367	Sto. Cristo-CM Recto	October 01, 2017	September 30, 2027	110,250.00
368	Sto. Domingo Ave.	April 16, 2017	April 15, 2027	96,468.75
369	Subic Bay Freeport Zone	June 25, 2008	June 24, 2058	1,346.12
370	Surigao City	September 1, 2011	August 31, 2031	36,465.19
371	T. Alonzo	June 1, 2016	May 31, 2021	135,351.56
372	Tabaco City	March 1, 2015	February 28, 2025	82,971.06
373	Tacloban City	July 1, 2020	June 30, 2030	121,495.33
374	Taft Ave. - Nakpil	July 01, 2018	June 30, 2028	165,375.00
375	Taft Ave. - Quirino	May 1, 2017	April 30, 2025	158,642.84
376	Tagaytay City	September 1, 2016	August 31, 2026	118,077.75
377	Tagbilaran City	August 16, 2017	August 15, 2022	217,534.08
378	Talavera	July 20, 2012	July 19, 2032	26,801.91
379	Tandang Sora - Visayas Ave.	February 1, 2017	March 31, 2027	165,375.00
380	Tarlac - Bamban	December 1, 2016	November 30, 2026	27,562.50
381	Tarlac - San Rafael	November 1, 2017	October 31, 2032	26,250.00
382	Tarlac- Camiling	February 1, 2014	January 31, 2024	69,685.20
383	Tarlac- Concepcion	October 1, 2014	September 30, 2024	66,550.00
384	Tarlac- Paniqui	October 1, 2014	September 30, 2024	79,007.91
385	Taytay – Ortigas Exension	February 01, 2018	January 31, 2028	131,670.00
386	Taytay-San Juan	August 1, 2016	October 31, 2026	92,609.40
387	The District Imus	January 1, 2020	December 31, 2020	124,722.33
388	The Medical City	December 1, 2019	November 30, 2029	83,400.00
389	Tomas Mapua - Laguna	September 1, 2016	August 31, 2031	92,610.00
390	Tomas Morato - E. Rodriguez	April 1, 2017	June 30, 2032	188,621.43

		CONTRACT PERIOD	CONTRACT PERIOD	
	BRANCH	COMMENCEMENT	EXPIRATION	MONTHLY RENT
391	Tomas Morato Extension	December 1, 2016	November 30, 2026	156,279.38
392	Trece Martires	November 19, 2017	October 31, 2022	73,066.50
393	Trinoma	September 1, 2017	August 31, 2022	362,665.16
394	Tuguegarao- Balzain	August 1, 2015	July 30, 2025	101,295.79
395	Tuguegarao City	March 16, 2016	March 15, 2026	116,071.43
396	Tutuban Prime Block	August 21, 2016		-
397	UP Techno Hub	September 1, 2017	August 31, 2022	189,000.22
398	Up Village - Maginhawa	January 1, 2017	December 31, 2026	113,778.00
399	V. Luna	November 1, 2016	October 31, 2026	190,776.60
400	Valencia	May 1, 2016	January 31, 2029	76,440.00
401	Valenzuela - Gen. Luis	July 1, 2011	June 30, 2021	60,000.00
402	Valenzuela - Malinta	January 1, 2017	December 31, 2026	93,712.50
403	Vigan City	February 1, 2019	January 31, 2021	118,196.43
404	Virac	February 1, 2017	January 31, 2027	93,712.50
405	Xavierville	June 1, 2020	May 31, 2032	159,999.21
406	Zambales - Botolan	February 1, 2017	January 31, 2027	37,800.00
407	Zamboanga- San Jose Gusu	December 1, 2014	November 30, 2024	423.50
408	Zamboanga-Guiwan	March 7, 2017	March 6, 2027	67,336.74
409	Zobel - Roxas	July 1, 2019	June 30, 2029	134,999.70

## China Bank Savings

### (iii) Bank-owned Properties – Metro Manila & Provincial Branches

	BRANCHES	ADDRESS
1	ANGELES - RIZAL	639 Rizal Street, Angeles City
2	AYALA AVENUE	6772 Ayala Avenue, Makati City
3	BATANGAS - P. BURGOS	4 Burgos Street Batangas City
4	BIÑAN	San Vicente, Binan Laguna
5	BUENDIA MAIN	314 Buendia Avenue Makati City
6	DAU	MacArthur Highway, Dau, Mabalacat, Pampanga
7	LA UNION with Business Center	A.G. Zambrano Building Quezon Avenue San Fernando City, La Union
8	ORANI	Brgy. Balut, Orani, Bataan
9	STA. ROSA - BALIBAGO	Old National Hi-way Cor Roque Lazaga St. Sta. Rosa Laguna

### (iv) Leased Properties – Metro Manila & Provincial Branches

	BRANCH	CONTRACT PERIOD		MONTHLY RENT
		Commencement	Expiration	
1	ACACIA ESTATES - SAVEMORE	December 27, 2019	November 30, 2021	56,284.01
2	ADRIATICO - HYPERMARKET	August 1, 2019	July 31, 2021	65,000.00
3	ALABANG HILLS	August 16, 2017	August 15, 2022	105,242.08
4	AMANG RODRIGUEZ - SAVEMORE	December 27, 2019	March 26, 2022	69,457.50
5	AMORANTO AVENUE	November 15, 2016	November 14, 2021	89,624.59
6	ANGONO	June 1, 2016	May 31, 2023	59,101.71
7	ANONAS - SAVEMORE	July 30, 2019	November 30, 2021	56,284.01
8	ANTIPOLO	May 1, 2015	April 30, 2025	111,497.13
9	ARANETA CENTER COD - SAVEMORE	August 1, 2020	November 30, 2021	42,231.01
10	ARAYAT	November 16, 2016	November 15, 2021	48,259.91
11	BACLARAN	April 5, 2016	April 4, 2023	90,405.00
12	BACOLOD	August 1, 2020	July 31, 2021	200,000.00
13	BACOR - MOLINO	October 1, 2014	September 30, 2021	99,225.00
14	BACOR - TALABA	February 1, 2017	January 31, 2027	103,037.38
15	BAGUIO - SESSION	June 17, 2016	June 16, 2021	167,375.21
16	BALAGTAS	March 6, 2017	March 5, 2022	33,075.00
17	BALANGA - DM BAZON	October 15, 2017	October 14, 2022	120,940.32
18	BALIBAGO	January 1, 2016	December 31, 2022	115,762.50
19	BALIUAG	September 11, 2019	September 10, 2026	150,000.00
20	BANAWA	November 22, 2012	November 21, 2022	134,542.92
21	BANGKAL	June 21, 2012	June 21, 2022	154,977.05
22	BINONDO - JUAN LUNA	September 16, 2013	September 15, 2023	231,803.04
23	BLUMENTRITT	March 28, 2017	March 27, 2027	121,275.00
24	BONI AVENUE	September 1, 2017	August 31, 2027	69,300.00
25	CABANATUAN - BAYAN	March 1, 2015	February 28, 2022	104,186.25

	BRANCH	CONTRACT PERIOD		MONTHLY RENT
		Commencement	Expiration	
26	CAGAYAN DE ORO	November 1, 2010	October 31, 2022	134,689.22
27	CALAMBA	November 1, 2017	October 31, 2022	114,865.34
28	CAVITE CITY	October 31, 2014	October 30, 2021	57,881.25
29	CEBU - LAHUG	June 1, 2017	May 31, 2025	210,791.04
30	CEBU - MANDAUE	August 1, 2011	July 31, 2021	105,532.52
31	CEBU - MANGO with Business Center	January 1, 2018	December 31, 2022	318,691.20
32	CEBU MANDAUE - BASAK	August 1, 2018	July 31, 2023	58,635.73
33	COMMONWEALTH AVENUE	April 16, 2016	April 15, 2023	62,511.75
34	CUBAO	July 1, 2015	June 30, 2022	88,647.33
35	DAGUPAN	November 2, 2020	November 1, 2030	132,970.99
36	DARAGA	June 16, 2011	June 15, 2021	96,630.60
37	DASMARIÑAS	April 1, 2016	March 31, 2026	82,687.50
38	DAVAO - RECTO	August 1, 2018	July 31, 2023	84,000.00
39	DAVAO with Business Center	January 1, 2011	December 31, 2020	184,629.37
40	DEL MONTE	April 1, 2018	March 31, 2028	184,500.00
41	DIVISORIA	March 17, 2016	March 16, 2026	210,415.38
42	DOLORES	July 1, 2015	June 30, 2025	68,087.48
43	E. RODRIGUEZ SR. - HEMADY	September 1, 2014	August 31, 2021	141,416.05
44	ESPAÑA - SUN MALL	November 1, 2019	October 31, 2022	128,108.70
45	FELIX HUERTAS - JT CENTRALE	December 16, 2016	December 15, 2023	65,542.40
46	FILINVEST CORPORATE CITY	August 1, 2017	July 31, 2022	160,811.47
47	FTI - TAGUIG - HYPERMARKET	May 2, 2019	May 1, 2024	75,070.80
48	GARANETA AVENUE	March 15, 2017	March 14, 2024	65,178.75
49	GENERAL SANTOS	April 1, 2020	March 31, 2027	82,958.31
50	GIL PUYAT-BAUTISTA	July 1, 2017	June 30, 2024	143,640.00
51	GREENHILLS - ORTIGAS AVE.	December 1, 2020	November 30, 2025	105,070.00
52	GREENHILLS - WILSON	October 16, 2017	October 15, 2022	174,636.00
53	GUAGUA	January 1, 2013	December 31, 2023	97,558.85
54	GUIGUINTO-RIS	September 25, 2017	September 24, 2027	31,500.00
55	ILOILO - IZNART	February 1, 2018	January 31, 2028	173,952.45
56	ILOILO - JARO	May 1, 2013	April 30, 2023	91,126.51
57	IMUS - TANZANG LUMA	November 26, 2020	November 25, 2027	100,000.00
58	KALIBO - CITYMALL	January 1, 2017	December 31, 2022	76,072.50
59	KALOOKAN	August 16, 2017	August 15, 2025	153,197.54
60	KALOOKAN - MABINI	January 1, 2017	December 31, 2023	113,514.88
61	KATIPUNAN AVENUE	February 16, 2016	February 15, 2023	144,703.12
62	LAGRO	September 9, 2016	September 8, 2023	80,048.53
63	LAGUNA - STA. CRUZ	November 8, 2014	November 7, 2021	59,559.80
64	LAOAG CITY	July 1, 2015	June 30, 2022	92,426.89
65	LAS PINAS - ALMANZA UNO	September 1, 2017	August 31, 2022	112,769.87
66	LEGAZPI BRANCH	March 1, 2018	February 28, 2027	184,800.00
67	LINGAYEN	July 1, 2018	June 30, 2028	130,000.00
68	LIPA - CM RECTO	March 1, 2017	February 28, 2022	162,222.10
69	LOS BAÑOS - CROSSING	January 1, 2021	December 31, 2023	92,450.00
70	LUCENA	September 16, 2018	September 15, 2023	79,521.90

	BRANCH	CONTRACT PERIOD		MONTHLY RENT
		Commencement	Expiration	
71	MACABEBE	June 16, 2017	June 15, 2027	49,481.25
72	MAKATI - CHINO ROCES	October 1, 2013	September 30, 2023	135,694.65
73	MAKATI - J.P. RIZAL	September 1, 2013	August 31, 2023	138,915.00
74	MALABON - FRANCIS MARKET - SAVEMORE	April 1, 2020	July 31, 2021	38,288.00
75	MALOLOS	July 1, 2017	June 30, 2022	72,930.00
76	MALOLOS - CATMON	April 6, 2020	April 5, 2030	80,000.00
77	MANDALUYONG	March 1, 2012	May 31, 2022	146,786.85
78	MANDALUYONG - SHAW BLVD.	December 1, 2018	November 30, 2023	141,198.31
79	MANILA - STA. ANA - SAVEMORE	February 5, 2021	July 31, 2021	51,085.30
80	MARIKINA	May 24, 2020	May 23, 2030	210,000.00
81	MARIKINA - GIL FERNANDO AVENUE	January 1, 2018	December 31, 2022	93,079.71
82	MEYCAUAYAN	November 1, 2016	October 31, 2023	68,355.44
83	MOUNT CARMEL	July 20, 2015	July 19, 2025	121,550.62
84	MUÑOZ - JACKMAN	June 1, 2017	May 31, 2024	91,355.35
85	NAGA	July 16, 2012	July 15, 2022	105,203.77
86	NEPA - Q. MART - SAVEMORE	July 30, 2019	November 30, 2021	40,202.87
87	NINOY AQUINO AVE.	June 1, 2012	May 31, 2022	150,491.25
88	OLONGAPO	October 25, 2017	October 24, 2022	112,850.46
89	ORTIGAS CENTER	February 1, 2018	January 31, 2021	159,474.42
90	PARAÑAQUE - BETTER LIVING	October 1, 2018	September 30, 2023	93,211.97
91	PARAÑAQUE - BF HOMES	July 1, 2013	June 30, 2023	83,191.90
92	PARAÑAQUE - JAKA PLAZA	April 19, 2016	April 18, 2023	90,426.88
93	PARAÑAQUE - LA HUERTA	October 1, 2013	September 30, 2028	109,395.56
94	PARAÑAQUE - MOONWALK	April 17, 2015	April 16, 2022	86,711.62
95	PASAY - LIBERTAD	February 20, 2017	February 19, 2024	86,625.00
96	PASIG - CANIOGAN	June 15, 2016	June 14, 2023	73,500.00
97	PASIG - MUTYA	July 16, 2017	July 15, 2027	99,000.00
98	PASIG - PADRE BURGOS	June 16, 2018	June 15, 2023	99,000.00
99	PASO DE BLAS	January 15, 2016	January 15, 2021	68,835.83
100	PATEROS	October 1, 2020	September 30, 2025	69,000.00
101	PATEROS - ALMEDA	August 30, 2017	August 30, 2022	90,335.84
102	PEDRO GIL	September 1, 2018	August 31, 2025	115,320.86
103	PLARIDEL	September 1, 2012	August 31, 2022	160,811.48
104	PLAZA - STA. CRUZ	April 1, 2016	March 31, 2026	110,000.00
105	PORAC	December 14, 2020	December 13, 2025	59,486.64
106	QUEZON AVENUE - PALIGSAHAN	April 16, 2016	April 15, 2021	126,586.29
107	QUEZON AVENUE	November 1, 2018	October 31, 2028	158,087.73
108	QUIAPO - ECHAGUE	August 1, 2018	July 31, 2028	150,000.00
109	QUIAPO - QUEZON BOULEVARD	February 5, 2016	February 4, 2023	110,250.00
110	RADA	June 16, 2016	June 15, 2021	134,466.13
111	ROOSEVELT	June 15, 2017	May 31, 2024	73,500.00
112	ROXAS AVE. CAPIZ - CITYMALL	November 14, 2018	November 13, 2023	66,697.50
113	SAN FERNANDO	July 16, 2020	July 15, 2027	170,646.10
114	SAN FERNANDO - BAYAN with Business Center	June 1, 2018	May 31, 2025	111,953.34
115	SAN ILDEFONSO - SAVEMORE	June 22, 2020	July 31, 2025	101,520.15

	BRANCH	CONTRACT PERIOD		MONTHLY RENT
		Commencement	Expiration	
116	SAN JOSE DEL MONTE	August 1, 2012	July 31, 2022	93,168.56
117	SAN JUAN	September 1, 2014	August 31, 2021	81,033.75
118	SAN MIGUEL	December 1, 2018	November 30, 2023	80,000.00
119	SAN NARCISO	December 8, 2016	December 7, 2024	40,948.33
120	SAN PABLO - RIZAL AVE.	April 1, 2015	March 31, 2022	116,052.63
121	SAN PEDRO	March 1, 2012	February 28, 2022	37,131.50
122	SAN RAFAEL	December 13, 2015	December 12, 2022	81,735.66
123	SANTIAGO - VICTORY NORTE	October 15, 2017	October 14, 2022	127,628.16
124	SOUTH TRIANGLE	September 1, 2018	August 31, 2025	158,800.00
125	STA. ANA	December 1, 2018	November 30, 2023	56,001.26
126	STA. MARIA	December 8, 2020	December 7, 2021	112,000.00
127	STA. MESA	March 16, 2017	March 15, 2024	66,774.75
128	STA. RITA	October 8, 2012	October 7, 2022	39,671.85
129	STA. ROSA	June 17, 2013	June 16, 2022	170,170.88
130	STO. TOMAS	October 26, 2020	October 25, 2025	131,862.91
131	SUBIC	March 1, 2019	February 28, 2029	73,600.00
132	TACLOBAN CITY	September 16, 2019	September 15, 2024	112,500.00
133	TAGAYTAY - MENDEZ - SAVEMORE	April 1, 2020	July 31, 2021	50,039.00
134	TAGUM - CITYMALL	June 1, 2017	May 31, 2022	58,212.00
135	TALISAY - NEGROS - SAVEMORE	May 23, 2019	November 30, 2024	103,379.69
136	TANAUAN CITY	December 1, 2018	November 30, 2028	72,162.00
137	TANDANG SORA	May 16, 2017	May 15, 2024	80,325.00
138	TARLAC - MAC ARTHUR	September 15, 2016	September 14, 2023	88,263.95
139	TAYTAY	October 15, 2018	October 14, 2023	119,042.78
140	TAYUMAN	October 1, 2016	September 30, 2023	110,250.00
141	TIMOG	May 1, 2017	April 30, 2024	126,128.52
142	TUGUEGARAO	August 16, 2017	August 15, 2022	115,062.15
143	TWO E-COM	November 1, 2019	October 31, 2022	152,898.85
144	UN AVENUE	February 1, 2019	January 31, 2024	163,249.47
145	URDANETA	August 24, 2016	August 23, 2023	78,750.00
146	VALENZUELA - MARULAS	October 20, 2020	October 19, 2025	69,457.50
147	VIGAN	June 5, 2017	June 4, 2027	219,318.77
148	VISAYAS AVE.	March 2, 2017	March 1, 2022	121,076.64
149	ZAMBOANGA - CITYMALL	September 30, 2015	September 29, 2020	107,936.95

The head office and other branches of China Bank are well maintained for the benefit of its employees and clients. The Bank embarked in its branch redesign project which not only modernized the look and feel of a China Bank branch but also took the concept a step further by transforming the branch into a customer-friendly, familiar yet efficient venue for delivering and cross-selling the China Bank brand of quality service.

#### **(b) Limitations on Properties**

Usually, our bank properties which have liens and encumbrances or those which were acquired by virtue of foreclosure sale. These liens mostly are lis pendens and adverse claims, posted by the previous owners- borrowers and they are subsequently cancelled upon termination of the case filed by the latter and upon motion/petition we filed in court.

#### **(c) Description of Property the Bank intends to acquire in the next 12 months**

The Bank has future plans to acquire properties but no description/location of properties yet at this time.

### **Item 3. Legal Proceedings**

There are pending cases filed for and against the Bank arising from incidental, ordinary and routine conduct of the banking business. It is the opinion of the management and legal counsel that there are no material pending legal proceedings to which the Bank or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

### **Item 4. Submission of Matters to a Vote of Security Holders**

Except for the matters taken up during the annual stockholders' meeting on June 18, 2020 and the special stockholders' meeting on October 1, 2020, there was no other matter submitted to a vote of security holders during the fiscal year covered by this report.

## PART II – Operational and Financial Information

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

#### (a) Market Information

The Bank's common shares are listed with and traded at the Philippine Stock Exchange. The high, low, and close sales prices for each quarter within the last two fiscal years and for the first three months of 2021 are shown below:

Actual Prices:			
2021	HIGH	LOW	CLOSE
January	25.80	23.80	24.30
February	25.00	23.80	24.10
March	25.80	22.80	23.05
Actual Prices: *			
2020	HIGH	LOW	CLOSE
Jan – Mar	25.30	17.00	20.15
Apr – Jun	22.00	18.86	21.00
Jul – Sept	22.00	19.38	21.75
Oct – Dec	26.10	21.60	24.95
Actual Prices: *			
2019	HIGH	LOW	CLOSE
Jan – Mar	29.40	26.80	26.85
Apr – Jun	28.70	26.10	27.45
Jul – Sept	28.00	24.90	25.00
Oct – Dec	26.20	24.75	25.05

\* No adjusted prices as no stock rights or stock dividends were issued in 2019 and 2020.

The Bank's common shares were valued at P24.95 per share as of December 29, 2020 (last trading day), and at P23.05 per share as of April 8, 2021 (latest practicable trading date).



## (b) Holders

The Bank has an authorized capital stock of P33.0 Billion divided into 3.3 Billion shares with a par value of P10.00 per share. As of 28 February 2021, there are approximately 1,891 holders of 2,685,899,812 common shares, and the following are the Top 20 holders of common shares of the Bank:

Name of Stockholder	Number of Shares	Percentage
1. PCD Nominee Corporation (Non-Filipino)	709,850,891	26.429%
2. PCD Nominee Corporation (Filipino)	570,973,230	21.258%
3. SM Investments Corporation	463,922,761	17.273%
4. Sysmart Corporation	415,995,323	15.488%
5. JJACCIS Development Corporation	56,949,897	2.120%
6. CBC Employees Retirement Plan	53,278,951	1.984%
7. Joaquin T. Dee &/or Family	45,705,005	1.702%
8. GDSK Development Corporation	31,458,583	1.171%
9. Syntrix Holdings, Inc.	21,552,649	0.802%
10. Suntree Holdings Corporation	20,138,332	0.750%
11. Hydee Management & Resource Corporation	14,334,603	0.534%
12. The First Resources Mgt. and Sec. Corp.	5,964,229	0.222%
13. Kuan Yan Tan's Charity (Phil.), Inc.	5,941,277	0.221%
14. Reliance Commodities, Inc	5,662,648	0.211%
15. Robert Y. Dee, Jr.	5,569,499	0.207%
16. Ansaldo, Godinez & Co., Inc.	5,037,498	0.188%
17. Michael John G. Dee	3,963,468	0.148%
18. Cheng Siok Tuan	3,864,332	0.144%
19. Rosario Chua Siu Choe	3,631,816	0.135%
20. Kristin Dee Belamide	3,520,559	0.131%
<b>TOTAL</b>	<b>2,447,315,551</b>	<b>91.117%</b>

The following are the dividends declared on the Bank's common shares for the five most recent fiscal years:

	2020	2019	2018	2017	2016
Stock Dividend	--	--	---	8%	8%
Cash Dividend	10.0%	8.8%	8.3%	8%	10%

In accordance with Article VIII, Section 2 of the Bank's Amended By-Laws, dividends by the Bank are payable in cash, property or stock. The payment of the dividends in the future will depend upon the earnings and financial condition of the Bank and other factors.

There is no restriction that limits the ability of the Bank to pay dividends other than those required under the Revised Corporation Code and by the Bangko Sentral ng Pilipinas (BSP). The Dividend Policy of the Bank is discussed under Part IV.

## (d) Unregistered Securities

There were no unregistered securities sold by the Bank for the past three (3) years. However, there were new securities issued resulting from the stock rights offering of 483,870,967 common shares in 2017, and declaration of 8% stock dividend in 2017 to come from the Bank's unissued shares. These securities distributions were exempt from registration requirement under Section 10.1 of the Securities Regulation Code.

## (e) Free Float Level

Based on the Public Ownership Report of the Bank as of December 31, 2020, 57.115% of the total outstanding shares are owned by the public.

**Item 6. Management Discussion and Analysis or Plan of Operation**  
**(Last Three Years 2020, 2019, and 2018)**

**(a) Financial and Operating Highlights**

**Balance Sheet Indicators**

<b>In Million Pesos</b>	<b>Dec 31, 2020 Audited</b>	<b>Dec 31, 2019 Audited</b>	<b>Dec 31, 2018 Audited</b>	<b>Dec 31, 2017 Audited</b>
<b>Assets</b>	<b>1,036,012</b>	962,226	866,072	751,448
<b>Investment Securities</b>	<b>235,892</b>	212,836	190,235	127,971
<b>Loans (Net)</b>	<b>557,214</b>	568,919	505,805	448,971
<b>Total Deposits</b>	<b>835,231</b>	775,428	722,123	635,093
<b>Equity</b>	<b>104,985</b>	96,176	87,857	83,655

**Analysis of Consolidated Statement of Financial Condition**  
**As of December 31, 2020 and December 31, 2019**

The Bank hit a P1.0 trillion mark in total assets, 7.7% higher compared to the P962.2 billion last year.

Cash and other cash items dropped 5.1% to P16.0 billion due to the leveling-off of cash-in-vault from its 2019-end build-up. Due from BSP and due from other banks posted increases by P52.0 billion and P8.3 billion, respectively arising from the increases in year-end placements with the BSP and deposits with correspondent banks. Similarly, interbank loans receivable and securities purchased under resale agreements rose by 7.4% to P18.3 billion from higher overnight placements with the BSP.

Total investment securities amounted to P235.9 billion, up 10.8%. Investment securities at amortized cost increased by 20.2% to P202.2 billion with the growth in fixed income assets. Meanwhile, financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) posted decreases by P5.1 billion or 27.5% and P5.9 billion or 22.5%, respectively resulting from the Bank's securities disposal during the year.

The Bank's liquidity ratio stood at 43% higher than last year's 37%.

**Gross loans** were at P572.3 billion, slightly down versus last year's P577.8 billion. **Net loans** reached P557.2 billion.

**Accrued interest receivable** increased by 19.2% to P8.5 billion from P7.2 billion from higher volume of earning assets. **Investment in associates** increased 29.6% to P912.6 million from additional contribution from the Bank's affiliate MCBLife. **Bank premises, furniture, fixture, and equipment** decreased by P732.5 million or 8.0% to P8.4 billion due to depreciation. **Investment properties** dropped 8.1% to P4.0 billion due to the sale and disposal of foreclosed properties and write-offs. **Deferred tax assets** were up 53.4% to P5.2 billion, with the booking of additional provision for impairment and credit losses. **Other assets** declined by 5.6% to P6.5 billion from lower year-end balance of accounts receivables among others.

On the liabilities side, the Bank sustained the growth of **deposits** by 7.7% to P835.2 billion, of which demand and savings deposits totaled P468.9 billion. **Bills payable** decreased by 29.1% to P23.7 billion from lower interbank borrowings and trade finance. On the other hand, **bonds payable** increased by 39.2% with the Peso fixed rate bond issuance of another P15 billion in October 2020. **Manager's checks** dropped 21.5% to 1.6 billion because of lower outstanding checks for negotiation. **Income tax payable** was at P846.1 million, 56.5% higher due to increase in regular corporate income tax payable for the period. **Accrued interest and other expenses** were 5.2% lower at P3.9 billion with lower interest payable accruals. Change in the mark-to-market rates resulted in increased in **derivative liabilities** and **derivative contracts designated as hedges** by P180.7 million and P469.3 million, respectively.

**Total equity** reached P105.0 billion, 9.2% higher than last year's P96.2 billion, mainly from 20.8% increase in retained earnings booked under **surplus**. **Surplus reserves** declined 20.1% due to the reversal of excess appropriation in the allowance for credit losses. **Net unrealized gain on financial assets at FVOCI** amounted to P294.1 million from P417.6 million arising from the mark-to-market revaluation of the Bank's FVOCI securities. **Remeasurement loss on defined benefit asset** recorded a higher loss of P58.5 million to (P427.0) million due to changes in actuarial assumptions. Furthermore, **remeasurement gain/ (loss) on life insurance reserve of associate** saw a P66.6 million drop to (P45.9) million from the revaluation of legal policy reserves of the Bank's affiliate, MCBLife. **Cumulative translation adjustment and cash flow hedge reserve** was down P1.3 million and P469.3 million due to exchange rate difference arising from the conversion of income and expenses related to foreign currency-denominated positions to base currency.

The Bank's **Common Equity Tier 1 (CET 1/ Tier 1) ratio** and **total CAR** were computed at 13.82% and 14.73%, respectively.

### **Analysis of Consolidated Statement of Financial Condition As of December 31, 2019 and December 31, 2018**

Assets grew by 11.1% to P962.2 billion from P866.1 billion mainly from the build-up in loans and liquid assets.

Cash and other cash items increased by 7.7% to P16.8 billion from P15.6 billion due to the higher cash requirements from the branch network expansion. Interbank loans receivable and securities purchased under resale agreements rose 42.0% to P17.0 billion from higher overnight placements with the BSP.

Total investment securities amounted to P212.8 billion, up 11.9%. The build-up in securities volume raised the portfolio of financial assets at fair value through profit or loss (FVPL) by P10.9 billion to P18.5 billion and financial assets at fair value other comprehensive income (FVOCI) by P16.0 billion to P26.1 billion. The Bank's securities portfolio remained at 22.0% level of consolidated resources.

The Bank's liquidity ratio stood at 37%, slightly lower than last year's 38%.

Gross loan portfolio was at P577.8 billion, 12.7% higher year-on-year, while net loans stood at P568.9 billion, up P63.1 billion or 12.5% as the demand across market segments steadily increased.

Accrued interest receivable amounted to P7.2 billion, up P1.5 billion from P5.7 billion because of the increase in earning assets. Investment in associates saw a P369.1 million increase to P704.2 million because of additional capital infused to the Bank's affiliate, MCBLife, as well as its higher income contribution. Bank premises, furniture, fixture, and equipment and right-of-use assets grew by P2.7 billion or 41.9% to P9.2 billion from PFRS-16 related adjustments. Investment properties dropped 9.4% to P4.4 billion due to the sale and disposal of foreclosed properties. The booking of additional allowance for credit losses raised deferred tax assets by P856.1 million to P3.4 billion. Other assets grew by 10.7% to P6.9 billion from higher miscellaneous items such as creditable withholding taxes and returned checks and other cash items (RCOCI).

On the liabilities side, total deposits increased by 7.4% to P775.4 billion from P722.1 billion, of which CASA (demand and savings deposits) totaled P411.8 billion. Bills payable dropped P6.5 billion or 16.2% to P33.3 billion from lower interbank borrowings and BSP rediscounted loans. The Bank booked P37.4 billion in bonds payable comprised of the P30-billion Peso fixed-rate retail bond and USD 150-million Green bond issuance to the International Finance Corporation (IFC).

Manager's checks dropped by 22.5% to P2.0 billion from P2.6 billion because of lower customer demand. Income tax payable amounted to P540.7 million, up P63.1 million or 13.2% due to additional regular corporate income taxes payable for the year. Accrued interest and other expenses were up by 7.3% to P4.1 billion because of the booking of accruals and payroll expenses. Derivative liabilities increased to P1.0 billion from P455.1 million from higher volume of currency swaps during the period. The 12.0% drop in deferred tax liabilities was attributable to the savings bank subsidiary. Other liabilities increased P3.3 billion to P11.0 billion mainly from lease-related liabilities from PFRS-16 related adjustments.

Total equity reached P96.2 billion, 9.5% higher than last year's P87.9 billion mainly from the 19.9% increase in surplus and the P1.1 billion improvement of net unrealized gain on financial assets on FVOCI. Remeasurement gain on defined benefit asset recorded a P485.6 million decline resulting from actuarial changes arising from changes in demographic assumptions. Cumulative translation adjustment totaled P6.8 million, up from (P91.7)

million arising from the conversion of income and expenses related to foreign currency-denominated positions to base currency.

The Bank's Common Equity Tier 1 (CET 1 / Tier 1) ratio and total CAR were computed at 12.76% and 13.67%, respectively, well above the minimum regulatory requirement.

### **Analysis of Consolidated Statement of Financial Condition As of December 31, 2018 and December 31, 2017**

Total assets expanded by 15.3% to P866.1 billion from P751.4 billion mainly from the build-up in loans and liquid assets.

Cash and other cash item increased by 23.3% to P15.6 billion from P12.7 billion due to the higher cash requirements from the branch network expansion. Due from other banks decreased 39.5% to P9.5 billion from the drop in placements with correspondent banks. The Bank also reduced interbank loans receivable and securities purchased under resale agreements to P12.0 billion from lower overnight placements with the BSP.

Investment securities amounted to P190.2 billion, up by 48.7% from P128.0 billion. Financial assets at fair value through profit or loss (FVPL) decreased P8.6 billion or 53.2% to P7.6 billion. Financial Assets at fair value through other comprehensive income (FVOCI), formerly available-for-sale financial assets (AFS), declined P36.3 billion to P10.1 billion due to the sale of securities and PFRS-9 related adjustments. Investment securities at amortized cost, formerly held-to-maturity financial assets (HTM), climbed P107.3 billion to P172.5 billion with the build-up in fixed income assets and reclassification related to PFRS-9 implementation. The Bank's securities portfolio accounted for 22% of consolidated resources, higher than the 17% at year-end 2017.

The Bank's liquidity ratio stood at 38%, slightly higher than last year's 36%.

The Bank's gross loan portfolio expanded to P512.9 billion, 12.6% higher from last year's P455.6 billion with the growth in corporate and consumer loans, while loans and receivables (net) stood at P505.8 billion, up P56.8 billion or 12.7%.

Accrued interest receivables grew by 53.2% to P5.7 billion from P3.7 billion due to larger receivables from investment securities and uptick in loans. Investment properties dropped 5.6% to P4.8 billion due to the sale and disposal of foreclosed properties. The booking of additional provision for impairment and credit losses raised deferred tax assets by P736.8 million to P2.5 billion.

On the liabilities side, total deposits increased by 13.7% to P722.1 billion from P635.1 billion, of which CASA (demand and savings deposits) totaled P400.8 billion. CASA ratio of 56% exceeded the 2017-end ratio of 54%. The Bank also issued Long-Term Negotiable Certificates of Time Deposit (LTNCDs) amounting to P10.25 billion in July 2018. Bills payable grew by 98.0% to P39.8 billion from the increase in alternative fund sources (interbank borrowings and BSP rediscounting). Manager's checks also went up by 5.6% to P2.6 billion from P2.4 billion because of higher customer demand. Income tax payable worth P477.6 million recorded a P115.5 million or 31.9% increase due to additional regular corporate income taxes payable for the year. Accrued interest and other expenses were up by 46.2% to P3.8 billion from the setup of interest accruals and payroll expenses. Derivative liabilities also expanded by P187.6 million or 70.1% to P455.1 million because of higher currency swaps volume. Deferred tax liabilities increased by 6.0% to P1.2 billion because of foreclosure gains. Other liabilities increased by P2.0 billion to P7.7 billion with the booking of expected credit losses (ECL) on off-balance sheet exposures amounting to P1.6 billion.

Total equity reached to P87.9 billion, 5.0% higher than last year's P83.7 billion. Surplus reserves went up by P3.1 billion to P4.0 billion from the impact of PFRS-9 adoption. Net unrealized loss on financial assets at FVOCI improved P1.1 billion to (P702.5) million from (P1.8) billion arising from the mark-to-market revaluation of the Bank's unsold securities. Remeasurement gain on defined benefit asset registered a P166.7 million or 58.8% decrease to P117.0 million because of actuarial adjustments in the valuations of retirement plans last year. Cumulative translation adjustment fell to (P91.7) million from (P38.7) million due to exchange rate difference.

The Bank's Common Equity Tier 1 (CET 1) and total CAR were computed at 12.16% and 13.09%, respectively. The difference was accounted by the general loan loss provision limited to 1% of credit risk weighted assets as buffer for potential losses.

## Income Statement Indicators

In Million Pesos	2020 Audited	2019 Audited	2018 Audited	2017 Audited
<b>Interest Income</b>	<b>47,138</b>	47,685	35,213	26,539
<b>Interest Expense</b>	<b>13,295</b>	21,634	12,286	6,913
<b>Net Interest Income</b>	<b>33,843</b>	26,051	22,926	19,626
<b>Non-Interest Income</b>	<b>10,011</b>	8,431	5,658	6,102
<b>Provision for Impairment &amp; Credit Losses</b>	<b>8,869</b>	2,570	141	754
<b>Operating Expenses</b>	<b>21,522</b>	20,324	18,056	15,962
<b>Net Income</b>	<b>12,071</b>	10,075	8,116	7,523

### Analysis of Consolidated Statements of Income

#### For the period ended December 31, 2020 and December 31, 2019

China Bank continued its strong performance in 2020, posting a net income of P12.1 billion which brought the earnings higher by 19.8%. This translated to a return on equity of 12.09% and return on assets of 1.21%.

Total interest income ended flat year-on-year. Nevertheless, interest income from due from BSP and other banks and SPURA recorded a 14.2% increase to P1.3 billion from the higher volume of placements with the BSP and other banks.

Total interest expense amounted to P13.3 billion, P8.3 billion or 38.5% lower than last year as interest expenses on deposit liabilities decreased 48.1% to P9.6 billion driven mainly by the decline in funding cost. Interest expenses on bills payable and other borrowings was 22.2% higher at P3.4 billion due to the increase in alternative funding sources, including the Peso fixed-rate bonds issued in October 2020. Lease payable was down 12.0% due to lower interest charged on outstanding lease liability.

As a result, net interest income jumped 29.9% to P33.8 billion and led to a higher net interest margin of 3.92% from 3.39% last year.

The Bank recognized provisions for impairment and credit losses amounting to P8.9 billion which was 3.5x larger from the P2.6 billion posted last year due to the impact of COVID-19 pandemic and community quarantine measures on our loan portfolio.

Total non-interest income rose 18.7% to P10.0 billion mainly attributable to the 3.7x increase in trading and securities gain (net) to P3.2 billion and the 58.3% uptick in gain on disposal of investment securities at amortized cost to P2.2 billion. Service charges, fees, and commissions decreased 18.1% to P2.7 billion from lower transaction volume and waiver of some fees during the community quarantine. Also, the decline in sales of foreclosed properties reduced the gain on sale of investment properties by 78.3% to P187.2 million and resulted in a loss on asset foreclosure and dacion transactions amounting to (P22.8) million. Trust fee income managed to increase by P52.8 million or 14.8% with the steady growth in trust assets under management. Share in net income of an associate dropped P32.2 million to P152.4 million as the profitability of the bancassurance joint venture, MCBLife was impacted by community lockdowns. Miscellaneous income totaled P952.3 million down 20.2% from P1.2 billion due to lower bancassurance fees and other transaction-related revenues.

Operating expenses increased 5.9% to P21.5 billion. Compensation and fringe benefits increased 13.7% to P7.5 billion from the increase in human resource complement and payroll adjustments arising from the 2020 – 2022 collective bargaining agreement between management and the CBC Employees' Association. Insurance increased 6.6% to P2.0 billion with the higher PDIC premium payments arising from deposit build-up. Repairs and maintenance dropped by 16.1% to P134.2 million because of lower repairs and construction-related expenses during the community lockdown. Entertainment, amusement and recreation decreased 12.0% to P420.6 million from the drop in marketing- and selling-related expenses, while professional fees, marketing, and other related services increased 30.8% to P539.0 million due to the uptick in regulatory and other professional fees.

Miscellaneous expenses increased by 7.6% to P2.5 billion mainly from pandemic-related costs and technology upgrade

**Consolidated cost-to-income ratio** significantly improved to 49% from 59%.

### **Analysis of Consolidated Statements of Income**

#### **For the period ended December 31, 2019 and December 31, 2018**

For 2019, the Bank recorded a net income of P10.1 billion, 24.1% higher than P8.1 billion in 2018 due to higher operating income, resulting in a return on equity of 11.04% and return on assets of 1.10%.

Total interest income climbed 35.4% to P47.7 billion from P35.2 billion with the growth in earning assets. Interest income from loans and receivables was up 27.9% to P36.1 billion from P28.2 billion on the back of robust year-on-year loan portfolio expansion. Interest income from investment securities at amortized cost and at FVOCI and financial assets at FVPL recorded increases at 67.3% and 67.5%, respectively, from the build-up in securities holdings. Furthermore, interest income from due from BSP and other banks and SPURA registered a 53.1% increase to P1.1 billion from P727.3 million with the growth in placements with BSP and other banks.

Total interest expense amounted to P21.6 billion, P9.3 billion or 76.1% higher than last year due to fund build-up. Interest expense on deposit liabilities increased 59.8% to P18.6 billion arising from the deposit expansion. Interest expense on bonds payable, bills payable and other borrowings was P2.1 billion higher due to volume- related growth including the Bank's P30-billion Peso retail bond and USD 150-million Green bond. There was a P264.2 million lease payable that the Bank incurred from PFRS-16 related adjustments.

Net Interest income rose 13.6% or P3.1 billion to P26.1 billion. The Bank reported consolidated net interest margin of 3.39% from last year's 3.56%.

Provision for impairment and credit losses grew by P2.4 billion to P2.6 billion because of the growth in loan portfolio and of the changes affecting the inputs to the Bank's expected credit loss calculation models.

Total non-interest income surged 49.0% to P8.4 billion mainly driven by improvements in service charges, fees and commissions, as well as trading and securities gains. Service charges, fees, and commissions increased by 18.7% to P3.3 billion from the upswing in commissions and transactional fee income. Trading opportunities boosted the Bank's profitability as trading and securities gain and Gain on disposal of investment securities at amortized cost jumped to P884.5 million and P1.4 billion, respectively. Lower sales of foreclosed assets resulted in a 14.9% drop in gain on sale of investment properties to P864.4 million and 81.2% decrease in gain on asset foreclosure and dacion transactions to P47.5 million. Trust fee income increased by P51.3 million or 16.8% to reach P357.1 million with the steady growth in trust assets under management. Share in net income of an associate recorded an P83.7 million increase to P184.7 million from P101.0 million because of the improved profitability of the bancassurance joint venture, MCBLife. Miscellaneous income decreased by 5.4% to P1.2 billion with the booking of one-off gains last year.

Meanwhile, the ongoing upgrading of systems, processes, infrastructure, and manpower resulted in the 12.6% increase in operating expenses to P20.3 billion. Nevertheless, the significant year-on-year increase in operating income improved cost-to-income ratio to 59% from last year's 63%. Compensation and fringe benefits increased 7.9% to P6.6 billion from the growth in manpower complement. Taxes and licenses increased by 32.8% to P3.9 billion from higher documentary stamp, gross receipts, and business volume related taxes. Occupancy costs fell by 22.9% to P1.8 billion due to PFRS-16 related adjustments. Insurance, which includes PDIC premium payments, grew 12.4% to P1.9 billion with the expansion in deposits. Depreciation and amortization recorded an increase of 49.7% due to the capitalization of depreciable Right-of-use Assets upon the implementation of PFRS 16. Repairs and maintenance increased by 21.8% due to the continued investments in our distribution channel and technology upgrades. Professional fees, marketing, and other related services; entertainment, amusement and recreation; and transportation and traveling likewise rose by 17.0%, 25.7%, 16.9% respectively, with the ramp-up in business development and marketing efforts. Miscellaneous expenses rose by 13.1% to P2.3 billion mainly from increases in information technology-related expenses, litigation and provision for year-end expenses.

## **Analysis of Consolidated Statements of Income**

### **For the period ended December 31, 2018 and December 31, 2017**

The Bank recorded a 7.9% improvement in net income to P8.1 billion, which translated to a 9.54% return on equity (ROE) and 1.04% return on assets (ROA).

Total interest income increased 32.7% to P35.2 billion from P26.5 billion in the same period last year. Interest income from loans and receivables was up 29.6% to P28.2 billion from P21.75 billion on the back of robust year-on-year loan portfolio expansion. Interest income from investment securities at amortized cost and at FVOCI was 65.2% higher at P5.9 billion from the year-on-year growth in securities holdings. Interest income from due from BSP and other banks and securities purchased under resale agreements registered an 11.4% drop to P727.3 million from P820.7 million because of lower BSP and interbank placements.

Total interest expense amounted to P12.3 billion, P5.4 billion or 77.7% larger than last year due to the build-up in funds which include the P10.25 billion LTNCD issue in the third quarter. Interest expenses on deposit liabilities increased 78.2% to P11.6 billion arising from the deposit expansion and higher funding costs. Interest expenses on bills payable and other borrowings was 70.1% higher at P665.3 million due to higher foreign currency denominated liabilities.

Net Interest income increased P3.3 billion or 16.8% to P22.9 billion. The Bank's consolidated net interest margin was recorded at 3.56% from 3.60% last year as higher interest revenues were offset by higher funding cost.

Provision for impairment and credit losses, computed under PFRS-9, totaled P141.1 million, down P613.1 million or 81.3%. Inclusive of appropriated retained earnings, total provisions would amount to P481.5 million.

Total non-interest income declined P443.4 million or 7.3% mostly from the drop in trading and securities gain to (P271.6) million from P480.0 million arising from rate volatility that affected both the dealership business and returns on tradable securities. Service charges, fees, and commissions increased by 13.7% to P2.8 billion from the upswing in investment banking fees and transactional fee revenues. Gain on sale of investment properties was up by 51.4% to P1.0 billion due to robust sales of foreclosed assets. Gain on asset foreclosure and dacion transactions also improved by 60.4% to P 252.5 million because of the upside revaluation on foreclosed assets. Foreign exchange gain decreased 44.1% to P216.0 million from P386.0 million because of the month-to-month movement in the Peso-Dollar exchange rate. Trust fee income likewise dropped by P70.6 million or 18.8% to reach P305.8 million due to the drop in related fees. Share in net income of associates recorded a P27.9 million increase to P101.0 million from P73.1 million because of the improved profitability of bancassurance joint venture MCBLife. Miscellaneous income decreased by 16.8% to P1.3 billion with the booking of one-off gains last year.

Operating expenses (excluding provision for impairment and credit losses) increased 13.1% to P18.1 billion as the Bank carried out its expansion by investing in new branches, more people, and up-to-date technology to support the growth of new businesses. Cost-to-income ratio slightly climbed to 63% from 62% last year. Compensation and fringe benefits increased 7.5% to P6.1 billion from the increase in human resource complement. Taxes and licenses increased by 29.2% to P2.9 billion from higher documentary stamp (as a result of the implementation of the Tax Reform for Acceleration and Inclusion Act), gross receipts, and other business taxes. Meanwhile, the continued outlay and investments related to the network & business expansion increased occupancy costs by 10.6% to P2.3 billion, as well as depreciation and amortization by 6.6% to P1.3 billion. Insurance, which includes PDIC premium payments, grew 15.9% to P1.7 billion with the expansion in deposits. Professional fees, marketing, and other related services; entertainment, amusement and recreation; and transportation and traveling likewise rose by 12.9%, 32.4%, 27.9% respectively, with the ramp-up in business development and marketing efforts. Also, the Bank's repairs and maintenance was 25.8% higher at P131.2 million mainly due to technology upgrade. Miscellaneous expenses went up by 10.0% or P187.1 million primarily from increases in information technology related expenses, litigation, and transactional costs.

## **Total Comprehensive Income**

### **For the period ended December 31, 2020, 2019, 2018, and 2017**

The Bank recorded **total comprehensive income** of P11.4 billion for 2020, an 6.3% increase from the P10.7 billion recorded last year mainly from the significant net income increase and the booking of net unrealized loss on financial assets at FVOCI and losses on cash hedge flow.

Total comprehensive income for 2019, 2018, and 2017 stood at P10.7 billion, P 7.4 billion and P7.3 billion respectively, mainly from higher net income and movement in the fair value of financial assets on FVOCI.



## (b) Key Performance Indicators

### Definition of Ratios

#### **Profitability Ratios:**

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

#### **Liquidity Ratios:**

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

#### **Asset Quality Ratios:**

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

#### **Solvency Ratios:**

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

#### **Capital Adequacy Ratio:**

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

	2020	2019	2018	2017
<b>PROFITABILITY (in %)</b>				
Return on Assets	1.21	1.10	1.04	1.12
Return on Equity	12.09	11.04	9.54	10.01
Net Interest Margin	3.92	3.39	3.56	3.60
Cost-to-Income Ratio	49	59	63	62
<b>LIQUIDITY (in %)</b>				
Liquid Assets to Total Assets	43	37	38	36
Loans to Deposit Ratio	67	73	70	71
<b>ASSET QUALITY (in %)</b>				
Gross Non-Performing Loans Ratio	2.3	1.5	1.2	1.4
Non-performing Loan (NPL) Cover	128	129	167	99
<b>SOLVENCY RATIOS (in x)</b>				
Debt-to-Equity Ratio	8.9	9.0	8.9	8.0
Asset-to-Equity Ratio	9.9	10.0	9.9	9.0
Interest Rate Coverage Ratio	2.0	1.5	1.8	2.3
<b>CAPITAL ADEQUACY (in %)</b>				
CET 1 / Tier 1	13.82	12.76	12.16	13.47
Total CAR	14.73	13.67	13.09	14.22

## Profitability

### December 31, 2020 and December 31, 2019

China Bank posted a net income of P12.1 billion resulting in 12.09% ROE and 1.21% ROA. Cost-to-income ratio significantly improved to 49% from 59%. Net interest margin improved to 3.92% from 3.39% due to earning asset build-up and lower cost of funds.

### December 31, 2019, 2018 and 2017

Net income of P10.1 billion translated to an ROE of 11.04% and a ROA of 1.10%. Cost-to-income ratio was lower at 59% from the 63% in 2018, and 62% in 2017 even as the Bank continued to invest heavily in the needed improvements to provide the best service to customers. Net interest margin was lower at 3.39% from 3.56% in 2018, 3.60% in 2017 due to fund build-up.

## Liquidity

### December 31, 2020 and December 31, 2019

The Bank's liquidity position remained strong, ratio of liquid assets to total assets was higher at 43% from 37% last year.

### December 31, 2019, 2018 and 2017

The Bank's liquidity ratio was steady at 37%, 38%, and 36% in 2019, 2018, 2017, respectively.

## **Asset Quality**

### **December 31, 2020 and December 31, 2019**

With the expected impact of pandemic and lockdown measures on asset quality, NPL ratio settled at 2.3% from 1.5% in December 2019 while consolidated NPL cover remained sufficient at 128%, with the Parent's ratio at 183%.

### **December 31, 2019, 2018 and 2017**

Asset quality remained healthy amid the year-on-year expansion in loans. Gross NPL ratio slightly increased to 1.5% from 1.2% in 2018 and 1.4% in 2017, but better than 1.90% in 2016. NPL cover was registered at 129% in December 2019, 167% in 2018, and 99% in 2017; the Parent Bank's was at 190% as of 2019.

## **Solvency Ratios**

### **December 31, 2020 and December 31, 2019**

Debt-to-equity and asset-to-equity ratios for the year were recorded at 8.9 and 9.9, respectively. Interest coverage ratio for the period stood at 2.0 as against 1.5 in 2019.

### **December 31, 2019, 2018 and 2017**

Debt-to-equity ratio was recorded at 9.0 in December 2019 versus 8.9 in 2018, and 8.0 in 2017; asset-to-equity ratio was at 10.0 versus 9.9 from year-end 2018, and 9.0 in 2017. Interest coverage ratio for the period stood at 1.5 as against 1.8 for 2018, and 2.3 in 2017.

## **Capitalization**

### **December 31, 2020 and December 31, 2019**

China Bank's CET 1 / Tier 1 CAR and total CAR ratios were computed at 13.82% and 14.73%, respectively. The Bank's capital is largely comprised of CET 1 / Tier 1 (core) capital.

### **December 31, 2019, 2018 and 2017**

China Bank's CET 1 / Tier 1 CAR and total CAR ratios were computed at 12.76% and 13.67%, respectively, in 2019; 12.16% and 13.09% in 2018; and 13.47% and 14.22% in 2017.

### **(c) Past Financial Conditions and Results of Operations**

US GDP fell 3.5% in 2020, its worst contraction on record since 1946, as all GDP components slowed except for government expenditures (+1.1%). Personal consumption declined by 3.9% despite the provision of stimulus checks and unemployment benefits. The US Fed slashed policy rates to 0.0% - 0.25% range at the onset of the pandemic in 1Q 2020. China's GDP of 2.3% exceeded expectations on the back of robust infrastructure spending and strong exports due to increased demand for protective gear and electronics.

Meanwhile, Philippine GDP contracted 9.5% in 2020 mainly due to the slowdown in investment and household spending. Consumption, which comprises 74% of gross expenditure, dropped 7.9% as spending on recreation, restaurants & hotels and transport declined significantly. Remittances were flat year-on-year at US\$ 29.9 billion, while unemployment rate was elevated at 8.7% as of October 2020.

Infrastructure spending was down 23% year-on-year with pandemic-induced interruptions and budget realignment towards government relief programs. The government also rolled stimulus packages through the *Bayanihan* Acts I and II. Government debt reached P9.8 trillion by end-2020, which pushed up the country's debt-to-GDP ratio to 54.5%, significantly above the 39.6% from the previous year. The Monetary Board slashed the policy rate by 200 bps to 2.00% effective November 2020 and reduced the reserve requirement ratio by 200 bps to 12% effective April 2020.

China Bank recorded net profits of P12.1 billion for full-year 2020, up 19.8% from 2019, amid the challenges posed by the COVID-19 global pandemic and the government's lockdown measures. This resulted in a return on equity of 12.09% and return on assets of 1.21%. Net interest income was up 29.9% or P7.8 billion to P33.8 billion from the build-up in earning assets and lower cost of funds. Full-year loan loss buffers were 3.5x larger at P8.9 billion due to provisioning against the impact of the pandemic on the Bank's credit portfolio. Non-interest income recorded an 18.7% increase to P10.0 billion due to significant trading and securities gains.

Total assets breached the P1-trillion mark at P1.04 trillion as of December 2020, up 7.7% year-on-year mainly from the expansion in earning assets. Deposits were up P59.8 billion to P835.2 billion, of which 56% were in demand and savings accounts. The Bank also listed P15 billion-peso bonds due 2022 on the PDEX with a fixed rate of 2.75% *per annum*. Total equity ended at P105.0 billion, up 9.2% year-on-year. CET 1/ Tier 1 and total CAR were at 13.82% and 14.73%, respectively. At end-2020, the Bank's distribution network comprised of 634 branches, 1,022 ATMs, and a suite of alternative banking channels, including phone, internet, and mobile banking.

#### **(d) Future Prospects**

Global recovery in 2021 would mainly hinge on the pace of roll-out of COVID-19 vaccines which would allow the resumption of business operations. The US' economic rebound will be underpinned by the \$1.9 trillion stimulus package focused on increasing minimum wage, among other measures. Additionally, the US government pledged support to *Access to COVID-19 Tools-Accelerator*, a global collaboration led by the World Health Organization aimed at accelerating the development and production of tools against COVID-19 and ensuring equitable access to vaccine doses & treatments. Aside from this, the Biden administration also intends to repair alliances and restore leadership in global organizations, including the World Trade organization.

For the Philippines, economic activity is expected to rebound by the second half of 2021 from the sustained fiscal stimulus, catch-up infrastructure spending, and private sector recovery amid a low-interest rate environment. Of the P4.5 trillion 2021 national budget, P70 billion was allocated for COVID-19 vaccine procurement and logistics. The rollout of vaccines in 1Q 2021 could result in further easing of quarantine measures moving forward.

In February 2021, the Financial Institution Strategic Transfer (FIST) Act was signed into law, allowing financial institutions to sell non-performing assets to FIST corporations. Other economic recovery measures in the pipeline include the Corporate Recovery and Tax Incentives for Enterprises (CREATE) bill and the Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE) bill. The BSP Monetary Board is also expected to maintain an accommodative policy in 2021.

China Bank remains committed to being the top banking partner for its multi-generational clients. Amid the continuing COVID-19 pandemic, the Bank continued to provide a safe and high-quality banking experience. The Bank stands by its goal to be among the best domestic financial institutions in terms of profitability and shareholder value. Over the medium-term, China Bank will focus on core business growth, asset quality improvement, and digital banking transformation.

As a significant portion of its over-the-counter transactions gradually migrate to alternative channels such as ATMs and digital platforms such as internet banking & mobile banking application, China Bank expects a sustained increase in core business volumes, particularly deposits. The continuing thrust to expand branch-based marketing through the launch of new products and deposit promos will be augmented by the digitization of customer onboarding. The Bank also plans to tap the market for additional funding through a fixed-rate bond issuance to fund the growth in core business.

The Bank will continue to tap opportunities in thriving sectors, while managing exposure to identified vulnerable sectors. It will continue to grow its consumer portfolio through the widening of its marketing campaign, launching new products, and improving features of the existing product suite. CBS, on the other hand, plans to set up additional sales offices & customer touch points, as well as expand market reach of its flagship service, Automatic Payroll Deduction loans.

China Bank anticipates a significant increase in core fee income, as it expands product coverage and market penetration through, undertakes targeted cross-sell initiatives in the various customer segments, and broadens the suite of investment banking deals in the pipeline. The Bank will push for higher usage in our online banking facilities to drive up-selling to other fee-based businesses. It will maintain its competitiveness in the foreign exchange and bond markets while remaining prudent in its risk-taking.

In continuation of its prudent operating expenses management since the start of the pandemic, efficiencies in and outside of the workplace will be pursued even as operations gradually normalize in a post-COVID environment. China Bank will sustain automation of its key processes in order to further improve individual and group-wide productivity.

The centerpiece of China Bank's journey towards excellence is its digital banking transformation, which is envisioned to create superior customer experience even in the new or even the next normal. Some of the key breakthroughs in China Bank's transformation journey include the digitization of our customer onboarding strategies, the revamp of the look and functionalities of our website for institutional clients, and additional features in our mobile and online banking platforms.

**(e) Material Changes**

- 1) Events that will trigger direct or contingent financial obligation that is material to the company, including and default or acceleration of an obligation.

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

- 2) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

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:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Trust department accounts	<b>210,776,272</b>	169,339,175	<b>210,776,272</b>	169,339,175
Committed credit lines	<b>9,551,472</b>	46,506,112	<b>9,551,472</b>	46,506,112
Unused commercial letters of credit	<b>14,445,630</b>	18,227,610	<b>14,338,580</b>	18,110,275
Foreign exchange bought	<b>17,338,436</b>	30,941,342	<b>17,338,436</b>	30,941,342
Foreign exchange sold	<b>15,385,289</b>	18,229,910	<b>15,385,289</b>	18,229,910
Credit card lines	<b>12,492,933</b>	11,048,767	<b>12,492,933</b>	11,048,767
IRS receivable	<b>25,351,615</b>	26,523,850	<b>25,351,615</b>	26,523,850
Outstanding guarantees issued	<b>1,187,256</b>	1,022,261	<b>899,090</b>	688,045
Inward bills for collection	<b>1,862,824</b>	4,423,799	<b>1,862,824</b>	4,423,799
Standby credit commitment	<b>1,652,526</b>	2,200,316	<b>1,652,526</b>	2,200,316
Spot exchange sold	<b>2,113,123</b>	11,965,938	<b>2,113,123</b>	11,965,938
Spot exchange bought	<b>1,920,935</b>	10,896,547	<b>1,920,935</b>	10,896,547
Deficiency claims receivable	<b>283,842</b>	285,745	<b>283,842</b>	285,745
Late deposits/payments received	<b>342,103</b>	525,953	<b>319,833</b>	492,597
Outward bills for collection	<b>150,073</b>	88,197	<b>148,316</b>	86,344
Others	<b>1,110,325</b>	37,114	<b>1,110,163</b>	36,951

- 3) Any Material Commitments for Capital Expenditure and Expected Funds

Technology upgrades will account for the bulk of the Bank's capital expenditures for 2021. Capital expenditures will be funded from internal sources.

## Item 7. Financial Statements

Please refer to the attached Annex A for the Audited Financial Statements for the years 2020 and 2019.

SyCip Gorres Velayo & Co. (SGV & Co.) has been the Bank's independent auditor for more than 20 years and is again recommended for appointment at the scheduled annual stockholders' meeting. In compliance with SEC Memorandum Circular No. 8, Series of 2003, and Amendments to SRC Rule 68 on the rotation of external auditors or signing partners of a firm every after five (5) years of engagement, Ms. Josephine Adrienne A. Abarca was assigned starting 2020 as SGV & Co. partner-in-charge for the Bank.

None of the Bank's external auditors have resigned during the two (2) most recent fiscal years (2020 and 2019) or any interim period.

Representatives of SGV & Co. are expected to be present at the stockholders' meeting to respond to any matter that may be pertinently raised during the meeting. Their representative will be given the opportunity to make a statement if they so desire.

<b>Fiscal Year</b>	<b>Audit and Audit-Related Fees</b>	<b>All Other Fees</b>
2020	P10,554,544	P1,900,326
2019	8,377,600	855,520

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 Trust Group, and the issuance of comfort letters relative to the Bank's bond issuances amounting to P15 billion in 2020 and P30 billion in 2019. The 2020 and 2019 audit fees were taken up and approved by the Audit Committee.

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 the services of SGV & Co in non-audit work for review and advisory services (2020 only), independent Third Party Vulnerability Assessment and Penetration Testing (2019 only), and independent validation of votes in the annual stockholders' meeting (2020 and 2019). Payment for these services are included under All Other Fees.

SGV & Co. also 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.

## Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The financial statements of the Bank for the year ending December 31, 2020 and December 31, 2019 have been audited by SGV & Co./Ernst & Young in accordance with the Philippine Financial Reporting Standards. There were no changes in and disagreements with accountants on accounting and financial disclosures.

## **Item 9. Directors and Executive Officers of the Issuer**

### **(a) Incumbent Directors and Advisor**

**Hans T. Sy**, 65, Filipino, is the Chairman of the Board since May 5, 2011. He became a member of the China Bank Board on May 21, 1986, and was elected Vice Chairman in 1989. Chairman Sy also serves as Director and Chairman of the Executive Committee in SM Prime Holdings, Inc. (SMPH) and Adviser to the Board of SM Investments Corporation (SMIC); SMPH and SMIC are both listed on the Philippine Stock Exchange (PSE). He is also the Chairman of the Board of Trustees of National University. He holds other key positions in several companies within the SM Group. He graduated from De la Salle University with a Bachelor of Science degree in Mechanical Engineering. He attends and participates in various trainings and seminars, the latest of which is on Anti-Money Laundering (AML) and corporate governance conducted by the Institute of Corporate Directors (ICD) in October 2020.

**Gilbert U. Dee**, 85, Filipino, is the Vice Chairman of the Board since May 5, 2011. He has been a member of the China Bank Board since March 6, 1969, serving as Board Chairman from 1989 to 2011. He currently sits in the boards of other companies not listed in the PSE, namely, as Chairman of Union Motor Corporation and China Bank subsidiary CBC Properties and Computer Center, Inc. (CBC-PCCI). In the past, he was a director in Philippine Pacific Capital Corporation, Philex Mining Corporation, CBC Finance Corporation, and Super Industrial Corporation. Vice Chairman Dee holds a Bachelor of Science degree in Banking from the De La Salle University and a Master's in Business Administration (MBA) degree in Finance from the University of Southern California. Among the numerous trainings in banking he has attended over the years are ICD's Advanced Corporate Governance Training in 2020 with focus on sustainability in the board room, risk management in the age of COVID-19, and culture of innovation.

**William C. Whang**, 63, Filipino, is Director and President of the Bank since November 1, 2017. Aside from China Bank, he does not hold any directorship position in any other PSE-listed company. He also sits in the boards of Bank subsidiaries China Bank Savings, Inc. (CBSI), China Bank Insurance Brokers, Inc. (CBC-IBI), CBC-PCCI, China Bank Capital Corporation (CBCC), and China Bank Securities Corporation (CBSC). He also holds other directorship positions, representing China Bank, in BancNet, Inc., Banker's Association of the Philippines, Philippine Payments Management Inc., and Manulife China Bank Life Assurance Corporation (MCBLife). He has over 40 years of banking experience, previously holding key positions in local and international financial institutions, including Sterling Bank of Asia, Security Bank Corporation, Union Bank of the Philippines, International Exchange Bank, First Philippine International Bank, Metrobank, Westmont Bank, and Republic Bank of New York. Director and President Whang earned his Bachelor of Science degree in Commerce, Major in Business Management, from the De La Salle University. He underwent various trainings in banking and other related fields such as corporate governance, AML, branch-based marketing, quality service management, sales management, principle-centered leadership, and corporate strategy.

**Peter S. Dee**, 79, Filipino, has been on the China Bank Board since April 14, 1977, serving as President and Chief Executive Officer from 1985 to 2014. He is an independent director in PSE-listed companies City & Land Developers, Inc. and Cityland Development Corporation. He is also a member of the boards of other non-listed companies including China Bank subsidiary CBC-PCCI, Hydee Management & Resources Corporation, Commonwealth Foods, Inc., and GDSK Development Corporation. He was previously a director of Sinclair (Phils.) Inc., Can Lacquer, Inc., CBC Forex Corporation, and CBC-IBI. Director Dee obtained a Bachelor of Science degree, Major in Commerce, from the De La Salle University/University of the East, and attended a Special Banking Course at the American Institute of Banking. He attended extensive trainings in AML in 2019 and corporate governance in November 2020, among others.

**Joaquin T. Dee**, 85, Filipino, is a member of the China Bank Board since May 10, 1984. He does not hold directorship position in any PSE-listed company other than China Bank. He is presently serving as Director in JJACCIS Development Corporation, Enterprise Realty Corporation, and Suntree Holdings Corporation. He was Vice President for Sales and Administration of Wellington Flour Mills from 1964 to 1995. Director Dee is a graduate of the Letran College with a Bachelor of Science degree in Commerce. He attended trainings and seminars related to banking, the most recent of which are the Corporate Governance and AML Trainings conducted by the ICD in 2020 and 2019.



**Herbert T. Sy**, 64, Filipino, was first elected to the China Bank Board on January 7, 1993. He also serves in PSE-listed SM Prime Holdings, Inc. as Director, and in various non-listed companies including Supervalve, Inc., Super Shopping Market, Inc., Sondrik, Inc., and Sanford Marketing Corp. as Chairman, and in the National University as Director. He has been involved in companies engaged in food retailing, investment, real estate development and mall operations. Director Sy obtained his Bachelor of Science degree in Management from the De La Salle University. His numerous banking-related trainings include those on AML in 2019 and corporate governance in November 2020.

**Harley T. Sy**, 61, Filipino, has been a member of the China Bank Board since May 24, 2001. He also serves as the Executive Director of SMIC, one of the largest publicly-listed companies in the Philippines, and holds various positions in other non-listed companies in the SM group. Director Sy graduated with a Bachelor of Science degree in Commerce, Major in Finance, from the De La Salle University. He participated in extensive trainings on enhancing his banking skills, including programs on enterprise risk management, AML, corporate governance and data privacy.

**Jose T. Sio**, 81, Filipino, was first elected to the China Bank Board on November 7, 2007. He is presently in the boards of the following PSE-listed companies: (1) SMIC, as Chairman of the Board; (2) Atlas Consolidated Mining and Development Corporation, as Director; (3) Belle Corporation, as Director; and (4) Far Eastern University, Inc., as Independent Trustee. He also serves as Advisor to the Board of other PSE-listed companies: BDO Unibank, Inc. and Premium Leisure Corporation. In addition, Mr. Sio is in the boards of non-listed companies such as NLEX Corporation, Ortigas Land Corporation, Carmen Copper Corporation and First Asia Realty Development Corporation. He is Chairman, President and Trustee of SM Foundation, Inc. He previously worked as Senior Partner of SyCip Gorres Velayo & Co. (SGV). He was voted as CFO of the Year in 2009 by the Financial Executives of the Philippines (FINEX); and in various years, he was awarded as Best CFO (Philippines) by Hong Kong-based business publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia and The Asset. Director Sio is a Certified Public Accountant, graduating with a Bachelor of Science degree in Commerce, Major in Accounting, from the University of San Agustin. He obtained his Master's degree in Business Administration from the New York University, U.S.A. He is actively engaged in continuous trainings, having attended seminars/trainings on investments, loans and financial instruments, debt and equity financing during the Euromoney Conference in China in 2005, AML and Advanced Corporate Governance in 2020.

**Alberto S. Yao**, 74, Filipino, is the Lead Independent Director of the Bank. He was elected to the China Bank Board on July 7, 2004. He does not serve in any PSE-listed company other than China Bank. He is the President and CEO of Richwell Philippines, Inc. and Internationale Globale Marques, Inc.; President of Richphil House Incorporated; and a Member of the Philippine Constitution Association. He is also an Independent Director in the following Bank subsidiaries: CBSI, CBCC, and CBSC. He was previously an Independent Director of Planters Development Bank, President and CEO of Richwell Trading Corporation and Europlay Distributor Co., Inc., President of Megarich Property Ventures Corporation, and Vice President for Merchandising of Zenco Sales, Inc. He holds a Bachelor of Science degree in Business Administration, Minor in Accounting, from the Mapua Institute of Technology. Director Yao's seminars include ICD's Corporate Governance and AML Training Programs in 2019.

**Margarita L. San Juan**, 67, Filipino, is an Independent Director of the Bank. She was first elected to the China Bank Board on May 4, 2017. She is likewise an Independent Director in Bank subsidiaries CBSI, CBCC, and CBC-IBI. She does not hold directorship position in any other PSE-listed company. In the past, she worked with Ayala Investment and Development Corporation, Commercial Bank and Trust Co., and in the Bank's Account Management Group as Senior Vice President and Group Head until her retirement in 2012. Director San Juan earned her Bachelor of Science degree in Business Administration, Major in Financial Management, from the University of the Philippines, and completed the Advance Bank Management Program of the Asian Institute of Management (AIM). She participated in various seminars and trainings including development financing, international banking operations, marketing, financial analysis and control, credit and risk management, and the latest on AML and corporate governance in November 2020.

**Philip S.L. Tsai**, 70, Filipino, was first elected as Independent Director on November 7, 2018. Aside from the Bank, he does not hold any position in other PSE-listed companies. He also serves as Independent Director in the Bank subsidiaries CBSI, CBCC, CBC-IBI. He has had more than 35 years of banking experience, previously holding key positions in First CBC Capital (Asia) Limited, Midwest Medical Management, Fortune Paper Inc., Chemical Bank New York, Consolidated Can Corp., Plastic Container Packaging, and in the Bank's Retail Banking Business until his retirement in 2015. Director Tsai obtained his Bachelor of Science degree in Business Administration from the University of the Philippines, and pursued his Master's degree in Business Administration from the Roosevelt University.

in Chicago, Illinois. He has had several trainings on corporate governance, bank protection, AML, and branch-based marketing, among others. His latest trainings include related-party transactions in 2019, and sustainability in the board room and risk management in the age of COVID-19 in 2020.

**Claire Ann T. Yap**, 65, Filipino, has been a member of the Board since October 1, 2020 as Independent Director. She currently does not hold any directorship position in any PSE-listed company but she serves as Independent Director in the Bank subsidiaries CBSI and CBSC. She has over 30 years of experience in banking and finance in local and multinational organizations. She was the Senior Vice President and Head of Global Service Centre of Global Payments Process Centre, Inc., a Fortune 500 company and worldwide leader providing payments and financial technology solutions. She has also previously held executive leadership roles at Australia and New Zealand Banking Group Ltd./Metrobank Card Corporation and Hongkong Shanghai Banking Corporation and served as Chairman of the Credit Card Association of the Philippines from 2009 to 2010 and President from 2007 to 2009. A Certified Public Accountant, Director Yap graduated *cum laude* from the De La Salle University with a Bachelor of Science degree in Accounting. She has had various trainings on managing customer experience, credit card fraud and security, information security and data privacy, and corporate governance.

**Ricardo R. Chua**, 70, Filipino, is Advisor to the Board since November 1, 2017. He previously held several key positions in the Bank: as Director from 2008 up to October 2017, President and Chief Executive Officer from September 2014 up to October 2017, and Chief Operating Officer from 2012 to 2014. He is the Advisor of the Bank's Technology Steering Committee, and sits in the boards of the following Bank subsidiaries: Chairman of CBSI and CBCC and Director of CBC-PCCI. A Certified Public Accountant, Mr. Chua graduated with a Bachelor of Science degree in Business Administration, Major in Accounting, *cum laude*, from the University of the East, and completed his Master's in Business Management from the AIM. He has had trainings in banking operations and corporate directorship, and attended AML and corporate governance seminars, among others.

Note: Messrs. Gilbert U. Dee and Peter S. Dee are related within the fifth civil degree of consanguinity. Messrs. Hans T. Sy, Herbert T. Sy, and Harley T. Sy are related within the second civil degree of consanguinity.

For the period January to December 2020, the Board had 18 meetings, including the organizational meeting. The incumbent directors attended/participated in more than 50% of all the meetings, as follows:

<b>Director</b>	<b>Attendance</b>
Hans T. Sy	18
Gilbert U. Dee	11
William C. Whang	18
Peter S. Dee	18
Joaquin T. Dee	18
Herbert T. Sy	18
Harley T. Sy	18
Alberto S. Yao	18
Jose T. Sio	18
Margarita L. San Juan	18
Philip S.L. Tsai	18
Angeline Ann H. Hwang <sup>+</sup>	5 <sup>(a)</sup>
Claire Ann T. Yap	3 <sup>(b)</sup>

<sup>(a)</sup> 5 out of 6, from January 2020 until her passing on April 11, 2020

<sup>(b)</sup> 3 out of 3, from her election on October 1, 2020

## **(b) Corporate Officers**

**Romeo D. Uyan, Jr.**, 58, Filipino, Executive Vice President, is the Chief Operating Officer of the Bank. He also serves as Vice Chairman in the Boards of Bank subsidiaries China Bank Capital Corporation (CBCC) and China Bank Securities Corporation (CBSC), and alternate Bank representative in the Bankers Association of the Philippines. He was an investment banker with more than two decades of experience in trading, financing, and structuring in the Asia Pacific region with various foreign investment houses. Before he joined the Bank, Mr. Uyan was Managing Director and Co-Head of Special Situations and Leveraged Capital Markets at UBS AG-Singapore Branch, and he also worked as Managing Director and Head of Asia Credit Products in Barclays Capital, where he was member of the Asia Pacific Executive Committee as well as Global Emerging Markets Committee. He graduated with a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University, cum laude, and obtained his Master's degree in Business Administration (MBA), graduating with distinction, at the Johnson Graduate School of Management in Cornell University, New York. He participated in numerous trainings in banking, including anti-money laundering (AML) and corporate governance trainings held in 2019.

**Patrick D. Cheng**, 58, Filipino, Executive Vice President, is the Chief Finance Officer of the Bank. He also sits in the boards of Bank subsidiaries - in China Bank Insurance Brokers, Inc. (CBC-IBI) as Chairman, and in China Bank Savings Inc. (CBSI) as Director, and in Bank affiliate - Manulife Chinabank Life Assurance Corporation as Director. He is also Director of Manila Overseas Commercial Inc. and SR Holdings Corporation. Before joining the Bank, he held various key positions at the Philippine Bank of Communications, HSBC Savings Bank (Philippines), HSBC (Philippine Branch), Citibank N.A. (Philippine Branch), and Citicenter Condominium Corp. From 2008 to 2013, he was the President and Chief Executive Officer of HSBC Savings Bank (Philippines), and from 2011 to 2012, he was a two-term President of the Chamber of Thrift Banks. A Certified Public Accountant placing 7<sup>th</sup> in the National Exams, Mr. Cheng graduated *magna cum laude* from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. He pursued his Master's in Management degree, with Distinction, from the Hult International Business School in Cambridge, Massachusetts, and completed the Trust Operations and Investment Management course, also with Distinction, from the Trust Institute of the Philippines. In 2010, he received the Distinguished Alumnus Award from the Virata School of Business of the University of the Philippines – Diliman. His extensive trainings include corporate governance, AML, asset liability management, operational risk, and information security.

**Christopher Ma. Carmelo Y. Salazar**, 47, Filipino, First Vice President II, is the Treasurer and Treasury Group Head. He has gained more than 25 years of financial markets experience holding various senior roles from different institutions including ING Bank-Manila, Standard Chartered – Manila, Thailand, and U.A.E., Landbank of the Philippines and First Metro Investment Corporation. He is a graduate of Bachelor of Science in Management Engineering from the Ateneo de Manila University. He took up the Treasury Certification Program of the Ateneo- BAP. He participated in numerous trainings and seminars including corporate governance, AML, operational risk, information security, data privacy, bank marketing management, risk management, and leadership.

**Corazon I. Morando**, Filipino, is the Vice President and Corporate Secretary of the Bank. She is also a Consultant on Legal and Corporate Affairs of the SM Group. She is a recipient of “Asian Company Secretary of the Year” award by the Corporate Governance Asia in Hongkong, recognizing her vital role in promoting and upholding corporate governance in the Bank. Atty. Morando was previously a Director of the Corporate Legal Department of the Securities and Exchange Commission of the Philippines. She took up her Bachelor of Laws from the University of the Philippines, and obtained her graduate studies under the MBA-Senior Executive Program from the Ateneo de Manila University. She is continuously involved in the development of her competence. She attended numerous trainings which include seminars on non-bank financial intermediaries, and the most recent on AML in 2019 and advanced corporate governance training in 2020 with focus on sustainability in the Boardroom, risk management in the age of Covid-19, and culture of innovation, among others.

**Aileen Paulette S. De Jesus**, 54, Filipino, Vice President II, is the Chief Compliance & Governance Officer of the Bank. She is also currently the Corporate Secretary of Eco-Savers International, Inc. A CPA-Lawyer by profession, Atty. De Jesus has over 30 years of extensive experience in audit, corporate taxation, legal and compliance, having previously handled the positions of audit examiner, tax associate, general counsel, corporate secretary and chief compliance officer in various companies including SGV & Co., Fareast Bank & Trust Co., International Exchange Bank, Metrobank Card Corporation, Sterling Bank of Asia, Filinvest Group of Companies, Sumitomo Mitsui Banking Group, and Philippine Veterans Bank. She obtained her Bachelor of Science degree in Business Administration, Major in Accounting, from the University of the Philippines, and went on to take up her law degree from the Graduate School of Law of San Sebastian College Recoletos. She regularly participates in seminars and trainings related to banking, legal, compliance and governance, such as on data privacy, anti-money laundering, legal liabilities and proceedings affecting banks, performance management, and corporate governance.

### (c) Principal Officers

**Rosemarie C. Gan**, 63, Filipino, Executive Vice President, is the Segment Head of Retail Banking Business (RBB). She also serves as Director in the Bank subsidiaries China Bank Savings, Inc. (CBSI) and CBC Properties and Computer Center, Inc. (CBC-PCCI). With more than 40 years of experience with the Bank, her exposure and training in banking include marketing, financial analysis, credit portfolio management, strategic planning and corporate governance. Ms. Gan obtained her Bachelor of Science degree in Business Administration, Major in Management, from the University of Santo Tomas, where she graduated *magna cum laude* and received the distinguished Rector's Award. She attended the Asian Institute of Management's (AIM) Advanced Bank Management Program in 2013. She also attended the BAI Retail Delivery Conference conducted by the Bank Administration Institute in 2012, and Corporate Governance workshops/seminars conducted by the Institute of Corporate Directors (ICD) from 2014 to 2019, and AMLA seminar conducted by ICD in 2019, among others.

**Aloysius C. Alday, Jr.**, 51, Filipino, Senior Vice President, is the Group Head of the Cards Business and Customer Contact Center Group. He has 25 years of experience in the banking industry, having worked in the past with HSBC, Metrobank Card Corporation and Metropolitan Bank & Trust Co., in the fields of cards and payments, retail banking, consumer and corporate credit risk and bancassurance. Mr. Alday graduated from the University of the Philippines with a Bachelor of Science degree in Business Administration. He has obtained extensive banking exposures in the Philippines, Hong Kong, Singapore, United Kingdom and Australia. He also attended trainings on AMLA, data privacy and corporate governance.

**Alexander C. Escucha**, 64, Filipino, Senior Vice President, is the Head of the Investor and Corporate Relations Group. He also serves as a Director in Bank subsidiary CBSI and Chairman of the UP Visayas Foundation, Inc. Board of Trustees. He is a fellow of the Foundation for Economic Freedom (FEF) and a member of the Shareholders Association of the Philippines (SharePhil). In the past, he was the President of the Philippine Economic Society (PES) and concurrent Chairman of the Federation of ASEAN Economic Associations (FAEA), and President of the Corporate Planning Society of the Philippines (CPSP) and Bank Marketing Association of the Philippines (BMAP). As an international resource person, he chaired the Technology Conferences at the Asian Banker Summit from 2006 to 2016 and chaired its Technology Awards from 2007 to 2011. He was Vice President of International Corporate Bank before joining the Bank. Mr. Escucha earned his Bachelor of Arts degree in Economics, *cum laude*, from the University of the Philippines and was the G.P. Sicut awardee for Most Outstanding Undergraduate Thesis. Over the years, he attended seminars such as the BSP/IFC Sustainable Finance Forum, Moody's ASEAN Briefing, the CFA Society Training on ETHICS, the SEC-PSE Corporate Governance Summit, Microsoft CEO Forum, Investment Conferences of CFA Society Philippines and The Asset, GRI Sustainability Summit, the annual conventions of the PES and FAEA, BSP Financial Education Forum and Expo and the UN ARISE Disaster Resilience Summit.

**Jose L. Osmeña, Jr.**, 62, Filipino, Senior Vice President, is the Deputy Group Head of RBB. He has been with the Bank for more than 29 years and serves as Excom member of Bank subsidiary CBSI. He worked at Insular Bank of Asia and America and at Producers Bank prior to joining China Bank. Mr. Osmeña is a Bachelor of Science degree holder in Commerce, Major in Accounting, from the University of San Carlos, and he earned his Master of Science degree in Business Administration from the same university. He also completed the AIM's Advance Bank Management Program. He participated in several trainings on export financing, loan documentation, money market, corporate governance, and AML.

**Magnolia Luisa N. Palanca**, 51, Filipino, Senior Vice President, is the Head of Financial Markets Segment. She also currently sits in the board of Bank subsidiary China Bank Capital Corporation. She has almost 30 years of banking experience, mainly focused on financial markets, having worked with several financial institutions before joining the Bank, such as J.P. Morgan (S.E.A. Limited) in Singapore and J.P. Morgan Chase Bank, N.A.- Manila Branch, as Executive Director; Standard Chartered Bank Manila as Director; ING Bank NV Manila Branch, Solidbank Corporation, and Metropolitan Bank and Trust Company. She obtained her Bachelor of Science degree in Business Economics from the University of the Philippines - Diliman. She is also an SEC Fixed Income Licensed Salesman, Ateneo-BAP Certified Treasury Professional, and was a Registered Representative with the Monetary Authority of Singapore from 2015-2018. Her trainings and seminars focused on FX, financial derivatives, capital markets, leadership and corporate governance.

**Manuel C. Tagaza**, 58, Filipino, Senior Vice President, is the Head of the Bank's Digital Banking Group. He is also currently the General Manager of Bank subsidiary CBC-PCCI. For over 30 years, Mr. Tagaza has handled key positions in companies engaged in banking and technology solutions. Before joining the Bank, he was Senior Vice President at the Bank of the Philippine Islands, Senior Vice President at TIM Corporation, and Vice President at PCI Bank. He currently chairs the Philippine QR Payments Technical Working Group and he is the country representative

to the ASEAN Inter-operable QR Payments Working Group. He graduated with a Bachelor of Science degree in Industrial Engineering from the University of Santo Tomas. He attended Harvard Business Publishing's Leadership Management Course as well as other local and international seminars and banking conferences such as those relating to leadership management, retail payments, and real time payments.

**Lilian Yu**, 55, Filipino, Senior Vice President, is the Head of Institutional Banking Group (IBG). She also currently sits as Director in the boards of Bank subsidiaries CBSC and CBCC. Her more than 30 years of experience in the financial industry spans the areas of credit, project and structured finance, and debt capital markets. Prior to joining the Bank, she was an International Consultant for the Asian Development Bank. She worked for international financial institutions abroad such as Barclays Capital, ABN Amro Bank, Deutsche Bank, and the International Finance Corporation (IFC) of the World Bank Group. A Certified Public Accountant (CPA), Ms. Yu holds a Bachelor of Science degree in Business Administration and Accountancy, *magna cum laude*, from the University of the Philippines. She obtained her MBA degree from the Wharton School of the University of Pennsylvania. She was also conferred the Certified Financial Analyst (CFA) designation by the CFA Institute.

**Benedict L. Chan**, 44, Filipino, First Vice President II, is the Bank's Chief Dealer. He has over 20 years of experience on trading and portfolio management gained from financial institutions including Trinitus Asset Management, BNP Paribas Singapore and London, and ING Bank Singapore, Hongkong, and Manila. Mr. Chan obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He is a recipient of Financial Markets Regulatory and Practice Certificate from the Singapore's Institute of Banking and Finance. He also successfully passed the Hongkong Securities Paper Exam 1 conducted by the HK FEC (Hongkong).

**Ananias S. Cornelio III**, 45, Filipino, First Vice President II, is the Chief Risk Officer of the Bank. He has more than 20 years of banking experience, handling risk, treasury, or audit functions at the Development Bank of the Philippines, Rizal Commercial Banking Corporation, First Metro Investment Corporation, and Solidbank Corporation. Mr. Cornelio earned his Bachelor of Science degree in Commerce, Major in Management, with academic distinction, from the San Beda College, and a Master's degree in Public Administration, academic scholar, from the National University of Singapore. He also took up the Bank Management Course in AIM. He participated in extensive trainings on the Basel Capital Accord, risk management, corporate governance, macro prudential supervision and regulatory change, credit derivatives and structured products, interest rate and currency derivatives, economic forecasting, and ISDA documentation, among others. He has been a panelist/speaker in major events in the region which include The Asian Banker Summit, ASEAN Risk Forum, Risk Minds Asia, and ADB Regional Forum on Financial Asset and Liability, and past resource person/lecturer for the Bankers Institute of the Philippines (BAIPHIL), and the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). He is presently the Sub-Committee Chairman on Basel Standards Implementation under the Risk Management Committee of the Bankers Association of the Philippines.

**Gerard Majella T. Dee**, 57, Filipino, First Vice President II, is the Head of IBG – Commercial Banking Division II. Before joining the Bank, he held key positions at Security Bank Corporation, TA Bank of the Philippines, and Banco de Oro. Mr. Dee graduated with a Bachelor of Science degree in Marketing from the De La Salle University and an MBA degree from the New Hampshire College. He attended banking-related trainings on core credit, remedial management, and relationship marketing, among others. He is related within the first civil degree of consanguinity to Mr. Gilbert U. Dee, Vice Chairman of the Board.

**Antonio Jose S. Dominguez**, 53, Filipino, First Vice President II, is the Head of the Multi-Purpose Loans Division. He has more than 30 years of experience in the financial industry primarily in the key areas of Sales Management and Business Development. Most of his experience was gained in HSBC Philippines, under its two management training programs that led to holding various senior roles in Consumer Loans, Credit Cards, Retail Banking, Wealth Management, Business Banking, Institutional Banking and Global Custody. Prior to joining the Bank, he headed the Sales and Marketing Groups of City Savings Bank and Rosehill Memorial Management, Inc. Earlier in his career, he worked in All Asia Capital and Trust Corporation, All Asia Securities Management Corporation, DMT Securities Inc., and AGJ Securities Corporation. His professional training includes various leadership skills, sales management, performance management, and digital marketing. He is a graduate of Bachelor of Science degree in Commerce, Major in Management, from the Colegio de San Juan de Letran.

**Delia Marquez**, 59, Filipino, First Vice President II, is the Head of the Centralized Operations Group. She previously worked as Auditor at SGV & Co. and Transunion Corporation. A Certified Public Accountant, she graduated with a Bachelor of Science degree in Commerce, Major in Accounting, *cum laude*, from the University of Santo Tomas. She attended various seminars on corporate governance, Internal Capital Adequacy Assessment Process (ICAAP), risk model validation, Internal Credit Risk Rating System (ICRRS), Philippine Financial Reporting Standards (PFRS), The Asian Banker's Future of Finance Summit 2017, SAS Management, Inc.'s Intro to Agile Project Management, GGAPP

and PWC Phils.' Annual GGAPP Forum on Good Governance, Ethics and Compliance, and ICD's Corporate Governance Training Program.

**Shirley G.K.T. Tan**, 65, Filipino, First Vice President II, is the Head of RBB - Metro Manila West Region. She spent about 40 years of her professional career with the Bank. A Certified Public Accountant, Ms. Tan holds a Bachelor of Science degree in Business Administration, Major in Accounting, from the Philippine School of Business Administration in Manila. She had professional trainings and seminars on sales management and leadership skills, among others.

**Cristina P. Arceo**, 52, Filipino, First Vice President II, is the Head of Treasury Group's Investment Management Division. She has almost 30 years of banking and asset management experience, formerly holding officership positions at Philam Asset Management Inc. and Philippine National Bank. Ms. Arceo obtained her Bachelor of Science degree in Economics from the University of the Philippines and completed her MBA studies from the De La Salle University. She also successfully passed the SEC's Fixed Income Salesman Licensing Exam. She attended trainings on strategic systems thinking, foreign exchange, money and capital markets, interest rate swaps and options, market reading, derivatives documentation, and portfolio management, among others. She received awards for *"Best in Bond Trading"* from The Asset for seven (7) years. She earned her CFA charter in 2011 and was the former President and Chairman of the Board of Trustees of the CFA Society Philippines (CFAP). She still sits as member of the Board of Trustees of CFAP. She is also affiliated with other finance associations, namely, the Fund Managers Association of the Philippines, Inc. (FMAP) where she sits as Board Adviser, and the Money Market Association of the Philippines, Inc. (MART) where she serves as its current President.

**Layne Y. Arpon**, 60, Filipino, First Vice President I, is the Head of IBG - Corporate Banking Division I. She worked in financial institutions including BDO Unibank, The Manila Banking Corporation, Security Banking Corporation, and Land Bank of the Philippines, with exposure in commercial banking, corporate banking, investment banking, credit review and underwriting, project finance and audit. A Certified Public Accountant (CPA), Ms. Arpon took up Bachelor of Science in Commerce, Major in Accounting, from the Far Eastern University. She attended various trainings on trade finance, core credit, financial analysis, project financing, and credit investigation and property appraisal, among others.

**Lilibeth R. Cariño**, 64, Filipino, First Vice President I, is the Head of Consumer Banking Group. She spent her career with the Bank for over 42 years, and had extensive exposure and training in consumer banking, real estate, corporate planning, treasury, credit, project finance, and branch based marketing, among others. Ms. Cariño took up her Bachelor of Science degree in Statistics from the University of the Philippines, and earned her MBA units from the Ateneo Graduate School of Business. She also participated in the Asian Development Bank's seminar on institutional strengthening of financial institution, Allen Management Program's Professional Management seminar/workshop, and ICD's training programs on corporate governance and AML.

**Amelia Caridad C. Castelo**, 57, First Vice President I, is the Head for Enterprise Business Intelligence Division. With extensive experience in the use of analytics tools and methodologies, quantitative modelling, and data-driven decision management, she has applied those tools & technologies in various banking roles for Risk, Sales & Marketing, and Finance groups. She previously worked with Standard Chartered Bank (in Philippines & Hongkong), HSBC Manila, East West Banking Corporation, and BDO Unibank. Her roles has provided has extensive experience in Risk modelling, Advanced analytics, Customer segmentation, Campaign management & analysis, Profit model development, Risk Capital modelling, etc. as she has handled roles related to Risk Analytics, Marketing Analytics, Business Intelligence, Credit Policy and MIS. Ms. Castelo graduated with a Bachelor of Science degree in Statistics from UP – Diliman and took post-graduate units in Industrial Engineering from the same university. She completed recently the Executive Program in Data Science and Analytics from UC–Berkeley, U.S.A. She has also participated various trainings on Credit Risk and Operational Risk Management, Basel Standard, Risk model development and validation, PFRS, Financial Consumer Protection, and AML.

**Melissa F. Corpus**, 52, Filipino, First Vice President I, is the Head of the Credit Management Group. She has 32 years of experience in banking and finance, having worked with various financial institutions such as Far East Bank and Trust Co., The Hongkong and Shanghai Banking Corporation, and Citibank, N.A. She has gained a wide span of banking exposure in the areas of credit analysis, credit risk management, relationship management of corporate and financial institutions, loan syndications, project finance, credit policy formulation, and documentation management. She was an academic scholar at the Ateneo de Manila University where she graduated with a Bachelor of Science in Management degree. Apart from having engaged in different trainings on credit, risk management, treasury, derivatives, international trade, property appraisal, and various external regulations, she also finished her comprehensive Executive Training Program at the HSBC Group Management Training College in Bricket Wood, United Kingdom.

**Angela D. Cruz**, 61, Filipino, First Vice President I, is the Head of Wealth Management Group. She also presently serves as Director of Wellington Investment and Manufacturing Corporation and holds key positions in Suntree

Holdings Corporation and JJACCIS Development Corporation. Prior to joining the Bank, she held executive positions at Citibank N.A., Far East Bank and Trust Company, and Equitable PCI Bank. Ms. Cruz earned her Bachelor of Science degree in Commerce, Major in Management of Financial Institutions, from the De La Salle University. Her professional trainings related to banking operations include Bourse Game, account management, and customer service. She is related within the first civil degree of consanguinity to Bank Director Joaquin T. Dee.

**Maria Luz B. Favis**, 60, Filipino, First Vice President I, is the Head of Asset Quality and Recovery Management Division. In the past, she held key positions in Philippine Commercial International Bank (PCIBank) and Planters Development Bank with exposure on account management, commercial lending and credit. Her extensive trainings covered loan evaluation and marketing, financial analysis and credit risk management supplemented by seminars on mergers and acquisitions, bank sales and marketing strategies and real estate management. Ms. Favis is a Bachelor of Arts degree holder in Economics from the De La Salle University and obtained her Master's degree in Business Management from the Asian Institute of Management (AIM).

**Madelyn V. Fontanilla**, 58, Filipino, First Vice President I, is the Head of RBB's Branch Operations Division. She has 36 years of banking experience, with focus on retail banking and branch operations, gained from Equitable PCI Bank and PCI Bank. A Certified Public Accountant, Ms. Fontanilla is a graduate of Bachelor of Science in Business Administration, Major in Accounting, from the University of the East. She participated in various trainings on branch automation, leadership, financial planning, and operations control enhancement, among others.

**Jerry Ron T. Hao**, 40, Filipino, First Vice President I, is the Head of Foreign Exchange and Derivatives Division. Prior to joining the Bank, he gained his professional experience from ING Bank and International Exchange Bank. He graduated with a Bachelor of Science in Management Engineering degree from the Ateneo de Manila University. He is actively involved in several trainings such as on credit derivatives and structured products.

**Mary Ann T. Lim**, 52, Filipino, First Vice President I, is the Bank's Trust Officer and the Head of the Trust and Asset Management Group. She currently serves as Treasurer & Finance Director of The Trust Officers Association of the Philippines (TOAP). She has around 30 years of banking experience, having worked with different financial institutions, including Bank of China Ltd. Manila Branch, The Hongkong & Shanghai Banking Corporation Ltd., and PCI Bank. She earned her Bachelor of Science degree in Commerce, Major in Accounting, *cum laude*, from the University of San Carlos. She is a Certified Public Accountant. She completed the Trust Operations and Investment Management course from the Trust Institute Foundation of the Philippines. She is also a SEC Certified Fixed Income Market Salesman. She has had various trainings in banking and related fields, including those which focused on trust management, estate planning, corporate governance, anti-money laundering, and operational and reputational risks.

**Elizabeth C. Say**, 62, Filipino, First Vice President I, is the Head of the Branches Administration Division of RBB. She has been with the Bank for 33 years. She was an internal auditor at Morrison Forwarding Corporation and a money market trader at State Investment House, Inc. before she joined the Bank. Ms. Say is a graduate of Bachelor of Science in Commerce, Major in Accounting, from the University of Santo Tomas. She participated in trainings on corporate governance, integrated risk management, credit risk management, foreign exchange, loan review and classification and AML, among others.

**Clara C. Sy**, 61, Filipino, First Vice President I, is the Head of RBB - Metro Manila East Region. She also holds officership positions in New Golden City Builders & Development Corp. and Citigold Resources & Development Corporation. She has been with the Bank for more than 30 years handling retail banking and branches administration. A CPA, she holds a Bachelor of Science degree in Commerce, Major in Accounting, from the University of Santo Tomas. She attended several trainings on enhancing managerial skills and branch management.

**Belenette C. Tan**, 56, Filipino, First Vice President I, is the Bank's Chief Legal Counsel and Head of Legal and Collections Group. She is also the concurrent Corporate Secretary of Bank subsidiary CBC-IBI. She has been with the Bank for more than 25 years. Atty. Tan previously worked with Yap, Apostol, Gumar and Balgwa Law Offices, prior to joining the Bank. She is a Bachelor of Laws degree holder from the University of Santo Tomas, after taking up Bachelor of Arts in Political Science from the University of the Philippines. She has had several trainings and seminars, including on the mandatory continuing legal education, AML, and various aspects of commercial, criminal, and civil law.

**Stephen Y. Tan**, 54, Filipino, First Vice President I, is the Head of RBB - Visayas Region. He has more than 30 years of banking experience, having handled various positions at Metropolitan Bank & Trust Co., Far East Bank & Trust Co., Equitable PCI Bank, and International Exchange Bank, prior to joining the Bank. A CPA, Mr. Tan earned his Bachelor of Science degree in Commerce, Major in Accounting, from the University of San Carlos. He attended several trainings on account management strategies and other trainings in banking and other related fields.

**Manuel M. Te**, 66, Filipino, First Vice President I, is the Head of RBB – Metro Manila South Region, and also the head of National Marketing Unit. He joined the Bank in 1976 up to 1996 and was rehired in 1997. He has extensive exposure and training on retail banking. Mr. Te is a graduate of Bachelor of Science in Commerce, Major in Accounting, from the University of Mindanao Digos City and went on to take his post-graduate units in the MBA program of the Ateneo de Davao University. He participated in trainings on AML, forgery detection, credit management, position planning, branch-based marketing, and Leadership Training under Allen Management, among others.

**Marisol M. Teodoro**, 59, Filipino, First Vice President I, is the Director, President and Chief Executive Officer of Bank subsidiary, China Bank Securities Corporation (CBSC), since her secondment in 2017. She previously worked in other financial institutions such as Security Bank and International Corporate Bank/Union Bank of the Philippines. She holds a Bachelor of Science degree in Business Economics and an MBA degree, both from the University of the Philippines - Diliman. She also participated in several trainings on credit/investment analysis and evaluation, trust, portfolio management, treasury and financial planning.

**Maria Rosanna Catherina L. Testa**, 61, Filipino, First Vice President I, is the Head of Human Resources Group. She spent more than 30 years of her career in human resource management. She previously held key positions at Goodyear Phils., Equitable-PCI Bank, Far East Bank and Trust Company, The Manila Banking Corporation, and John Clements Consultants, among others. Ms. Testa is a graduate of Bachelor of Arts, Major in Business Administration, from the Assumption College, and completed her Master's degree in Business Administration from the Ateneo Business School. She participated in trainings on corporate governance, AML, leadership, and trends and challenges in human resource management.

**Geoffrey D. Uy**, 55, Filipino, First Vice President I, is the Head of Market and Liquidity Risk. Prior to joining the Bank, he was Treasurer, Risk Analytics Head, Funds Management Head, and Corporate Auditor at Citibank. Mr. Uy took up his Bachelor of Science degree in Mechanical Engineering from the De La Salle University and pursued his MBA from the New Hampshire College. His professional trainings include risk management, ICAAP, and financial derivatives, among others.

**Noemi L. Uy**, 64, Filipino, First Vice President I, is the Head of RBB-Metro Manila North Region. Ms. Uy spent her career with the Bank for over 25 years with focus on retail and branch banking. In the past, she worked with Associated Bank, United Coconut Planters Bank, Permanent Savings Bank, and Producers Bank of the Philippines. She graduated with a Bachelor of Science degree in Business Administration from the University of Santo Tomas. She completed numerous trainings on AML, information security, foreign exchange, stock investments, and organization transformation, among others.

Note 1: All the foregoing officers have been involved in the banking industry for more than five (5) years.

Note 2: None of the above-mentioned directors and officers works with the government.



**(d) Nominees for election as Directors and Independent Directors**

<b>Nominee as Director</b>	<b>Person who nominated</b>	<b>Nominee as Independent Director</b>	<b>Person who nominated and Relationship with Nominee</b>
Hans T. Sy	Sysmart Corporation	Margarita L. San Juan	Zenaida C. Milan, no relation
Gilbert U. Dee	Linda Susan T. Mendoza	Philip S.L. Tsai	Alvin A. Quintanilla, no relation
William C. Whang	George C. Yap	Claire Ann T. Yap	Regina Capital Development Corporation, no relation
Peter S. Dee	Nancy D. Yang	Genaro V. Lapez	Regina Capital Development Corporation, no relation
Joaquin T. Dee	Christopher T. Dee		
Herbert T. Sy	Sysmart Corporation		
Harley T. Sy	SM Investments Corporation		
Jose T. Sio	SM Investments Corporation		

Except for Mr. Genaro V. Lapez, all the above-mentioned nominees are incumbent members of the Board.

Mr. Genaro V. Lapez, 63 years old, Filipino, is a nominee for independent director. He is presently a consultant at PSE-listed company Union Bank of the Philippines until April 2021. He has more than 10 years of experience in banking and finance in the Philippines, having handled key executive positions at Union Bank, including Head of Center for Strategic Partnerships and Head of Consumer Finance. He has considerable exposure across various local and global industries spanning fast-moving consumer goods (FMCG), pharmaceuticals, multi-media publishing, banking and financial services. He had been posted in Hong Kong, Singapore and Indonesia, and he is conversant in Chinese and Bahasa. Mr. Lapez is a seasoned StracTical (Strategic and Tactical) and GloCal (combining Global Best Practices with Local Realities) thinker. In the past, he held various senior leadership positions in Royal Numico, Coca-Cola Bottlers Phils. Inc., San Miguel Corporation, Nabisco, and Time Life Books, Inc./Time-Warner Inc. Mr. Lapez earned his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He has had various trainings on Strategic Marketing (Certificate Program) from the University of Michigan; Retail Banking Future from the John Clements and Harvard Business School; Global Consumer Banking from the likes of THE ASIAN BANKER, and on Corporate Governance from the Institute of Corporate Directors and others.

Upon initial determination, the nominees for directors and independent directors were found to be fit and proper for the position they were nominated to and possess all the qualifications and none of the disqualifications of a director or independent director, and their qualities are aligned with the Bank's strategic directions.

The Nominations and Corporate Governance Committees are currently composed of Ms. Claire Ann T. Yap (Chairman of the Nominations Committee), Ms. Margarita L. San Juan (Chairman of the Corporate Governance Committee), Mr. Philip S.L. Tsai, and Mr. Alberto S. Yao, all independent directors.

**(e) Involvement in Legal Proceedings**

To the knowledge and information of the Bank, none of the above-named directors, nominee, and executive officers have been involved in any of the following events during the past five (5) years: (i) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time; (ii) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; (iii) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (iv) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

For the past five (5) years, the Bank, its affiliates, subsidiaries, directors and officers have not been involved in any legal proceedings that would affect their ability, competence or integrity, and/or would involve a material or substantial portion of their property before any court of law, quasi-judicial body or administrative body in the Philippines or elsewhere, except in the usual routine cases directed against the Bank, arising from the ordinary conduct of its business.

All legal proceedings involving the Bank are efficiently and competently attended to and managed by a group of nineteen (19) in-house lawyers who are graduates of reputable law schools in the country. For its external counsels, the Bank retains the services of respected law firms, among which are Medialdea Bello Guevarra & Suarez Law Offices, ACCRA Law Office, Britanico Sarmiento & Ringler Law Offices, Divina Law Office, Tagayuna Panopio & Escobar Law Firm, Atty. Omar D. Vigilia, The Law Firm of Hermosisima Hermosisima & Hermosisima, and Catabay-Lauigan Law Office.

**(f) Significant Employees**

The Bank highly values its human resources. It expects each employee to do his share in achieving the Bank's set goals; in return, the Bank has in place policies and programs for the protection and growth of employees.

**(g) Family Relationship**

Chairman Hans T. Sy and Directors Herbert T. Sy and Harley T. Sy are brothers: Mr. Henry Sy, Sr. (+), is their father. Ms. Angela D. Cruz, First Vice President I and Head of Wealth Management Group, is the daughter of Director Joaquin T. Dee. Mr. Gerard Majella T. Dee, First Vice President II and Head of Institutional Banking Group's Commercial Banking Division II, is the son of Mr. Gilbert U. Dee, Vice Chairman of the Board.

## Item 10. Executive Compensation

Name	Year	Salary	Bonuses & Other Compensation	TOTAL
Total for the 5 most highly compensated executive officers: Gilbert U. Dee William C. Whang Romeo D. Uyan, Jr. Patrick D. Cheng Rosemarie C. Gan	2021 (estimates)	60,377,209.00	52,959,566.00	113,336,775.00
	2020 (actual)	56,072,606.16	49,666,179.72	105,738,785.88
	2019 (actual)	54,416,702.16	43,245,547.72	97,662,249.88
Total for all officers and directors	2021 (estimates)	1,930,803,508.00	1,072,309,292.00	3,003,112,800.00
	2020 (actual)	1,761,460,480.00	1,034,838,586.00	2,796,299,066.00
	2019 (actual)	1,684,491,110.00	926,954,259.00	2,611,445,369.00
Total for all directors	2021 (estimates)		79,109,478	
	2020 (actual)		71,917,708	
	2019 (actual)		65,728,818	

Other than those relating to the foregoing figures, there are no actions to be taken as regards any bonus, profit sharing, pension or retirement plan, granting or extension of any option warrant or right to purchase any securities between the Bank and its directors and officers. The officers receive compensation based on their performance, banking experience, employment status, position and rank in the Bank. On the other hand, the directors are entitled to a per diem of P500.00 for attendance at each meeting of the Board or of any committee and to 4% of the Bank's net earnings, in accordance with Article IV, Section 11, and Article VIII, Section 1 (a) of the Bank's Amended By-Laws. The amount of per diem was increased to up to P10,000, as approved by the stockholders on June 18, 2020, subject to the approval of the BSP and SEC of the Amended By-laws related thereto. The directors and officers have no other compensatory arrangement with the Bank.

In 2020, each member of the Board of Directors received the following amount as compensation:

Hans T. Sy	P7,070,586
Gilbert U. Dee	6,013,325
William C. Whang	6,411,732
Peter S. Dee	6,420,482
Joaquin T. Dee	7,071,036
Herbert T. Sy	6,402,932
Harley T. Sy	6,009,000
Jose T. Sio	402,932
Alberto S. Yao	7,972,811
Margarita L. San Juan	6,932,825
Philip S.L. Tsai	6,933,725
Angeline Ann H. Hwang +	4,276,322

**Item 11. Security Ownership of Certain Record and Beneficial Owners and Management as of February 28, 2021**

**(a) Record and beneficial owners holding 5% or more of voting securities:**

<b>Title of Class</b>	<b>Name, Address of Record Owner &amp; Relationship with Issuer</b>	<b>Name of Beneficial Owner &amp; Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
Common	PCD Nominee Corporation * 37 <sup>th</sup> Floor Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City Stockholder	Various stockholders/clients	Non-Filipino	709,850,891	26.43%
Common	PCD Nominee Corporation * 37 <sup>th</sup> Floor Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City Stockholder	Various stockholders/clients	Filipino	570,973,230	21.26%
Common	SM Investments Corporation 10 <sup>th</sup> Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sy Family PCD Nominee Corporation Stockholders	Filipino	463,922,761	17.27 %
Common	Sysmart Corporation 10 <sup>th</sup> Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sy Family Sycamore Pacific Corporation Stockholders	Filipino	415,995,323	15.49%

\* 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, 2021, The Hongkong and Shanghai Banking Corporation Limited (396,732,386 shares or 14.77%) and BDO Securities Corporation (188,274,208 shares or 7.01%) hold 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.

Mr. Henry Sy, Sr.'s (+) family is known to have substantial holdings in SM Investments Corporation and Sysmart Corporation and, as such, could direct the voting or disposition of the shares of said companies.

Except as stated above, the Bank has no knowledge of any person holding more than 5% of the Bank's outstanding shares under a voting trust or similar agreement. The Bank is likewise not aware of any arrangement which may result in a change in control of the Bank, or of any additional shares which the above-listed beneficial or record owners have the right to acquire within thirty (30) days, from options, warrants, rights, conversion privilege or similar obligation, or otherwise.

**(b) Directors and Management:**

	<b>Title of Class</b>	<b>Name</b>	<b>Position</b>	<b>Citizenship</b>	<b>Amount &amp; Nature of Beneficial / Record Ownership</b>	<b>Percentage</b>
(a)	Directors					
	Common	Hans T. Sy	Chairman of the Board	Filipino	4,383,642	0.163%
	Common	Gilbert U. Dee	Vice Chairman	Filipino	12,832,906	0.478%
	Common	William C. Whang	Director and President	Filipino	17,518	0.001%
	Common	Peter S. Dee	Director	Filipino	301,305	0.011%
	Common	Joaquin T. Dee	Director	Filipino	51,686,912	1.924%
	Common	Herbert T. Sy	Director	Filipino	735,431	0.027%
	Common	Harley T. Sy	Director	Filipino	897,254	0.033%
	Common	Jose T. Sio	Director	Filipino	3,517	0.000%
	Common	Alberto S. Yao	Independent Director	Filipino	548,876	0.020%
	Common	Margarita L. San Juan	Independent Director	Filipino	95,238	0.004%
	Common	Philip S.L. Tsai	Independent Director	Filipino	2,000	0.000%
	Common	Claire Ann T. Yap	Independent Director	Filipino	100	0.000%
				Total	71,504,519	2.662%
(b)	Executive Officers (in addition to Messrs. Gilbert U. Dee and William C. Whang)					
	Common	Rosemarie C. Gan	Executive Vice President	Filipino	130,032	0.005%
	Common	Patrick D. Cheng	Executive Vice President & CFO	Filipino	617,756	0.023%
	Common	Alexander C. Escucha	Senior Vice President	Filipino	83,886	0.003%
	Common	Benedict L. Chan	First Vice President II	Filipino	15,678	0.001%
	Common	Gerard T. Dee	First Vice President II	Filipino	277,864	0.010%
	Common	Shirley G.K.T. Tan	First Vice President II	Filipino	12,863	0.000%
	Common	Delia Marquez	First Vice President II	Filipino	23,560	0.001%
	Common	Lilibeth R. Cariño	First Vice President	Filipino	4,167	0.000%
	Common	Angela D. Cruz	First Vice President	Filipino	1,639,876	0.061%
	Common	Elizabeth C. Say	First Vice President	Filipino	3,433	0.000%
	Common	Maria Rosanna				
	Common	Catherina L. Testa	First Vice President	Filipino	6,340	0.000%
	Common	Stephen Y. Tan	First Vice President	Filipino	2,746	0.000%
	Common	Marisol M. Teodoro	First Vice President	Filipino	21,323	0.001%
	Common	Layne Y. Arpon	First Vice President	Filipino	10,732	0.000%
	Common	Belenette C. Tan	First Vice President	Filipino	5,008	0.000%
	Common	Manuel M. Te	First Vice President	Filipino	3,199	0.000%
	Common	Clara C. Sy	First Vice President	Filipino	2,973,304	0.111%
				Total	5,831,767	0.217%
				GRAND TOTAL	77,336,286	2.879%

**(c) Other officers, supervisors and staff:**

	<b>Name</b>	<b>Position</b>	<b>Total Outstanding Shares</b>
1.	Alano, Ma. Hidelita P.	Officer	5,357
2.	Antonio, Ma. Cristina G.	Officer	5,601
3.	Cacanindin, Katherine D.	Staff	168
4.	Capacio, Victoria G.	Officer	1,056
5.	Cervania, Lamberto R.	Staff	317
6.	Chan, Irene C.	Officer	569
7.	Cuevas, Charmaine	Officer	765
8.	Dee, James Christian T.	Officer	2,809,981
9.	Del Rosario, Reylenita M.	Officer	2,328
10.	Dela Cruz, Jaime G.	Staff	456
11.	Elarmo, Leilani B.	Officer	973
12.	Encinas, Mary Ann Habalo	Officer	2,141
13.	Faigao, Eleanor Q.	Officer	2,883
14.	Galang, Hyacinth M.	Officer	4,941
15.	Lao, Caroline Cua	Staff	578
16.	Mendoza, Linda Susan T.	Staff	36,079
17.	Meniado, Maribel S.	Officer	54,935
18.	Milan, Zenaida	Officer	4,090
19.	Millo, Haydee Grace M.	Staff	467
20.	Morando, Corazon I.	Officer	5,525
21.	Ochoco, Anita C.	Officer	1,129
22.	Orquiola, Leilanie L.	Staff	393
23.	Punsalan, Mary Ann A.	Officer	3,010
24.	Purificacion, Noreen	Officer	765
25.	Quintanilla, Alvin A.	Officer	850
26.	Tan, Anna Liza M.	Officer	6,415
27.	Trinidad, Salina E.	Staff	901
28.	Ty, Jasmin Ongchan	Officer	3,630
29.	Uy, Virginia	Officer	26,566
30.	Vadal, Hanna Marie O.	Staff	147
31.	Yabut, Rosario D.	Officer	1,082
32.	Yandoc, Carina L.	Officer	28,203
33.	Yap, George C.	Officer	1,056
34.	Yu, James Ericson	Officer	5,932

## **Item 12. Certain Relationships and Related Transactions**

In the ordinary course of business, the Bank has loans and other transactions with its directors, officers, stockholders, and related interests (DOSRI), which were made substantially on fair terms or at an arm's length basis, that is, terms not less favorable to the Bank than those offered to others. Material related party transactions are passed upon by the Related Party Transaction Committee of the Bank, and endorsed to the Board of Directors and then to the stockholders for approval/confirmation/ratification. The Related Party Transaction Committee evaluates the terms and conditions of the facilities/transactions to ensure that they are fair, negotiated on an arm's length basis, or upon terms not less favorable to the Bank than those offered to others, that no business resources of the Bank are misappropriated or misapplied, no potential reputational risk issues may arise as a result of or in connection with the transactions, and that the same are in compliance with the existing rules. Appropriate disclosures and reports for these transactions are also made through reports with the appropriate regulatory agency.

Related party transactions are also discussed in Notes 30 and 38 of the Audited Financial Statements.

The Bank retains SGV & Co. / Ernst & Young as its external auditor, and the following law firms for the handling of some of the cases filed for and against the Bank: Medialdea Bello Guevarra & Suarez Law Offices, ACCRA Law Office, Britanico Sarmiento & Ringler Law Offices, Divina Law Office, Tagayuna Panopio & Escobar Law Firm, Atty. Omar D. Vigilia, The Law Firm of Hermosissima Hermosissima & Hermosissima, and Catabay-Lauigan Law Office.

## **PART IV - CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

#### **Sustainable Banking through Responsible Stewardship**

China Bank has always strived to be a responsible organization. With an unwavering focus on good governance, it continues to consider the long-term effects of its decisions and actions to all stakeholders. By upholding the principles of Fairness, Accountability, Transparency and Integrity, the Bank seeks to simultaneously further grow its business to enhance corporate value and generate sustainable returns for its shareholders. Over the years, corporate governance is the foundation upon which China Bank's commitment to be a reliable institution in the industry is built.

At the helm of the Bank's governance is the Board of Directors. It is responsible for the corporate philosophy and overall strategic direction; and leads in the ethical conduct of business. The Board sets the tone, steers the Bank forward and monitors progress to improve corporate strategies, strengthen financial performance and sustain regulatory compliance. It provides oversight, insight and foresight, sets the pace for the Bank's current operations and future directions, and ensures that all obligations to stakeholders are met.

The Bank recognizes good corporate governance as a critical factor for its continued success and resilience. It is committed to doing business the right way — in accordance with relevant regulations, sustainability principles, global best practices, and best interest of all stakeholders. Its robust governance, compliance, and risk management systems enable the Bank to establish a strong foundation and become a dependable partner for its customers, employees, and shareholders in building a more resilient and secured future.

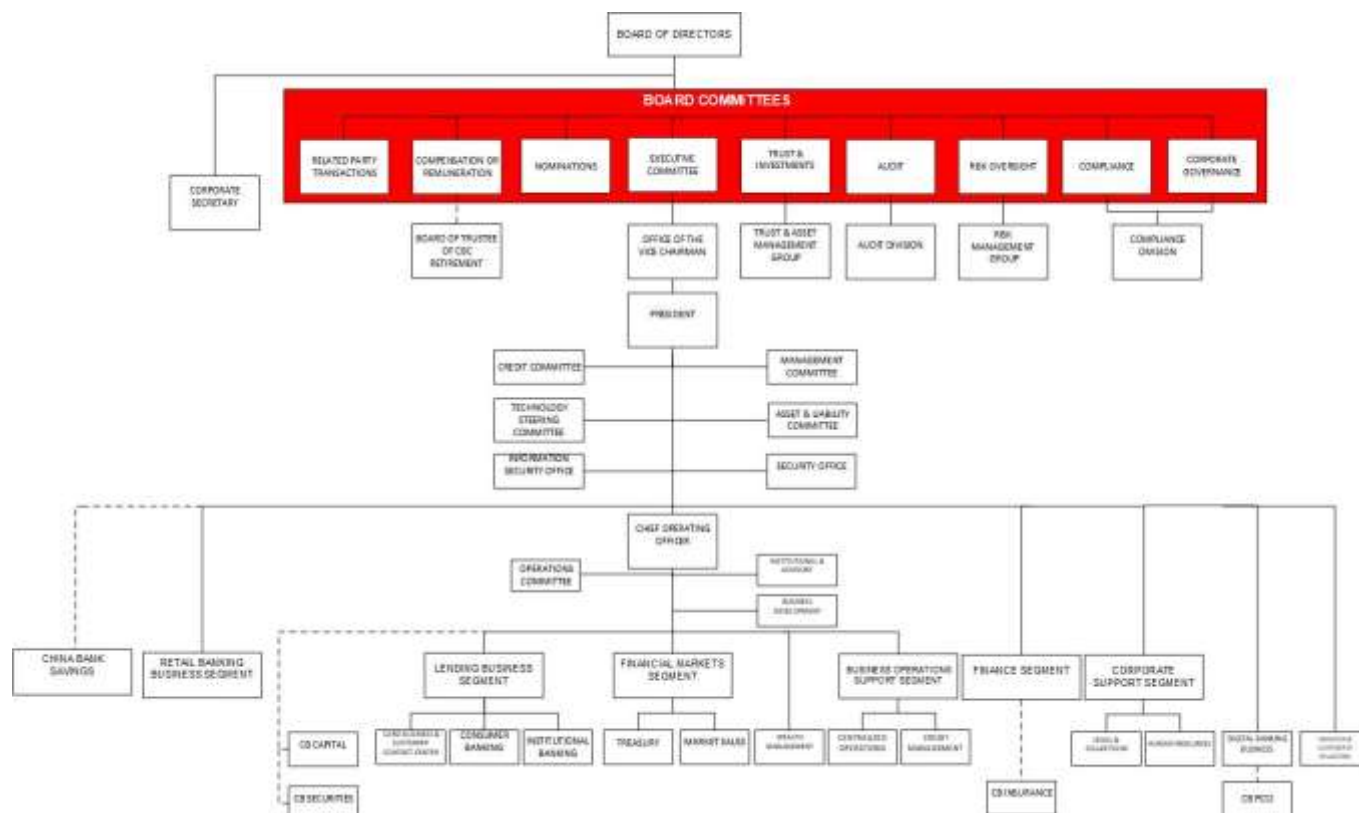
In 2020, along with the regular best governance practices, key initiatives were implemented to further strengthen our position as one of the best governed companies in the region:

- Amendment of the Bank's By-Laws, to align with the provisions of the Revised Corporation Code of the Philippines.
- Conduct of the first virtual Annual Stockholders' Meeting, allowing stockholders to exercise their voting rights through a secured electronic registration and voting facilities.
- Setting up of a 3-year Transition Plan, towards the formulation of the Bank's Sustainable Finance Framework, to comply with BSP Circular No. 1085.
- Implementation of a Stock Grant Plan for eligible employees, in recognition of their contribution to the Bank and foster a culture of ownership and commitment.
- Enhancement of the Board Committee Charters and Board Self-Assessment Forms.
- Updating of the Related Party Transactions (RPT) policy, guidelines and procedures to comply with the rules of Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC).
- Conduct of annual assessment for the Board, Board-level committees, Independent Directors, Compliance Division, External Auditor and the President.
- Adoption of the Conflict of Interest and RPT disclosure form by directors.
- Election of the Bank's 4<sup>th</sup> independent director during the Special Stockholders' Meeting
- Conduct of online corporate governance training for the Bank's directors and key officers, as facilitated by the Institute of Corporate Directors.



## Organizational Structure

The Board of Directors, being at the core of the Bank's corporate governance structure, continues to foster a culture of a proactive Board that is accountable and responsible for the affairs and performance of the Bank is supported by proactive and competent personnel in achieving its goal of governance of going beyond best practice compliance.



## Board of Directors

The Bank has twelve (12) directors and one (1) advisor. Two (2) of the directors are executive directors and the rest are non-executive directors. The Bank has a rigorous and transparent procedure for the nomination and election of new directors to the Board, to ensure a diverse and well-balanced approach. In accordance with the Bank's Manual on Corporate Governance aligned with laws, rules, and regulations, the members of the Board are selected from a pool of qualified candidates after considering, among other things, their integrity, competence, independence, leadership, ability to exercise sound judgment, and experience at policy-making levels involving issues affecting business, government, and other areas relevant to banking operations. The Board may use professional search firms or other external sources when searching for candidates for the Board.

Acknowledging the significant and crucial roles of Independent Directors, the Bank has four (4) Independent (non-executive) Directors in the Board to ensure a strong element of independence. The Bank's Independent Directors are independent of management and major/substantial shareholders, and free from any business, family, or any other relationship with the Bank, which could affect their judgment.

The members of the Board are given a copy of their general and specific duties and responsibilities as prescribed by the Manual of Regulations for Banks (MORB). The directors acknowledge that they have received and certify that they have read and fully understood the same. 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 BSP after their election. Additional certifications are executed by Independent Directors to comply with Securities Regulation Code and BSP rules which are then submitted to the SEC.

## Board Committees

In order to effectively carry out its mandate of good corporate governance through compliance with laws, rules, regulations and best practices, the Bank's Board is supported by various committees, as follows:

- **Executive Committee** has the powers of the Board, when the latter is not in session, in the management of the business and affairs of the Bank to the fullest extent permitted under its By-Laws and Philippine laws. The Executive Committee had 41 meetings in 2020, including 2 joint meetings with the Risk Oversight Committee.

Director	Attendance
Hans T. Sy (Chairman)	40
Gilbert U. Dee	29
Peter S. Dee	41
Joaquin T. Dee	41
William C. Whang	40

- **Corporate Governance Committee** is responsible for ensuring that the Bank's Corporate Governance framework is regularly reviewed, updated, and implemented accordingly at all times. It provides assistance to the Board in fulfilling its responsibilities by ensuring compliance with, and proper observance of governance laws, rules, principles, and best practices, including the continuing education program for the directors and conduct of the Board assessment, among others. The Corporate Governance Committee had 26 meetings in 2020, including 7 joint meetings with the Compliance Committee and 17 joint meetings with the Nominations Committee.

Director	Attendance
Margarita L. San Juan <sup>(a)</sup> (Chairman)	25
Alberto S. Yao	26
Philip S.L. Tsai <sup>(b)</sup>	26
Claire Ann T. Yap <sup>(c)</sup>	6
Angeline Ann H. Hwang <sup>(d)</sup>	4

<sup>(a)</sup> Member up to June 17, 2020; Chairman from June 18, 2020

<sup>(b)</sup> Chairman up to June 17, 2020; Member from June 18, 2020

<sup>(c)</sup> Member from October 7, 2020; attended 6 out of 6 joint Compliance / Nominations and Corporate Governance Committees meetings

<sup>(d)</sup> Member up to her passing on April 11, 2020; attended 4 out of 5 joint Compliance / Nominations and Corporate Governance Committees meetings

- **Audit Committee** primarily oversees all matters pertaining to audit – mainly the evaluation of the adequacy and effectiveness of the Bank's internal control system, as well as the integrity of its financial statements. It appoints, reviews, and concurs in the appointment or replacement of the Chief Audit Executive (CAE), and is responsible for ensuring that the CAE and internal audit function are free from interference by outside parties. It also ensures that an annual review is performed with regard to the effectiveness of the internal audit mechanism, including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Code of Ethics. It provides oversight over Management's activities in maintaining an adequate internal control framework, managing credit, market, liquidity, operational, legal and other risks of the Bank, including regular receipts from management of information on risk exposures and risk management activities. It likewise ensures that internal and external auditors remain independent and are given unrestricted access to records, properties and personnel, to enable them to perform their respective audit functions. It has the explicit authority to investigate any matter within its terms of reference, in order to ensure the effectiveness and efficiency of the Bank's internal controls. The Audit Committee had 11 meetings in 2020.

Director	Attendance
Alberto S. Yao (Chairman)	11
Joaquin T. Dee	11
Margarita L. San Juan <sup>(a)</sup>	6
Philip S.L. Tsai <sup>(b)</sup>	5

<sup>(a)</sup> Member from June 18, 2020; attended 6 out of 6 meetings of Audit Committee

<sup>(b)</sup> Member up to June 17, 2020; attended 5 out of 5 meetings of Audit Committee

- **Compliance Committee** is tasked to monitor compliance with established bank laws, rules and regulations specifically in creating a dynamic and responsive compliance risk management system for identifying and mitigating risks that may erode the franchise value of the Bank, and ensuring that management is doing business in accordance with the said prescribed laws, rules and regulations including policies, procedures, guidelines and best practices. The Compliance Committee had 8 meetings in 2020, including 7 joint meetings with the Corporate Governance Committee.

Director	Attendance
Hans T. Sy (Chairman)	8
Joaquin T. Dee	8
Alberto S. Yao	8

- **Risk Oversight 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 concerns in a timely manner. It oversees the risk-taking activities of the Bank and warrants the continued relevance, comprehensiveness, and overall value of the institutional risk management plan. The Risk Oversight Committee had 11 meetings in 2020, including 2 joint meetings with the Executive Committee.

Director	Attendance
Philip S.L. Tsai <sup>(a)</sup> (Chairman)	8
Hans T. Sy	11
Alberto S. Yao	11
Margarita L. San Juan <sup>(b)</sup>	3

<sup>(a)</sup> Chairman from June 18, 2020; attended 8 out of 8 meetings of Risk Oversight Committee, and Joint Risk Oversight and Executive Committees

<sup>(b)</sup> Chairman and Member up to June 17, 2020; attended 3 out of 3 meetings of Risk Oversight Committee, and Joint Risk Oversight and Executive Committees

- **Nominations Committee** is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board. Jointly with the CG Committee, reviews all nomination and promotion for other officer position. It also undertakes the process of reviewing the qualifications of the Board candidates, to ensure that their qualities and/or skills are aligned with the Bank's strategic directions, appropriate for leading and assisting the Bank in achieving its vision and corporate goals. The Committee is composed entirely of Independent Directors. The Nominations Committee had 19 meetings in 2020, including 17 joint meetings with the Corporate Governance Committee.

Director	Attendance
Claire Ann T. Yap <sup>(a)</sup> (Chairman)	3
Alberto S. Yao	19
Margarita L. San Juan	18
Philip S.L. Tsai <sup>(b)</sup>	19
Angeline Ann H. Hwang <sup>(c)</sup>	5

<sup>(a)</sup> Chairman from October 7, 2020; attended 3 out of 3 joint meetings of Nominations and Corporate Governance Committees

<sup>(b)</sup> Member from January 1 to June 17, 2020; Chairman from June 18, 2020 up to October 6, 2020; Member from October 7, 2020

<sup>(c)</sup> Chairman up to her passing on April 11, 2020; attended 5 out of 6 meetings of Nominations Committee, and Joint Nominations and Corporate Governance Committees

- **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 Remuneration Committee had 2 meetings in 2020.

Director	Attendance
Margarita L. San Juan <sup>(a)</sup> (Chairman)	2
Hans T. Sy	2
Herbert T. Sy	2
Alberto S. Yao	2
Philip S.L. Tsai <sup>(b)</sup>	2

<sup>(a)</sup> Member up to June 17, 2020; Chairman from June 18, 2020

<sup>(b)</sup> Chairman up to June 17, 2020; Member from June 18, 2020

- **Related Party Transactions Committee** is responsible for reviewing all material related party transactions (RPTs) to ensure that they are conducted at an arm's length. Composed entirely of Independent Directors, the committee oversees the proper implementation of the RPT Policy and ensures that corresponding transactions are duly identified, measured, monitored, controlled, and reported. The RPT Committee had 12 meetings in 2020.

Director	Attendance
Margarita L. San Juan <sup>(a)</sup> (Chairman)	12
Alberto S. Yao	12
Philip S.L. Tsai <sup>(b)</sup>	12
Claire Ann T. Yap <sup>(c)</sup>	2
Angeline Ann H. Hwang <sup>(d)</sup>	3

<sup>(a)</sup> Member up to June 17, 2020; Chairman from June 18, 2020

<sup>(b)</sup> Chairman up to June 17, 2020; Member from June 18, 2020

<sup>(c)</sup> Member from October 7, 2020; attended 2 out of 2 meetings of Related Party Transaction Committee

<sup>(d)</sup> Member up to her passing on April 11, 2020; attended 3 out of 4 meetings of Related Party Transaction Committee

- **Trust Investment Committee** provides oversight functions, 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 10 times in 2020.

Director	Attendance
Peter S. Dee (Chairman)	10
Jose T. Sio	10
William C. Whang	10
Mary Ann T. Lim	10
Harley T. Sy <sup>(b)</sup>	5
Herbert T. Sy <sup>(c)</sup>	5

<sup>(a)</sup> Chairman from August 2020

<sup>(b)</sup> Chairman for July 2020; Member from August 2020

<sup>(c)</sup> Chairman and Member up to June 2020

Additional details on the Committees and their charters can be accessed through the Bank's website at [www.chinabank.ph](http://www.chinabank.ph).

### Corporate Secretary

Assisting the Board of Directors in the effective and efficient discharge of their duties is the Corporate Secretary. Our Corporate Secretary is Atty. Corazon I. Morando who reports operationally to the Chairman and is accountable to the Board. Her duties and responsibilities are clearly stated in the Bank's Corporate Governance Manual.

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.

### Board Training and Orientation Program

In compliance with existing rules and regulations and as part of the continuing education program, the Board undergoes an annual training. Last November 4, 2020, the directors and members of the Management Committee, together with key officers of the Bank have attended the Bank's first online exclusive advanced Corporate Governance training as facilitated by the Institute of Corporate Directors (ICD). The said training focused on Sustainability in the Boardroom; Risk Management in the Age of Covid-19; and Culture of Innovation.

Moreover, a new member of the Board is briefed on his duties and responsibilities and is given an orientation kit, containing: (1) Specific Duties and Responsibilities of Directors, (2) Corporate Governance Manual and (3) applicable Board Committee Charters. He is also required to attend an orientation program from accredited training providers.

### Performance Evaluation for the Board, Individual Directors, Board Committees and President

The Bank has an annual performance assessment to determine the Board, individual Directors, Independent Directors, all Board-level Committees, and the President's level of compliance with leading practices and principles on good governance and to identify areas for improvement. The evaluation seeks to assess the effectiveness and collective performance of the Board through a self-assessment. The Compliance Division summarizes the results of the evaluation and reports it to the Board through the Corporate Governance Committee.

A five-point scale rating system is used for the self-assessment, where the lowest is 0, equivalent to “Poor” and the highest is 5, equivalent to “Excellent”.

Rating	Description
0	<b>Poor</b> – Leading practice or principle is not adopted in the company’s Manual of Corporate Governance
1	<b>Needs Improvement</b> – Leading practice or principle is adopted in the Manual but compliance has not yet been made
2-3	<b>Fair</b> – Leading practice or principle is adopted in the Manual and compliance has been made but with major deviation(s) or incompleteness
4	<b>Good</b> – Leading practice or principle is adopted in the Manual and compliance has been made but with minor deviation(s) or incompleteness
5	<b>Excellent</b> – Leading practice or principle is adopted in the Manual and full compliance with the same has been made

The Board reviews the results and evaluates the enhancements needed in order to improve the performance of the Board collectively, the individual directors, and the various committees. The assessment shall be validated by an external facilitator every three (3) years.

In 2020, there are no significant deviations and in general, the Bank has fully complied with the provisions and requirements of the Corporate Governance Manual.

## Compliance System

The Compliance Division 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 the Bank’s reputation and its stakeholders’ interests. In place is a compliance risk management system that is designed to identify and mitigate risks, and ensure the Bank’s safety and soundness. Moreover, the division ensures that employees at all levels are aware of and comply with all applicable laws, rules and regulations, by cascading the compliance plan to them and in disseminating all latest issuances, advisories, notices, and other regulatory matters.

Compliance Division is headed by the Chief Compliance and Governance Officer, Atty. Aileen Paulette S. De Jesus, 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 Department*, which ensures that the compliance system is updated and implemented accordingly. The *Corporate Governance Department* carries out and manages the implementation of the corporate governance mandates, which includes managing compliance with the Code of Corporate Governance, BSP and SEC rules on governance and international best practices. The *AML Department* manages the Bank’s compliance with Anti-Money Laundering laws and regulations, and implementation of Money Laundering and Terrorist Financing Prevention Program (MTPP). On the other hand, the *IT Compliance Department* provides the necessary IT support to the AML Compliance Department in the administration of the Bank’s AML system, the Base60. The *Subsidiaries Oversight Department* ensures group-wide compliance to relevant rules, laws and regulations by providing direction and support to the Bank’s subsidiaries. The *Associated Person* is responsible for the Bank’s compliance with the Securities Regulations Code, including relevant laws and issuances related thereon. 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, compliance and good governance awareness and continuously strengthen the implementation of our compliance culture within the Bank, the Compliance Division:

1. Cascades all recent laws, rules, and regulations to all concerned;
2. Acts as liaison for the Board and Management on regulatory compliance matters, with the regulatory agencies;
3. Provides advisory services, including reviewing proposed Bank products and services;
4. Reviews and updates the Compliance Manual, MTPP and Corporate Governance Manual annually or as necessary, to align with recent regulatory requirements;

5. Continuously educates Bank employees about compliance, anti-money laundering, good governance and its benefits, the Bank's Code of Ethics, the policy on avoidance of conflict of interest, among others, to ensure that everyone in the institution is in the same direction towards good governance and to develop a culture of trust and integrity and to enable the employees of the Bank embrace the principles set forth by the Board;
6. Conducts briefings for Compliance Coordinators in the branches and Head Office to raise the level of awareness and understanding of the principles, concepts, and elements of good corporate governance and compliance. The Compliance Coordinators are required to cascade their learnings to their respective areas; and
7. Conducts lectures to all new employees of the Bank for the basic orientation on Compliance System, AML, Whistleblowing, and Corporate Governance giving them an overview of the Bank's Compliance Risk Management System. Compliance Division also conducts lectures during the Junior Executive Development (JED) and Supervisory Development Program (SDP), among others.

## **Governance Policies**

### ▪ **Corporate Governance Manual**

In place is an extensive Corporate Governance Manual that contains the Bank's corporate governance policies, structure, principles, as well as the general and specific duties and responsibilities of the Board and the individual directors. The Manual is kept updated to ensure that it is aligned with latest regulatory issuances. To enjoin Bank-wide compliance and for easy access, a copy of the Manual is available in the Bank's intranet facility, under the Compliance Office Public Folder. The CCO is primarily tasked to monitor compliance with the Manual, and is always available to respond to inquiries from Bank officials and personnel regarding good corporate governance policies and practices.

In 2020, the Bank has fully complied with the provisions of the Corporate Governance Manual.

### ▪ **Board Remuneration**

The amendment to the Bank's By-Laws included the increase in the *per diem* of the directors, which now amounts to ten thousand pesos (P10,000.00) [amendment subject to BSP and SEC approvals] for attendance at each meeting of the Board of Directors or of any Committee, or as may be determined from time to time by stockholders owning or representing a majority of the subscribed capital stock, at any regular or special meeting. In accordance with Article VIII of the Bank's By-Laws, a portion of the net earnings shall be given to the members of the Board.

### ▪ **Dividend Policy**

The Bank, as a matter of policy, shall declare cash dividends at a payout ratio of approximately thirty percent (30%) of the net income of the prior year, subject to the conditions and limitations set forth in this policy statement. The Bank's Dividend Policy is an integral component of its Capital Management Policy and Process. Its fundamental and overriding philosophy is sustainability.

Dividend payouts are reviewed annually. These are referenced against the Bank's Capital Management Process. Based on this process, dividend payouts are calibrated based on the prior year's earnings while taking consideration dividend yields, future earnings streams and future business opportunities.

In declaring dividend payouts, the Bank uses a combination of cash or stock dividends as follows:

1. The dividend is increased in response to the Bank's achieving a higher level of sustainable earnings.
2. Dividends may be increased for a specific year to plow back to shareholders a commensurate share of unusually high earnings for a given year.

The Bank's capital management philosophy and process, and consequently its Dividend Policy which comprises an integral component of this undertaking, are driven by the following primary objectives:

1. Ensuring compliance with externally imposed regulatory capital requirements.
2. Maintaining strong credit ratings.
3. Maintaining healthy capital ratios to support its business and maximize shareholder value.

Moreover, the Bank manages its capital structure and makes adjustments to it in the light of:

1. Changes in economic conditions.
2. The risk characteristics of its activities.
3. The assessment of prospective business requirements or directions.

#### ▪ **Whistleblowing**

The Bank does not and will not tolerate unethical conduct, thus a whistle-blowing policy, wherein employees, customers, shareholders, and third party service providers are encouraged to report questionable activity, unethical conduct, fraud or any other malpractice by mail, phone or e-mail, without fear of reprisal or retaliation as the identity of the whistle blower is kept confidential.

The Bank's CCO determines the substance and validity of all whistle-blower reports. Reports can also be disclosed to any officer of the Bank, the Risk Management Group, Internal Audit Division and the Human Relations Group (HRG).

#### ▪ **Code of Ethics**

The Bank is committed to conduct its business in an honest and ethical manner, well guided by its core values, namely: integrity, high performance standards, commitment to quality, customer service focus, concern for people, efficiency and resourcefulness, and initiative in carrying out its functions and in dealing with its clients. These core values are also the foundation of the Bank's Code of Ethics.

Setting the tone from the top, our Board of Directors is fully committed to principled conduct of business. Just as it expects full compliance to the Code of Ethics from all Bank employees, the body believes that its members should also uphold the principles of integrity, fairness, accountability and transparency at all times.

The Code of Ethics for Directors articulates the acceptable practices in relation to both internal and external dealings (*i.e., investors, creditors, customers, depositors, contractors, suppliers, regulators, and the general public*) of the members of the Board. It also provides the guiding principles on the performance of their duties in accordance with the fit and proper rules; and establishes standards for professional and ethical conduct. All new directors are given a copy of the Code, which they acknowledge receipt thereof.

To ensure that business is carried out in compliance with relevant laws and in the protection of the interest of the Bank's customers, shareholders and other stakeholders, the Bank's HRG has disseminated the Bank's Code of Ethics to all employees, including new hires. Employees are required to sign an acknowledgement receipt that they have received a copy of the Code of Ethics.

Copies of the Codes are also made available in the Bank's intranet to be readily accessible to all employees, and are also available on the Bank's website. A comprehensive discussion on the Code of Ethics is conducted with new employees of the Bank to foster a culture of awareness on the Bank's core values. Such discussion also highlights the behavioral standards, business conduct, and corresponding sanctions for violations of the Code of Ethics.

#### ▪ **Policy on Conflict of Interest**

In accordance with the Bank's Code of Ethics, conflict of interest between the Bank and its directors, officers 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 the 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.



- **Disclosure and Transparency**

The Bank is committed to a high standard of disclosure and transparency to facilitate understanding of the Bank's true financial condition and the quality of its corporate governance. All material information about the Bank is adequately and timely disclosed, in accordance with SEC and PSE's disclosure policy. In addition to compliance with the reportorial requirements like publishing quarterly financial statements in leading newspapers and producing a comprehensive annual report for the Bank's annual stockholders' meeting, the Bank promptly discloses major and 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 or influence the decision of the investing public, in the form of press releases in newspapers and reports in our internal publications. We also electronically file our disclosures through EDGE which are then posted on the PSE's website. The Bank's corporate website is likewise regularly updated to include the latest news and current information about the Bank.

The Bank aims to ensure that information about its products and services are clear, understandable, accurate, and accessible. We give all necessary and relevant information to our customers so that they can make informed decisions when transacting with us. The information is communicated to our customers through the use of different media and channels such as printed materials that are prominently displayed in our branches or directly sent to customers—TV, print, radio and other forms of advertisements; our website and social media channels such as Twitter and Facebook; and our Customer Contact Center. All consumer information required by the BSP are likewise openly displayed at our branches. Our branch personnel are trained to handle inquiries about any information in a professional manner to explain risks relating to our products and services and to provide advice on financial matters.

## PART V – EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports

#### (a) Exhibits

##### *Subsidiaries and Investments*

- i. *China Bank Savings, Inc. (CBSI)* – formerly known as The Manila Banking Corporation (TMBC), CBSI was acquired by China Bank in June 2007. It was incorporated on May 23, 1960 and was formed to carry on, engage in the business of, and exercise the general powers of a commercial bank as provided by law. On June 23, 1999, the Bangko Sentral ng Pilipinas (BSP) granted TMBC authority to operate as a thrift bank. In 2008, in pursuance of the Bank's acquisition of TMBC, the BSP and the Securities and Exchange Commission (SEC) approved the change of name to CBSI. Further, the Monetary Board and SEC gave their approvals on November 21, 2013 and January 20, 2014, respectively, to the merger with Unity Bank, A Rural Bank, Inc. (Unity Bank), a Pampanga-based rural bank, with CBSI as the surviving bank. On August 14, 2014, the stockholders owning at least 2/3 of the outstanding capital stock of CBSI approved the Plan of Merger of Planters Development Bank and CBSI, with the latter as the surviving bank. BSP approved the merger on November 6, 2015 and SEC registered/approved the merger on December 17, 2015. China Bank now owns 98.29% of the total outstanding capital stock of CBSI.

##### *Board of Directors/Officers*

Ricardo R. Chua	-	Chairman of the Board
Nancy D. Yang	-	Vice Chairman
William C. Whang	-	Director
Patrick D. Cheng	-	Director
Alexander C. Escucha	-	Director
Rosemarie C. Gan	-	Director
Alberto S. Yao	-	Independent Director
Margarita L. San Juan	-	Independent Director
Philip S.L. Tsai	-	Independent Director
Claire Ann T. Yap	-	Independent Director
Arturo Jose M. Constantino III	-	Corporate Secretary
No. of Employees	-	2,268

- ii. *China Bank Capital Corporation (CBCC)* – was incorporated on November 27, 2015 as a full-service investment house with broker/dealer of securities functions. CBCC is also licensed to deal with government securities. It is 100% owned by the Bank. CBCC's business is supplemented by its wholly-owned subsidiaries: a) China Bank Securities Corporation (formerly ATC Securities, Inc.), an equity broker-dealer; and b) CBC Assets One (SPC) Inc., a special purpose corporation.

##### *Board of Directors/Officers*

Ricardo R. Chua	-	Chairman of the Board
Romeo D. Uyan, Jr.	-	Vice Chairman
Ryan Martin L. Tapia	-	Director/ President
William C. Whang	-	Director
Lilian Yu	-	Director
Magnolia Luisa N. Palanca	-	Director
Alberto S. Yao	-	Independent Director
Philip S.L. Tsai	-	Independent Director
Margarita L. San Juan	-	Independent Director
Leah M. Quiambao	-	Corporate Secretary
No. of Employees	-	22

- iii. *CBC Assets One (SPC) Inc. (CBC Assets)* – is a special purpose subsidiary of CBCC. It was incorporated on June 15, 2016, with the primary purpose of securitization of assets which include receivables, mortgage loans and other debt instruments. CBC Assets is 100% owned by CBCC.

*Board of Directors/Officers*

Ryan Martin L. Tapia	-	Chairman/ President & CEO
Juan Paolo E. Colet	-	Director/Legal Counsel/Corporate Secretary
Roberto A. Cabusay	-	Director/Operations Officer
Marjorie T. Esplana	-	Independent Director
Ariel A. Soner	-	Independent Director
No. of Employees	-	6

- iv. *China Bank Securities Corporation (CBSC)* – formerly known as ATC Securities, Inc. (ATC), it is a wholly-owned subsidiary of CBCC. CBSC operates as a stock brokerage licensed by the SEC to engage in dealing, for its own and its customers' accounts, securities listed in the PSE as well as providing securities research and analysis services. On April 19, 2018, CBSC became one of the PSE Trading Participants eligible to trade dollar-denominated securities or DDS. ATC originally started out as Cathay Asia Securities, Inc. which was incorporated on December 13, 1978. On April 12, 1984, Cathay Asia Securities changed its name to ATC Securities, Inc. On June 29, 2016, CBCC and the stockholders of ATC executed a Share Purchase Agreement for the purchase by CBCC of 100% shares in ATC. The SEC approved CBCC's intended purchase of ATC on August 23, 2016, subject to certain documentary filing. The acquisition of ATC was eventually approved by the PSE on February 22, 2017 and the closing of the purchase of ATC was completed on March 6, 2017. On July 6, 2017, the SEC approved CBSC's amended articles of incorporation, including its change in corporate name from ATC Securities, Inc. to China Bank Securities Corporation.

*Board of Directors/Officers*

William C. Whang	-	Chairman of the Board
Romeo D. Uyan, Jr.	-	Vice Chairman
Marisol M. Teodoro	-	Director/President & CEO
Ryan Martin L. Tapia	-	Director
Lilian Yu	-	Director
Alberto S. Yao	-	Independent Director
Claire Ann T. Yap	-	Independent Director
Mary Antonette E. Quiring	-	Corporate Secretary
No. of Employees	-	19

- v. *CBC Properties and Computer Center, Inc. (CBC PCCI)* – incorporated on April 14, 1982 to render general services of computer and other computer-related products and services solely to the Bank and its business group. CBC PCCI is 100% owned by the Bank.

*Board of Directors/Officers*

Gilbert U. Dee	-	Chairman of the Board
Peter S. Dee	-	Director/President
Ricardo R. Chua	-	Director
William C. Whang	-	Director/Treasurer
Rosemarie C. Gan	-	Director
Manuel C. Tagaza	-	General Manager
Editha N. Young	-	Chief Technology Officer
Leilani B. Elarmo	-	Corporate Secretary
No. of Employees	-	188

- vi. *Chinabank Insurance Brokers, Inc. (CIBI)* – incorporated on November 3, 1998 as a full service insurance broker, providing direct insurance advice and solutions for retail and corporate customers, with a wide and comprehensive range of products for non-life and life insurance requirements. CIBI offers Property, Motor, Marine, Bonds, Construction All Risk, Liability, Financial Lines, Travel and Group Personal Accident for the Bank clients including non-mortgaged accounts. CIBI is 100% owned by the Bank.

*Board of Directors/Officers*

Patrick D. Cheng	-	Chairman of the Board
William C. Whang	-	Director
Frankie G. Panis	-	Director & President
Margarita L. San Juan	-	Independent Director
Philip S.L. Tsai	-	Independent Director
Belenette C. Tan	-	Corporate Secretary
No. of Employees	-	112

- vii. *Manulife Chinabank Life Assurance Corporation (MCBLife)* – the Board approved on August 2, 2006 the joint project proposal of the Bank with The Manufacturers Life Insurance Company (Manulife). In September 2007, the BSP approved the Bank's request to invest in Manulife-owned insurance company that would offer innovative insurance and financial products for health, wealth and education through the branch network and bank offices. The life insurance company was initially incorporated as The Pramerica Life Insurance Company, Inc. in 1998 but the name was changed to Manulife China Bank Life Assurance Corporation (MCBLife) on March 23, 2007. The Bank initially held a 5% interest in MCBLife, the minimum stake required by the BSP. On September 12, 2014, the BSP approved the increase of the Bank's capital investment in the venture to 40%, giving the Bank better opportunities to expand its fee-based business.

*Board of Directors/Officers*

Sachin Shah	-	Chairman
Sandeep Deobhakta	-	Director/President & CEO
Richard Bates	-	Director
William Whang	-	Director
Patrick Cheng	-	Director
Matthew Lawrence	-	Director
Janette Pena	-	Independent Director
Rhoda Regina Rara	-	Independent Director
Conrado Favorito	-	Independent Director
Abbiegail D. Sac	-	Corporate Secretary
No. of Employees	-	498

**(b) Reports on SEC Form 17-C**

The following reports have been submitted by the Bank during the year 2020 through official disclosure letters:

R E P O R T	DATE REPORTED
Advisement letter on the attendance of directors in Board meetings for the year 2019	January 2, 2020
Board of Directors' notation/approval, confirmation and ratification of the: (a) Recall of interlocking appointment of Ms. Marilyn G. Yuchenkang as Chief Audit Executive and Head of Internal Audit Division of China Bank Savings, Inc. (CBSI) effective January 31, 2020; (b) Interlocking appointment of Mr. Ronald R. Marcaida, Chief Audit Executive and Head of Audit Division of the Bank, to CBSI as Chief Audit Executive and Head of its Internal Audit Division effective February 1, 2020; and (c) Approval of 2020 Rules Governing the Nomination and Election of Directors, with Nomination Form, and setting March 3, 2020 as the deadline for nomination of directors and independent directors for election at the Bank's Annual Stockholders' Meeting on May 7, 2020	February 6, 2020
Executive Committee's approval/notation of the resignation effective February 28, 2020 of Mr. Victor O. Martinez, First Vice President II and Division Head of the Institutional Banking Group	February 13, 2020
Executive Committee's approval of the engagement/appointment of Ms. Magnolia Luisa N. Palanca as Head of Financial Markets Segment with the rank of Senior Vice President, effective March 1, 2020	February 20, 2020
Board of Directors' approval/confirmation of the (a) setting of March 20, 2020 as the record date for the determination of stockholders entitled to notice of and vote at the Annual Stockholders' Meeting on May 7, 2020, and closing of the Bank's transfer books from April 16, 2020 to May 7, 2020; (b) appointment of Mr. Manuel C. Tagaza as Head of Digital Banking Group with the rank of Senior Vice President effective April 1, 2020; and (c) appointment of Ms. Magnolia Luisa N. Palanca as Head of Financial Markets Segment with the rank of Senior Vice President effective March 1, 2020	March 5, 2020
Board of Directors' approval of the amendments to the By-Laws of the Bank to update and clarify processes and practices of the business and comply with the requirements under the Revised Corporation Code of the Philippines and the <i>Bangko Sentral ng Pilipinas'</i> Manual of Regulations for Banks, subject to the ratification of the stockholders and evaluation of the regulatory agencies	March 26, 2020
Notice on the passing of the Bank's Independent Director, Ms. Angeline Ann H. Hwang, on April 11, 2020	April 13, 2020
Board of Directors' approval of the postponement of the Annual Stockholders' Meeting of the Bank originally scheduled on May 7, 2020, in order to safeguard the health and safety of stockholders and other stakeholders in light of the COVID-19 situation and the implementation of the enhanced community quarantine, with undertaking to announce the new date after considering factors such as the health and safety situation, lifting of the enhanced community quarantine, and the requirements under the Revised Corporation Code	April 15, 2020
Executive Committee's approval of the promotion of Ms. Mary Ann T. Lim, Trust and Asset Management Group Head, from Vice President II to First Vice President I, effective May 1, 2020.	April 22, 2020
Board of Directors' approval to set the Annual Stockholders' Meeting on June 18, 2020, via remote communication, set the close of business on June 2, 2020 as the record date,	May 18, 2020

and close the transfer books from June 3 to 18, 2020, inclusive

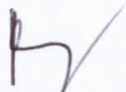
Executive Committee's approval of interlocking appointment of Mr. Manuel C. Tagaza, Senior Vice President and Head of Digital Banking Business Group, to Bank subsidiary, CBC Properties and Computer Center, Inc. (PCCI), as General Manager effective June 1, 2020	May 27, 2020
Board of Directors' confirmation of the interlocking appointment of Mr. Manuel C. Tagaza, Senior Vice President and Head of Digital Banking Business Group, to Bank subsidiary, CBC PCCI, as General Manager effective June 1, 2020	June 3, 2020
Report on the results of the regular annual meeting of stockholders: (a) election of the Board of Directors; (b) approval/confirmation/ratification of the acts and matters approved during the fiscal year 2019 and immediately preceding the stockholders' meeting; (c) re-appointment of SyCip Gorres Velayo & Co. as external auditor of the Bank; (d) amendment of By-Laws; and (e) announcement of cash dividend declaration, as well as on the results of the organizational meeting of the Board.	June 18, 2020
Board of Directors' approval of the declaration of 10% cash dividend or P1.00 per share, and setting and/or recommending July 3, 2020 as the record date and July 17, 2020 as the payment/issuance date of the dividends	June 19, 2020
Board of Directors' approval of the change in membership of the Trust Investment Committee	July 1, 2020
Board of Directors' approvals of the following: (a) conduct of a Special Meeting of Stockholders on October 1, 2020 via remote communication for the purpose of election of an independent director and approval of Centennial Stock Grant, setting the close of business on August 25, 2020 as the record date, and closing of transfer books from September 16, 2020 to October 1, 2020, inclusive; (b) Rules Governing the Nomination and Election of Independent Director; and (b) issuance of a Centennial Stock Grant to eligible grantees	August 6, 2020
Executive Committee's approval of the promotion of Mr. Jose L. Osmeña, Jr., Deputy Group Head, Retail Banking Business Segment, from First Vice President II to Senior Vice President, effective September 1, 2020	August 26, 2020
Board of Directors' approval/confirmation of the following matters: (a) promotion of Mr. Jose L. Osmeña, Jr., Deputy Group Head, Retail Banking Business Segment, from First Vice President II to Senior Vice President, effective September 1, 2020; (b) interlocking appointment of Ms. Magnolia Luisa N. Palanca, Senior Vice President and Head of the Financial Markets Segment, to the Bank subsidiary China Bank Capital Corporation as Director effective June 25, 2020; (c) amendment of the key terms/details of the Centennial Stock Grant Plan; and (d) establishment of a USD 2 Billion Euro Medium Term Note Programme	September 2, 2020
Report on the results of the Special Meeting of Stockholders, including the following: (a) Election of Ms. Claire Ann T. Yap as Independent Director; and (b) approval and ratification of the Centennial Stock Grant Plan	October 6, 2020
Board of Directors' approval of the changes in membership of the following Board Committees: Corporate Governance Committee, Related Party Transaction Committee, and Nominations Committee	October 7, 2020
Executive Committee's approval of the resignation of Mr. Renato K. De Borja, Jr., First Vice President II and Head of Remittance and Cards Business Group, effective November 15, 2020	October 22, 2020
Board of Directors' approval/confirmation of the recall of the interlocking appointment of Mr. Ronald R. Marcaida as Chief Audit Executive and Head of Internal Audit Division of subsidiary CBSI	November 5, 2020

Executive Committee's notation/approval/confirmation of the following: (a) recall of the interlocking appointment of Mr. Renato K. De Borja, Jr. (resigned) as Director and Treasurer of Bank subsidiary Chinabank Insurance Brokers, Inc. (CIBI) effective November 15, 2020; and (b) interlocking appointment of Ms. Kristha Feliz A. Mangahas, Assistant Vice President and Strategic Initiatives Officer under the Office of the Chief Finance Officer, to Bank subsidiary CIBI as Treasurer effective November 16, 2020	November 20, 2020
Executive Committee's approval of the promotion of Ms. Cristina P. Arceo, Fixed Income Trading Division Head - Treasury Group, from First Vice President I to First Vice President II, effective December 1, 2020	November 25, 2020
Board of Directors' notation/approval/confirmation of the following: (a) recall of the interlocking appointment of Mr. Renato K. De Borja, Jr. (resigned) as Director and Treasurer of Bank subsidiary CIBI effective November 15, 2020; and (b) interlocking appointment of Ms. Kristha Feliz A. Mangahas, Assistant Vice President and Strategic Initiatives Officer under the Office of the Chief Finance Officer, as Treasurer of Bank subsidiary CIBI effective November 16, 2020	December 3, 2020
Executive Committee's approval of the following: (a) assignment of Ms. Angela D. Cruz, First Vice President I, from Head of Market Sales Group to Head of Wealth Management Group, effective January 1, 2021; and (b) appointment of Mr. Aloysius C. Alday, Jr. as Senior Vice President and Group Head of Cards Business and Customer Contact Center Group, effective January 18, 2021	December 17, 2020

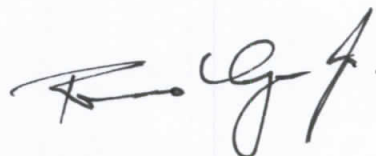
## SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on \_\_\_\_\_ day of April 2021.

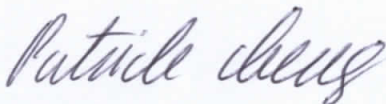
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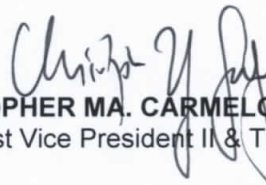
**WILLIAM C. WHANG**  
Principal Executive Officer  
President



**ROMEO D. UYAN, JR.**  
Principal Operating Officer  
Executive Vice President & Chief Operating Officer



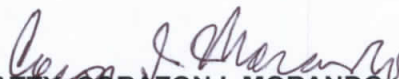
**PATRICK D. CHENG**  
Principal Financial Officer  
Executive Vice President & Chief Finance Officer



**CHRISTOPHER MA. CARMELO Y. SALAZAR**  
First Vice President II & Treasurer



**MICHAEL C. TOMON**  
Principal Accounting Officer  
Senior Assistant Vice President &  
Central Accounting Division Head



**ATTY. CORAZON I. MORANDO**  
Vice President & Corporate Secretary

14 APR 2021

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_, affiants exhibiting to me their proofs of identification, as follows:

### NAMES

William C. Whang  
Romeo D. Uyan, Jr.  
Patrick D. Cheng  
Christopher Ma. Carmelo Y. Salazar  
Atty. Corazon I. Morando  
Michael C. Tomon

### PROOF OF IDENTIFICATION

Passport No: P3501320B valid until Oct. 09, 2029  
TIN 106-970-628  
TIN 107-170-683  
TIN 178-595-829  
SSS No. 33-0678316-7  
DRIVER'S LICENSE - 104-11-023351

**ALVIN A. QUINTANILLA**

Notary Public for Makati City

Appt. No. M-281 until December 31, 2021

4/F Philcom Building,

8755 Paseo de Roxas, Makati City

PTR No. 8533568; 01-04-21, Makati City

IBP No. 137033; 12-29-20; Cavite

Roll of Attorney's No. 40925

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Book No. 81  
Series of 2021



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

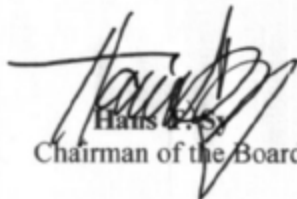
The management of China Banking Corporation (the Bank) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework 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.

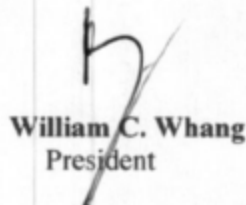
In preparing the consolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

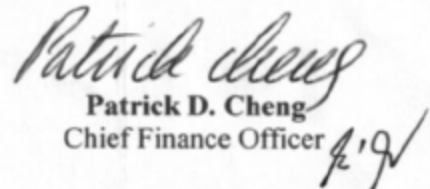
The Board of Directors is responsible for overseeing the Bank's financial reporting process.

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 Finance Officer

Republic of the Philippines }  
City of Makati }


11 MAR 2021

Signed this 24<sup>th</sup> day of February, 2021, affiants exhibiting to me their Social Security System Nos. as follows:

Name  
Hans T. Sy  
William C. Whang  
Patrick D. Cheng

SSS Nos.  
03-4301174-3  
03-5882607-5  
03-8328014-9

Doc. No.: 4502  
Page No.: 22  
Book No.: 20  
Series of: 2021

  
ALVIN A. QUINTANILLA  
Notary Public for Makati City  
Appt. No. M-281 until December 31, 2021  
4/F Philcom Building,  
8755 Pasig de Roxas, Makati City  
PTR No. 8533562; 01-04-21, Makati City  
IBR No. 137033; 12-29-20; Cavite  
Roll of Attorneys No. 40925

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **China Banking Corporation** (herein referred to as "the Bank") is responsible for all information and representations contained in the **Annual Income Tax Return** for the year ended **December 31, 2020**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2020 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Bank, complete and correct in all material respects. Management likewise affirms that:

- a. the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b. any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Bank's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c. the Bank has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature:



Romeo D. Uyan, Jr., Chief Operating Officer

Date:

Signature:



Patrick D. Cheng, Chief Finance Officer

Date:

BUREAU OF INTERNAL REVENUE  
LARGE TAXPAYERS SERVICE  
LARGE TAXPAYERS ASSISTANCE DIVISION

Date **APR 12 2021** TSIS

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# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4 4 3

**COMPANY NAME**CHINA BANKING CORPORATION AND  
SUBSIDIARIES**PRINCIPAL OFFICE** (No. / Street / Barangay / City / Town / Province)8745 Paseo de Roxas cor. Villa  
r St., Makati City

Form Type

A A F S

Department requiring the report

S E C

Secondary License Type, If  
Applicable

N / A

**COMPANY INFORMATION**

Company's Email Address

https://www.chinabank.ph

Company's Telephone Number

8885-5555

Mobile Number

N.A

No. of Stockholders

1,890

Annual Meeting (Month / Day)

05/06

Fiscal Year (Month / Day)

12/31

**CONTACT PERSON INFORMATION**The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Patrick D. Cheng

Email Address

pdcheng@chinabank.ph

Telephone Number/s

8885-5022

Mobile Number

**CONTACT PERSON'S ADDRESS**

8745 Paseo de Roxas cor. Villar St., Makati City

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.





## INDEPENDENT AUDITOR'S REPORT

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

BUREAU OF INTERNAL REVENUE  
LARGE TAXPAYERS SERVICE  
LARGE TAXPAYERS ASSISTANCE DIVISION

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### 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, 2020 and 2019, 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, 2020, 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, 2020 and 2019, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2020 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.





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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***

The Group's and the Parent Company's application of the expected credit loss (ECL) model in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's and the Parent Company's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality, taking into account extension of payment terms and payment holidays provided as a result of the coronavirus pandemic; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset, expected recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information, including the impact of the coronavirus pandemic, in calculating ECL.

Allowance for credit losses for loans and receivables as of December 31, 2020 for the Group and the Parent Company amounted to ₱14.74 billion and ₱12.53 billion, respectively. Provision for credit losses of the Group and the Parent Company in 2020 amounted to ₱8.87 billion and ₱7.98 billion, respectively.

Refer to Notes 3 and 16 of the financial statements for the disclosure on the details of the allowance for credit losses using the ECL model.

#### ***Audit Response***

We obtained an understanding of the board approved methodologies and models used for the Group's and the Parent Company's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments* to reflect an unbiased and probability-weighted outcome, and to consider time value of money and the best available forward-looking information.

We (a) assessed the Group's and the Parent Company's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place, and management's assessment of the impact of the coronavirus pandemic on the counterparties; (c) tested the Group's and the Parent Company's application of internal credit risk rating system, including the impact of the coronavirus pandemic on the borrowers, by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's and the Parent Company's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) checked the





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forward-looking information used for overlay through corroboration of publicly available information and our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge, including the impact of the coronavirus pandemic; and (h) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

We involved our internal specialist in the performance of the above procedures. We recalculated impairment provisions on a sample basis.

#### *Accounting for disposals of investment securities under a hold-to-collect business model*

In 2020, the Parent Company disposed investment securities managed under the hold-to-collect (HTC) business model with aggregate carrying amount of ₱30.14 billion. The disposals resulted in a gain of ₱2.19 billion. Investment securities held under a hold-to-collect business model, which are classified as 'Investment securities at amortized cost', are managed to realize cash flows by collecting contractual payments over the life of the instrument.

The accounting for the disposals is significant to our audit because the amounts involved are material (12.97% and 13.28% of the total investment securities at amortized cost of the Group and the Parent Company, respectively). Moreover, it involves the exercise of significant judgment by management in assessing whether the disposals are consistent with the HTC business model and that it would not impact the measurement of the remaining securities in the affected portfolios.

The disclosures related to the disposals of investment securities are included in Notes 3 and 9 to the financial statements.

#### *Audit response*

We obtained an understanding of the Parent Company's objectives for disposals of investment securities at amortized cost through inquiries with management and review of approved internal documentations, including governance over the disposals. We evaluated management's assessment of the impact of the disposals in reference to the Parent Company's business models and the provisions of the relevant accounting standards and regulatory issuances. We also reviewed the calculation of the gains on the disposals and the measurement of the remaining securities in the affected portfolios.

We reviewed the disclosures related to the disposals based on the requirements of PFRS 7, *Financial Instruments: Disclosures*, PFRS 9 and Philippine Accounting Standard (PAS 1), *Presentation of Financial Statements*.





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***Impairment testing of goodwill and branch licenses with indefinite useful life***

Under PFRS, the Group and the Parent Company are required to perform annual impairment test of goodwill and branch licenses with indefinite useful life. As of December 31, 2020, 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). In addition, the respective branches are identified as the cash-generating unit (CGU) for purposes of impairment testing of branch licenses. The Group and the Parent Company performed the impairment testing using the CGUs' value-in-use.

Management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty due to the current economic conditions which have been impacted by the coronavirus pandemic, specifically loan and deposit growth rates, discount rate and the long-term growth rate. Hence, the annual impairment test is significant to our audit.

The Group's disclosures about goodwill and branch licenses are included in Notes 3 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 long-term growth rate. We compared the key assumptions used, such as loan and deposit growth and long-term growth rates against the historical performance of the branches, RBB and CBSI, industry/market outlook and other relevant external data, taking into consideration the impact associated with the coronavirus pandemic. 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 and branch licenses.

**Applicable to the audit of the Consolidated Financial Statements**

***Recoverability of deferred tax assets***

As of December 31, 2020, the deferred tax assets of the Group amounted to ₱5.17 billion. The recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of the Group. The estimation uncertainty on the Group's expected performance has increased as a result of the uncertainties brought about by the coronavirus pandemic.

The disclosures in relation to deferred income taxes are included in Notes 3 and 28 to the financial statements.





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### *Audit Response*

We involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by the Group and the applicable tax rate. We also re-performed the calculation of the deferred tax assets. 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 the loan portfolio and deposit growth rates to the historical performance of the Group and the industry, including future market circumstances and taking into consideration the impact associated with the coronavirus pandemic. 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 17-A and Annual Report for the year ended December 31, 2020, 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 17-A and Annual Report for the year ended December 31, 2020 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.





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RHEA ARAGON**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.





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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 Bangko Sentral ng Pilipinas (BSP)  
Circular No. 1074 and Revenue Regulations 15-2010**

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 BSP Circular No. 1074 in Note 38 and Revenue Regulations 15-2010 in Note 39 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, 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  
Josephine Adrienne A. Abarca.

SYCIP GORRES VELAYO & CO.



Josephine Adrienne A. Abarca

Partner

CPA Certificate No. 92126

SEC Accreditation No. 0466-AR-4 (Group A),

November 13, 2018, valid until November 12, 2021

Tax Identification No. 163-257-145

BIR Accreditation No. 08-001998-061-2020,

December 3, 2020, valid until December 2, 2023

PTR No. 8534208, January 4, 2021, Makati City

February 24, 2021





CHINA BANKING CORPORATION AND SUBSIDIARIES

Date **APR 12 2021** TSIS

**BALANCE SHEETS**

(Amounts in Thousands)

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	Consolidated		Parent Company	
	December 31			
	2020	2019	2020	2019
<b>ASSETS</b>				
Cash and Other Cash Items	₱15,984,210	₱16,839,755	₱13,724,265	₱14,856,844
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	152,156,449	100,174,398	141,811,190	88,109,650
Due from Other Banks (Note 7)	18,228,721	9,900,642	17,197,750	8,645,547
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	18,290,851	17,036,460	15,604,167	10,027,609
Financial Assets at Fair Value through Profit or Loss (Note 9)	13,406,863	18,500,111	11,641,778	18,444,101
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	20,244,403	26,133,360	18,345,520	24,170,629
Investment Securities at Amortized Cost (Note 9)	202,240,631	168,202,728	196,794,826	164,231,583
Loans and Receivables (Notes 10 and 30)	557,214,484	568,919,164	491,994,476	502,930,197
Accrued Interest Receivable (Notes 4 and 16)	8,529,872	7,158,494	6,833,616	6,526,475
Investment in Subsidiaries (Note 11)	—	—	15,754,791	15,129,118
Investment in Associates (Note 11)	912,647	704,169	912,647	704,169
Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets (Note 12)	8,422,717	9,155,234	6,876,959	7,468,646
Investment Properties (Note 13)	3,984,939	4,337,184	1,478,933	1,496,987
Deferred Tax Assets (Note 28)	5,172,435	3,370,949	3,732,048	2,287,956
Intangible Assets (Note 14 and 16)	3,881,669	4,066,078	833,936	945,916
Goodwill (Note 14)	839,748	839,748	222,841	222,841
Other Assets (Note 15)	6,501,010	6,887,507	3,367,991	3,982,129
	₱1,036,011,649	₱962,225,981	₱947,127,734	₱870,180,397
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Deposit Liabilities (Notes 17 and 30)</b>				
Demand	₱212,466,949	₱186,955,056	₱194,231,249	₱170,279,879
Savings	256,406,867	224,872,421	238,601,774	210,191,063
Time	366,357,014	363,600,383	318,139,885	307,293,511
	835,230,830	775,427,860	750,972,908	687,764,453
Bonds Payable (Note 18)	52,065,678	37,394,398	52,065,678	37,394,398
Bills Payable (Note 19)	23,655,851	33,381,406	23,655,851	33,381,406
Manager's Checks	1,568,232	1,998,678	1,066,098	1,535,936
Income Tax Payable	846,090	540,662	825,270	479,923
Accrued Interest and Other Expenses (Note 20)	3,905,945	4,121,302	3,579,619	3,650,339
Derivative Liabilities (Note 26)	1,216,771	1,036,052	1,216,771	1,036,052
Derivative Contract Designated as Hedge (Note 26)	521,209	51,949	521,209	51,949
Deferred Tax Liabilities (Note 28)	1,116,362	1,083,378	—	—
Other Liabilities (Note 21)	10,899,319	11,014,701	8,262,468	8,722,696
	931,026,287	866,050,386	842,165,872	774,017,152
<b>Equity</b>				
<b>Equity Attributable to Equity Holders of the Parent Company</b>				
Capital stock (Note 24)	26,858,998	26,858,998	26,858,998	26,858,998
Capital paid in excess of par value (Note 24)	17,122,626	17,122,626	17,122,626	17,122,626
Other equity – stock grants (Note 24)	140,924	—	140,924	—
Surplus reserves (Notes 24 and 29)	2,874,004	3,598,275	2,874,004	3,598,275
Surplus (Notes 24 and 29)	58,659,768	48,558,760	58,659,768	48,558,760
Net unrealized gain on financial assets at fair value through other comprehensive income (Note 9)	294,115	417,576	294,115	417,576
Remeasurement loss on defined benefit asset (Note 25)	(426,996)	(368,531)	(426,996)	(368,531)
Cumulative translation adjustment	5,535	6,835	5,535	6,835
Remeasurement gain (loss) on life insurance reserves	(45,903)	20,655	(45,903)	20,655
Cash flow hedge reserve	(521,209)	(51,949)	(521,209)	(51,949)
	104,961,862	96,163,245	104,961,862	96,163,245
<b>Non-controlling Interest (Note 11)</b>	23,500	12,350	—	—
	104,985,362	96,175,595	104,961,862	96,163,245
	₱1,036,011,649	₱962,225,981	₱947,127,734	₱870,180,397

See accompanying Notes to Financial Statements.





**CHINA BANKING CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF INCOME**  
(Amounts in Thousands)

Date **APR 12 2021** TSIS

**RECEIVED**  
**RHEA ARAGON**

	Consolidated			Parent Company		
	Years Ended December 31					
	2020	2019	2018	2020	2019	2018
<b>INTEREST INCOME</b>						
Loans and receivables (Notes 10 and 30)	<b>₱35,135,866</b>	₱36,051,051	₱28,195,915	<b>₱ 30,372,019</b>	₱30,824,138	₱23,488,872
Investment securities at amortized cost and at fair value through other comprehensive income (Note 9)	<b>10,023,174</b>	9,828,076	5,875,928	<b>9,734,684</b>	9,362,427	5,559,557
Due from Bangko Sentral ng Pilipinas and other banks and securities purchased under resale agreements (Notes 7 and 8)	<b>1,270,850</b>	1,113,206	727,337	<b>889,552</b>	702,422	516,944
Financial assets at fair value through profit or loss	<b>707,741</b>	692,482	413,323	<b>707,741</b>	692,482	413,323
	<b>47,137,631</b>	47,684,815	35,212,503	<b>41,703,996</b>	41,581,469	29,978,696
<b>INTEREST EXPENSE</b>						
Deposit liabilities (Notes 17 and 30)	<b>9,637,175</b>	18,567,168	11,621,063	<b>8,193,587</b>	15,915,107	9,736,014
Bonds payable, bills payable and other borrowings (Notes 18 and 19)	<b>3,425,286</b>	2,802,104	665,254	<b>3,425,286</b>	2,800,843	665,254
Lease payable (Note 27)	<b>232,584</b>	264,246	—	<b>182,821</b>	207,744	—
	<b>13,295,045</b>	21,633,518	12,286,317	<b>11,801,694</b>	18,923,694	10,401,268
<b>NET INTEREST INCOME</b>	<b>33,842,586</b>	26,051,297	22,926,186	<b>29,902,302</b>	22,657,775	19,577,428
Trading and securities gain (loss) - net (Note 9)	<b>3,233,872</b>	884,482	(271,552)	<b>3,193,171</b>	837,875	(275,964)
Service charges, fees and commissions (Note 22)	<b>2,698,726</b>	3,296,673	2,777,283	<b>1,217,030</b>	1,624,703	1,529,727
Gain on disposal of investment securities at amortized cost (Note 9)	<b>2,187,006</b>	1,381,871	—	<b>2,187,006</b>	1,299,360	—
Trust fee income (Note 29)	<b>409,916</b>	357,080	305,753	<b>409,916</b>	357,080	305,338
Foreign exchange gain - net (Note 24)	<b>212,419</b>	221,104	215,963	<b>213,464</b>	243,764	187,064
Gain on sale of investment properties (Note 22)	<b>187,176</b>	864,383	1,015,622	<b>65,913</b>	721,893	925,831
Share in net income of an associate (Note 11)	<b>152,441</b>	184,661	101,009	<b>152,441</b>	184,661	101,009
Gain (loss) on asset foreclosure and dacion transactions (Note 12)	<b>(22,757)</b>	47,479	252,477	<b>42,885</b>	81,294	57,676
Share in net income of subsidiaries (Note 11)	<b>—</b>	—	—	<b>790,482</b>	770,628	695,356
Miscellaneous (Notes 22 and 28)	<b>952,250</b>	1,193,056	1,261,741	<b>847,735</b>	1,062,795	1,130,134
<b>TOTAL OPERATING INCOME</b>	<b>43,853,635</b>	34,482,086	28,584,482	<b>39,022,345</b>	29,841,828	24,233,599
Provision for (reversal from) impairment and credit losses (Note 16)	<b>8,868,919</b>	2,570,168	141,076	<b>7,983,206</b>	2,205,062	(1,957)
Compensation and fringe benefits (Notes 25 and 30)	<b>7,527,441</b>	6,622,664	6,139,001	<b>5,893,272</b>	5,029,191	4,610,265
Taxes and licenses	<b>4,041,457</b>	3,884,183	2,925,870	<b>3,498,440</b>	3,155,849	2,307,948
Insurance	<b>1,999,111</b>	1,875,977	1,669,618	<b>1,727,893</b>	1,624,065	1,447,890
Depreciation and amortization (Notes 12, 13 and 14)	<b>1,894,899</b>	1,942,660	1,297,685	<b>1,460,780</b>	1,463,092	947,908
Occupancy cost (Notes 27 and 30)	<b>1,758,872</b>	1,801,154	2,336,639	<b>1,339,284</b>	1,308,482	1,713,888
Professional fees, marketing and other related services	<b>538,928</b>	412,146	352,159	<b>475,554</b>	329,959	261,931
Transportation and traveling	<b>454,355</b>	566,572	484,514	<b>345,964</b>	432,157	370,980
Entertainment, amusement and recreation	<b>420,641</b>	477,761	380,166	<b>317,774</b>	342,034	262,489
Stationery, supplies and postage	<b>252,365</b>	258,425	284,436	<b>196,668</b>	194,990	220,651
Repairs and maintenance	<b>134,158</b>	159,816	131,158	<b>93,279</b>	120,245	102,834
Miscellaneous (Notes 22 and 28)	<b>2,499,935</b>	2,322,938	2,054,634	<b>2,140,996</b>	1,890,022	1,619,159
<b>TOTAL OPERATING EXPENSES</b>	<b>30,391,081</b>	22,894,464	18,196,956	<b>25,473,110</b>	18,095,148	13,863,986
<b>INCOME BEFORE INCOME TAX</b>	<b>13,462,554</b>	11,587,622	10,387,526	<b>13,549,235</b>	11,746,680	10,369,613
<b>PROVISION FOR INCOME TAX</b> (Note 28)	<b>1,391,104</b>	1,512,650	2,271,422	<b>1,486,598</b>	1,677,720	2,259,233
<b>NET INCOME</b>	<b>₱12,071,450</b>	₱10,074,972	₱8,116,104	<b>₱12,062,637</b>	₱10,068,960	₱8,110,380
Attributable to:						
Equity holders of the Parent Company (Note 31)	<b>₱12,062,637</b>	₱10,068,960	₱8,110,380			
Non-controlling interest	<b>8,813</b>	6,012	5,724			
	<b>₱12,071,450</b>	₱10,074,972	₱8,116,104			
<b>Basic/Diluted Earnings Per Share (Note 33)</b>	<b>₱4.49</b>	₱3.75	₱3.02			

See accompanying Notes to Financial Statements.



**CHINA BANKING CORPORATION AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands)

Date **APR 12 2021** TSIS

**RECEIVED**  
RHEA ARAGON

	Consolidated			Parent Company		
	Years Ended December 31					
	2020	2019	2018	2020	2019	2018
NET INCOME	₱12,071,450	₱10,074,972	₱8,116,104	₱12,062,637	₱10,068,960	₱8,110,380
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that recycle to profit or loss in subsequent periods:						
Changes in fair value of:						
Debt financial assets at fair value through other comprehensive income:						
Fair value gain (loss) for the year, net of tax	2,929,713	1,002,634	(414,273)	2,864,317	926,208	(369,977)
Loss (gain) taken to profit or loss (Note 22)	(3,173,881)	(269,478)	2,104	(3,145,147)	(240,310)	2,451
Share in changes in other comprehensive income (loss) of an associate (Note 11)	119,180	152,452	(126,713)	119,180	152,452	(126,713)
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11)	—	—	—	19,536	207,510	(64,109)
Cumulative translation adjustment	(5,165)	98,830	(52,900)	7,211	81,520	(58,791)
Loss on cash flow hedges	(469,260)	(51,949)	—	(469,260)	(51,949)	—
Items that do not recycle to profit or loss in subsequent periods:						
Changes in fair value of equity financial assets at fair value through other comprehensive income:						
Fair value gain (loss) for the year, net of tax	3,037	160,375	(37,593)	6,488	14,643	(11,814)
Share in changes in other comprehensive income of subsidiaries (Note 11)	—	—	—	53,626	(56,353)	88,642
Share in changes in other comprehensive income of an associate (Note 11)	(63,143)	4,486	31,374	(63,143)	4,486	31,374
Remeasurement loss on defined benefit asset, net of tax (Note 25)	(57,188)	(489,722)	(165,213)	(111,852)	(432,210)	(255,359)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	(716,707)	607,628	(763,214)	(719,044)	605,997	(764,296)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱11,354,743	₱10,682,600	₱7,352,890	₱11,343,593	₱10,674,957	₱7,346,084
Total comprehensive income attributable to:						
Equity holders of the Parent Company	₱11,343,593	₱10,674,957	₱7,346,084			
Non-controlling interest	11,150	7,643	6,806			
	₱11,354,743	₱10,682,600	₱7,352,890			

See accompanying Notes to Financial Statements.





# CHINA BANKING CORPORATION AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

### Consolidated

#### Equity Attributable to Equity Holders of the Parent Company

	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Other Equity - Stock Grants (Note 24)	Surplus Reserves (Notes 24 and 29)	Surplus (Notes 24 and 29)	Comprehensive Income (Note 9)	Other Value through Remeasurement Gain (Loss) on Assets at Fair Value	Remeasurement Gain (Loss) on Defined Benefit Asset or Liability (Note 25)	Cumulative Translation Adjustment	Remeasurement Gain (Loss) on Life Insurance Reserves	Cash Flow Hedge Reserve (Note 11)	Non-Controlling Interest (Note 11)	Total Equity	Total Equity
<b>Balance at January 1, 2020</b>	<b>P26,858,998</b>	<b>P17,122,626</b>	<b>P-</b>	<b>P3,598,275</b>	<b>P48,558,760</b>	<b>P417,576</b>	<b>(P368,531)</b>	<b>P20,655</b>	<b>P6,835</b>	<b>(P51,949)</b>	<b>(P51,949)</b>	<b>P12,350</b>	<b>P96,163,245</b>	<b>P96,175,595</b>
Total comprehensive income (loss) for the year	-	-	-	-	12,062,637	(123,461)	(58,465)	(66,558)	(1,300)	(469,260)	(469,260)	11,150	11,343,593	11,354,743
Stock grants	-	-	140,924	-	-	-	-	-	-	-	-	-	140,924	140,924
Transfer from surplus to surplus reserves	-	-	-	40,992	(40,992)	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	(765,263)	765,263	-	-	-	-	-	-	-	-	-
Cash dividends - P1.00 per share	-	-	-	-	(2,685,900)	-	-	-	-	-	-	-	(2,685,900)	(2,685,900)
<b>Balance at December 31, 2020</b>	<b>P26,858,998</b>	<b>P17,122,626</b>	<b>P140,924</b>	<b>P2,874,004</b>	<b>P58,659,768</b>	<b>P294,115</b>	<b>(P426,996)</b>	<b>P5,535</b>	<b>P5,535</b>	<b>(P45,903)</b>	<b>(P521,209)</b>	<b>P23,500</b>	<b>P104,961,862</b>	<b>P104,985,362</b>
<b>Balance at January 1, 2019</b>	<b>P26,858,998</b>	<b>P17,122,626</b>	<b>P-</b>	<b>P4,031,009</b>	<b>P40,497,255</b>	<b>(P102,509)</b>	<b>P117,047</b>	<b>P19,154</b>	<b>(P91,700)</b>	<b>P19,154</b>	<b>P-</b>	<b>P4,707</b>	<b>P87,851,880</b>	<b>P87,856,587</b>
Total comprehensive income (loss) for the year	-	-	-	-	10,068,960	1,043,488	(485,578)	98,535	98,535	(51,949)	(51,949)	7,643	10,674,957	10,682,600
Transfer from surplus to surplus reserves	-	-	-	35,708	(35,708)	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	(468,442)	468,442	-	-	-	-	-	-	-	-	-
Realized loss on sale of equity securities at FVOCI	-	-	-	-	(76,597)	76,597	-	-	-	-	-	-	-	-
Cash dividends - P0.88 per share	-	-	-	-	(2,362,592)	-	-	-	-	-	-	-	(2,362,592)	(2,362,592)
<b>Balance at December 31, 2019</b>	<b>P26,858,998</b>	<b>P17,122,626</b>	<b>P-</b>	<b>P3,598,275</b>	<b>P48,558,760</b>	<b>P417,576</b>	<b>(P368,531)</b>	<b>P20,655</b>	<b>P6,835</b>	<b>(P51,949)</b>	<b>(P51,949)</b>	<b>P12,350</b>	<b>P96,163,245</b>	<b>P96,175,595</b>
<b>Balance at January 1, 2018</b>	<b>P26,847,717</b>	<b>P17,096,229</b>	<b>P-</b>	<b>P3,659,318</b>	<b>P34,987,863</b>	<b>P417,576</b>	<b>P283,763</b>	<b>(P12,220)</b>	<b>(P38,699)</b>	<b>(P12,220)</b>	<b>P-</b>	<b>(P2,099)</b>	<b>P82,695,316</b>	<b>P82,695,316</b>
Total comprehensive income (loss) for the year	-	-	-	-	8,110,380	(575,953)	(166,716)	31,374	(53,001)	7,346,084	-	6,806	7,352,890	7,352,890
Transfer from surplus to surplus reserves	-	-	-	31,282	(31,282)	-	-	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	340,409	(340,409)	-	-	-	-	-	-	-	-	-
Issuance of common shares (P31.00 per share)	11,281	26,397	-	-	-	-	-	-	-	-	-	-	37,678	37,678
Cash dividends - P0.83 per share	-	-	-	-	(2,229,297)	-	-	-	-	-	-	-	(2,229,297)	(2,229,297)
<b>Balance at December 31, 2018</b>	<b>P26,858,998</b>	<b>P17,122,626</b>	<b>P-</b>	<b>P4,031,009</b>	<b>P40,497,255</b>	<b>(P102,509)</b>	<b>P117,047</b>	<b>P5,535</b>	<b>(P91,700)</b>	<b>(P45,903)</b>	<b>(P521,209)</b>	<b>P23,500</b>	<b>P104,961,862</b>	<b>P104,985,362</b>

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE  
LARGE TAXPAYERS SERVICE  
LARGE TAXPAYERS ASSISTANCE DIVISION

Date APR 12 2021 TSIS

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RHEA ARAGON



	Parent Company											
	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Other Equity - Stock Grants (Note 24)	Surplus Reserves (Notes 24 and 29)	Surplus (Notes 24 and 29)	Surplus (Notes 24 and 29)	Comprehensive Income (Note 9)	Remeasurement Gain (Loss) on Defined Benefit Asset or Liability (Note 25)	Cumulative Translation Adjustment	Remeasurement Gain (Loss) on Life Insurance Reserves	Cash Flow Hedge Reserve	Total Equity
Balance at January 1, 2020	P26,858,998	P17,122,626	P-	P3,598,275	P48,558,760	P417,576	(123,461)	(P368,531)	P6,835	P20,655	(P51,949)	P96,163,245
Total comprehensive income (loss) for the year	-	-	-	-	12,062,637	-	-	(58,465)	(1,300)	(66,558)	(469,260)	11,343,593
Stock grants	-	-	140,924	-	-	-	-	-	-	-	-	140,924
Transfer from surplus to surplus reserves	-	-	-	40,992	(40,992)	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	(765,263)	765,263	-	-	-	-	-	-	-
Cash dividends - P1.00 per share	-	-	-	-	(2,685,900)	-	-	-	-	-	-	(2,685,900)
Balance at December 31, 2020	P26,858,998	P17,122,626	P140,924	P2,874,004	P58,659,768	P294,115	(P702,509)	(469,476)	P5,535	(P45,903)	(P521,209)	P104,961,862
Balance at January 1, 2019	P26,858,998	P17,122,626	P-	P4,031,009	P40,497,255	(P702,509)	1,043,488	P117,047	(P91,700)	P19,154	P-	P87,851,880
Total comprehensive income (loss) for the year	-	-	-	-	10,068,960	-	-	(485,578)	98,535	1,501	(51,949)	10,674,957
Transfer from surplus to surplus reserves	-	-	-	35,708	(35,708)	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	(468,442)	468,442	-	-	-	-	-	-	-
Realized loss on sale of equity securities at FVOCI	-	-	-	-	(76,597)	76,597	-	-	-	-	-	-
Cash dividends - P0.88 per share	-	-	-	-	(2,363,592)	-	-	-	-	-	-	(2,363,592)
Balance at December 31, 2019	P26,858,998	P17,122,626	P-	P3,598,275	P48,558,760	P417,576	(P702,509)	(P368,531)	P6,835	P20,655	(P51,949)	P96,163,245
Balance at January 1, 2018	26,847,717	P17,096,229	P-	P3,659,318	P34,987,863	P417,576	(575,953)	P283,763	(P38,699)	(P12,220)	P-	P82,697,415
Total comprehensive income (loss) for the year	-	-	-	-	8,110,380	(575,953)	-	(166,716)	(53,001)	31,374	-	7,346,084
Transfer from surplus to surplus reserves	-	-	-	31,282	(31,282)	-	-	-	-	-	-	-
Appropriation of retained earnings (Note 16)	-	-	-	340,409	(340,409)	-	-	-	-	-	-	-
Issuance of common shares (P31.00 per share)	11,281	26,397	-	-	-	-	-	-	-	-	-	37,678
Cash dividends - P0.83 per share	-	-	-	-	(2,229,297)	-	-	-	-	-	-	(2,229,297)
Balance at December 31, 2018	P26,858,998	P17,122,626	P-	P4,031,009	P40,497,255	(P702,509)	(P702,509)	P117,047	(P91,700)	P19,154	P-	P87,851,880

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE  
LARGE TAXPAYERS SERVICE  
LARGE TAXPAYERS ASSISTANCE DIVISION

Date **APR 12 2021** TSIS

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RHEA ARAGON





CHINA BANKING CORPORATION AND SUBSIDIARIES

Date APR 12 2021 TSI

STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

RECEIVED  
RHEA ARAGON

	Consolidated			Parent Company		
	Years Ended December 31					
	2020	2019	2018	2020	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Income before income tax	₱13,462,554	₱11,587,622	₱10,387,526	₱13,549,235	₱11,746,680	₱10,369,613
Adjustments for:						
Depreciation and amortization (Notes 12, 13 and 14)	1,894,899	1,942,660	1,297,685	1,460,780	1,463,092	947,908
Provision for impairment and credit losses (Note 16)	8,868,919	2,570,168	141,076	7,983,206	2,205,062	(1,957)
Amortization of transaction costs on bonds payable	196,197	200,852	—	196,197	200,852	—
Securities gain on financial assets at fair value through other comprehensive income and investment securities at amortized cost (Note 22)	(5,360,887)	(1,651,349)	(9,624)	(5,332,153)	(1,539,670)	(9,277)
Gain on sale of investment properties	(187,176)	(864,383)	(1,015,622)	(65,913)	(721,893)	(925,831)
Gain on asset foreclosure and dacion transactions (Note 13)	22,757	(47,479)	(252,477)	(42,885)	(81,294)	(57,676)
Share in net losses (income) of an associate (Notes 2 and 11)	(152,441)	(184,661)	(101,009)	(152,441)	(184,661)	(101,009)
Share in net (income) of subsidiaries (Notes 2 and 11)	—	—	—	(790,482)	(770,628)	(695,356)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Financial assets at fair value through profit or loss	5,743,227	(10,322,948)	8,830,244	6,802,323	(14,085,388)	9,554,643
Loans and receivables	3,896,534	(64,140,453)	(60,828,559)	3,806,847	(64,112,157)	(57,994,624)
Other assets	(1,406,357)	(3,844,834)	(1,263,617)	(980,210)	(2,708,132)	(2,544,975)
Increase (decrease) in the amounts of:						
Deposit liabilities	59,802,970	53,304,563	87,029,904	63,208,455	49,521,091	79,007,383
Manager's checks	(430,446)	(578,497)	136,133	(469,838)	(533,876)	360,564
Accrued interest and other expenses	(215,357)	278,777	1,214,906	(70,720)	308,187	1,058,204
Other liabilities	(768,682)	433,649	1,960,943	723,165	3,262,497	2,393,869
Net cash generated from (used in) operations	85,366,711	(11,316,313)	47,527,509	89,825,566	(16,030,238)	41,361,479
Income taxes paid	(2,879,380)	(2,143,644)	(1,732,819)	(2,537,406)	(1,840,519)	(1,511,638)
Net cash provided by (used in) operating activities	82,487,331	(13,459,957)	45,794,690	87,288,160	(17,870,757)	39,849,841
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Acquisitions of/Additions to:						
Bank premises, furniture, fixtures and equipment (Note 12)	(541,277)	(873,688)	(1,058,002)	(408,228)	(709,808)	(825,096)
Equity investments (Note 11)	—	(40,000)	—	—	(40,363)	(500,000)
Investment securities at amortized cost	(69,431,704)	(24,382,774)	(172,348,552)	(67,524,359)	(23,616,210)	(167,337,112)
Financial assets at fair value through other comprehensive income	(61,994,676)	(27,081,539)	(44,399,340)	(60,758,310)	(27,081,539)	(44,477,104)
Proceeds from sale of:						
Investment securities at amortized cost	32,330,154	18,616,553	—	32,330,154	13,324,227	—
Financial assets at fair value through other comprehensive income	70,814,873	10,972,736	80,729,853	69,454,223	12,141,368	80,494,863
Investment properties	676,179	2,074,400	1,810,112	105,364	802,118	1,458,379
Bank premises, furniture, fixtures and equipment	730,795	62,943	258,136	139,943	26,990	51,642
Proceeds from maturity of:						
Investment securities at amortized cost	3,948,763	11,482,400	65,109,637	3,948,763	11,184,226	65,060,529
Cash dividends from a subsidiary (Note 11)	—	—	50,000	200,000	50,000	50,000
Net cash used in investing activities	(23,466,893)	(9,168,969)	(69,848,156)	(22,512,450)	(13,918,991)	(66,023,900)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from bills payable	116,188,100	180,468,980	184,568,424	116,188,100	180,468,980	184,568,424
Settlement of bills payable	(125,913,656)	(186,914,106)	(164,859,923)	(125,913,656)	(186,914,106)	(164,859,923)
Proceeds from issuance of bonds payable	14,866,882	37,193,546	—	14,866,882	37,193,546	—
Payments of cash dividends (Note 24)	(2,685,900)	(2,363,592)	(2,229,297)	(2,685,900)	(2,363,592)	(2,229,297)

(Forward)





	Consolidated			Parent Company		
	Years Ended December 31					
	2020	2019	2018	2020	2019	2018
Proceeds from issuance of common shares (Note 24)	P—	P—	P37,678	P—	P—	P37,678
Transaction cost on the issuance of common shares (Note 24)	—	—	—	—	—	—
Payments of principal portion lease liabilities	(766,888)	(787,381)	—	(533,414)	(589,613)	—
Net cash provided by financing activities	1,688,538	27,597,447	17,516,882	1,922,012	27,795,215	17,516,882
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>60,708,976</b>	<b>4,968,521</b>	<b>(6,536,584)</b>	<b>66,697,722</b>	<b>(3,994,533)</b>	<b>(8,657,174)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>						
Cash and other cash items	16,839,755	15,639,474	12,685,984	14,856,844	13,705,304	11,160,173
Due from Bangko Sentral ng Pilipinas (Note 7)	100,174,398	101,889,773	98,490,014	88,109,650	95,092,944	91,717,037
Due from other banks (Note 7)	9,900,642	9,455,447	15,641,476	8,645,547	7,837,894	14,066,620
Interbank Loans Receivable and SPURA (Note 8)	17,036,460	11,998,040	18,751,845	10,027,609	8,998,040	17,347,522
	143,951,255	138,982,734	145,569,319	121,639,650	P125,634,182	134,291,352
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>						
Cash and other cash items	15,984,210	16,839,755	15,639,474	13,724,265	14,856,844	13,705,304
Due from Bangko Sentral ng Pilipinas (Note 7)	152,156,449	100,174,398	101,889,773	141,811,190	88,109,650	95,092,944
Due from other banks (Note 7)	18,228,721	9,900,642	9,455,447	17,197,750	8,645,547	7,837,894
Securities purchased under resale agreements (Note 8)	18,290,851	17,036,460	11,998,040	15,604,167	10,027,609	8,998,040
	P204,660,231	P143,951,255	P138,982,734	P188,337,372	P121,639,650	P125,634,182

**OPERATING CASH FLOWS FROM INTEREST**

	Consolidated			Parent Company		
	As of December 31					
	2020	2019	2018	2020	2019	2018
Interest paid	₱14,297,974	₱20,557,295	₱11,361,726	₱12,679,471	₱17,928,838	₱9,595,463
Interest received	45,766,253	46,223,502	33,233,827	41,396,855	40,181,121	28,041,653

See accompanying Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE  
LARGE TAXPAYERS SERVICE  
LARGE TAXPAYERS ASSISTANCE DIVISION

Date APR 12 2021 TSIS

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# CHINA BANKING CORPORATION AND SUBSIDIARIES

## 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 476 and 473 local branches as of December 31, 2020 and 2019, 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. By virtue of Section 11 of Republic Act No. 11232 also known as the "Revised Corporation Code of the Philippines," which took effect on February 23, 2019, the Parent Company now has a perpetual existence.

The Parent Company has the following subsidiaries:

Subsidiary	Effective Percentages of Ownership		Country of Incorporation and Place of Business	Principal Activities
	2020	2019		
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%	100.00%	Philippines	Stock brokerage

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 22.55% as of December 31, 2020 and 2019.

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



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## 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 (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI). The financial statements are presented in Philippine peso, and all values are rounded to the nearest thousand 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 23.

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 amendments to PFRS and Philippine Accounting Standards (PAS) which became effective as of January 1, 2020. 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:

- Amendments to PFRS 3, *Business Combinations, Definition of a Business*

The amendments to PFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments may impact future periods should the Group enter into any business combinations.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* and PFRS 9, *Financial Instruments, Interest Rate Benchmark Reform*

The amendments to PFRS 9 provide a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The Group has floating rate bonds payable linked to United States (US) London Interbank Offered Rate (LIBOR) which the Group designated as cash flow hedge using an interest rate swap. The amendments permit continuation of hedge accounting even though there is uncertainty about the timing and amount of the hedged cash flows due to the interest rate benchmark reform.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

- Conceptual Framework for Financial Reporting issued on March 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard-setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.



▪ Amendments to PFRS 16, *COVID-19-related Rent Concessions*

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19-related rent concession in the same way it would account for a change that is not a lease modification - i.e., as a variable lease payment.

The amendments are effective for annual reporting periods beginning on or after June 1, 2020. Early adoption is permitted.

The Group adopted the relief granted by the amendments applying early adoption beginning January 1, 2020. The adoption of the amendments resulted in an increase in Miscellaneous income amounting to ₱32.38 million for the Group and the Parent Company for the year ended December 31, 2020 (see Note 27).

## **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 Bankers Association of the Philippines (BAP) closing rate 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 BAP closing rate at the reporting date, and its income and expenses are translated at the BAP weighted average rate 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 FVTPL and financial assets at FVOCI 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, interbank loans receivables 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.

#### SPURA

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

##### *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 a financial asset is recognized in the statement of income for assets classified as financial assets at FVTPL, and in equity for assets classified as financial assets at FVOCI. 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 FVTPL, the initial measurement of financial instruments includes transaction costs.

##### *'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.

#### Classification and Measurement

Under PFRS 9, the classification and measurement of financial assets is driven by the contractual cash flow characteristics of the financial assets and the entity's business model for managing the financial assets.

As part of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the 'solely payments of principal and interest' (SPPI) test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g., if there are repayments of principal or amortization of the premium or discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that





introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- the expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Group's measurement categories are described below:

#### *Financial assets at Amortized Cost*

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less any impairment in value. The amortization is included in 'Interest income' in the statement of income. Gains or losses are recognized in statement of income when these investments are derecognized or impaired, as well as through the amortization process. The ECL are recognized in the statement of income under provision for impairment and credit losses: The effects of revaluation of foreign currency-denominated investments are recognized in the statement of income. Gains or losses arising from disposals of these instruments are included in 'Gains (losses) on disposal of investment securities at amortized cost' in the statement of income.

The Group's financial assets at amortized cost are presented in the statement of financial position as Due from BSP, Due from other banks, Interbank loans receivable and SPURA, Investment securities at amortized cost, Loans and receivables, Accrued interest receivables and certain financial assets under Other assets.



The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost.

#### *Financial Assets at FVTPL*

Debt instruments that neither meet the amortized cost nor the FVOCI criteria, or that meet the criteria but the Group has chosen to designate as at FVTPL at initial recognition, are classified as financial assets at FVTPL. Equity investments are classified as financial assets at FVTPL, unless the Group irrevocably designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include government securities, corporate bonds and equity securities which are held for trading purposes and derivatives.

A financial asset is considered as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or,
- it is a derivative that is not designated and effective as a hedging instrument or financial guarantee.

Gains and losses arising from changes (mark-to-market) in the fair value of the financial assets at FVTPL are included in 'Trading and securities gain (loss) - net' account in the statement of income.

Interest recognized based on the contractual interest rate of these investments is reported in statement of income under 'Interest income' account while dividend income is reported in statement of income under 'Miscellaneous income' account when the right of payment has been established.

#### *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, as a means of reducing and managing the Parent Company's foreign exchange risk and interest rate risk, as well as for trading purposes. Such derivative financial instruments, which are not designated as accounting hedges, are carried at fair value through profit or loss.

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

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

Derivatives embedded in financial liability or a non-financial host are separated from the host and accounted for as separate derivatives if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.



Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

#### *Financial Assets at FVOCI - Equity Investments*

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading. The Group has designated certain equity instruments as at FVOCI.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in Net unrealized fair value gain (loss) on financial assets at FVOCI in the balance sheet. When the asset is disposed of, the cumulative gain or loss previously recognized in the Net unrealized fair value gains (losses) on investment securities account is not reclassified to profit or loss, but is reclassified directly to Surplus account. Any dividends earned on holding these equity instruments are recognized in profit or loss under 'Miscellaneous income' account.

#### *Financial Assets at FVOCI - Debt Investments*

The Group applies the category of debt instruments measured at FVOCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value being recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss. Provision for credit and impairment losses is recognized in profit or loss with the corresponding ECL recognized in OCI.

On derecognition, ECL and cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

#### *Reclassification*

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets:

- (i) from amortized cost to fair value, if the objective of the business model changes so that the amortized cost criteria are no longer met; and
- (ii) from fair value to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.



### Impairment of Financial assets

ECL represent credit losses that reflect an unbiased and probability-weighted measure of expected cash shortfalls, discounted at an approximation to the EIR 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. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL allowances are 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 (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

For non-credit-impaired financial instruments:

- Stage 1 consists of all non-impaired financial instruments which have not experienced a SICR since initial recognition. The Group and the Parent Company recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 consists of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group and the Parent Company recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-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 loan or a portfolio of loans. The ECL model requires that lifetime ECL be recognized for impaired financial instruments.

The Group uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

ECL is a function of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. EAD represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet and undrawn amounts, EAD includes an estimate of any further amounts to be drawn within the contractual availability period of the irrevocable commitments. LGD is the amount that may not be recovered in the event of default. LGD takes into consideration the amount and quality of any collateral held. Please refer to Note 6 for other information related to the Bank's models for PD, EAD, and LGD.

The calculation of ECLs, including the estimation of PD, EAD, LGD and discount rate, is made on an individual basis for most of the Group's financial assets, and on a collective basis for retail products such as credit card receivables. The collective assessments are made separately for portfolios of facilities with similar credit risk characteristics.

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include,



but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges. Distressed restructuring with indications of unlikelihood to pay are categorized as impaired accounts and are moved to Stage 3.

#### *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.

When the loan has been restructured but not derecognized, the Group also reassesses whether there has been a SICR and considers whether the assets should be classified as Stage 3. If the restructuring terms are substantially different, the loan is derecognized and a new 'asset' is recognized at fair value using the revised EIR.

#### Hedge Accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when the risk being hedged is the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when the risk being hedged is the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Parent Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Parent Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Parent Company actually hedges and the quantity of the hedging instrument that the Parent Company actually uses to hedge that quantity of hedged item.

An economic relationship exists when the hedging instrument and the hedged item have values that generally move in opposite directions in response to movements in the same risk (hedged risk). The Parent Company assesses economic relationship by performing prospective qualitative or quantitative hedge effectiveness assessment at each reporting date. In addition, the Parent Company



measures ineffectiveness by comparing the cumulative change in the fair value of the hedging instrument with the cumulative change in the fair value of the hedged item.

#### *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

As of December 31, 2020 and 2019, the Parent Company has an interest rate swap that has been designated as a hedging instrument in a cash flow hedge (Note 26).

#### Financial Liabilities

Financial liabilities which include deposit liabilities, bills payable, bonds payable, and other liabilities (except tax-related payables, pre-need reserves and post-employment defined benefit obligation) are recognized when the Group becomes a party to the contractual terms of the instrument.

Financial liabilities are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, for those with maturities beyond one year, less settlement payments. All interest-related charges incurred on financial liabilities are recognized as an expense in the statements of income under the caption Interest expense.

Deposit liabilities are stated at amounts in which they are to be paid. Interest is accrued periodically and recognized in a separate liability account before recognizing as part of deposit liabilities.

‘Bills payable’ and ‘Bonds payable’ are recognized initially at fair value, which is the issue proceeds (fair value of consideration received) less any issuance costs. These are subsequently measured at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in the statements of income over the period of the borrowings using the effective interest method.

Derivative liabilities are recognized initially and subsequently measured at fair value with changes in fair value recognized in the statement of income unless designated as an accounting hedge.

Other liabilities, apart from derivative liabilities, are recognized initially at their fair value and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

#### 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.

#### *Modification of financial assets*

The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- If the modification results in the asset no longer considered SPPI

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

#### *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.



#### *Exchange or modification of financial liabilities*

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When 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. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

#### Financial Guarantees and Undrawn Loan Commitments

The Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract/agreement. Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. These contracts are in the scope of the ECL requirements where the Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to loan commitments is recognized in 'Miscellaneous liabilities'.

#### Write-offs

Financial assets are written off either partially or in their entirety when the Group no longer expects collections or recoveries within a foreseeable future. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to 'Provision for impairment and credit losses' account.





#### 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 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 PFRS 9, 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 cost as of the date of acquisition (at fair value if part of assets acquired in a business combination) 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 represents the CGU's 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.

##### *Exchange Trading Right*

Exchange trading right is a result of the Philippine Stock Exchange (PSE) conversion plan, as discussed in Note 14, to preserve access of CBCSec to the trading facilities and continue transacting business in the PSE. Exchange trading right is carried at original cost less any allowance for impairment loss. CBCSec does not intend to sell the exchange trading right in the near future.

The exchange trading right is an intangible asset that is regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Group but is tested annually for any impairment in realizable value.

#### 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.

#### Accounting policy on Leases effective January 1, 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *i) Right-of-use assets*

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized adjusted by lease payments made at or before the commencement date and lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the depreciable assets. The depreciation expense is presented under 'Depreciation and Amortization' in the statement of income.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of Nonfinancial Assets.



*ii) Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*iii) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of ATM sites (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of ATM sites that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

*Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases (Prior to January 1, 2019)

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

Revenues within the scope of PFRS 15, Revenue from Contracts with Customers

Revenue from contract with customers is recognized upon transfer of promised goods or services to customers 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 Group and the Parent Company exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the five-step model to contracts with customers.

The following specific recognition criteria must be met before revenue is recognized for contracts within the scope of PFRS 15:

*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 are accrued over that period. These fees include investment fund fees, custodian fees, fiduciary fees, credit related fees, asset management fees, portfolio and other management fees, and advisory fees.
- 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 commission income, 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.

*Other income*

Income from sale of service is recognized upon rendition of the service. Income from sale of properties is recognized when control has been transferred to the counterparty and when the collectability of the sales price is reasonably assured.

Revenues outside the scope of PFRS 15

*Interest income*

For all interest-bearing financial assets, interest income is recorded at either 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, or at rate stated in the contract. 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'. 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.

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.

*Dividend income*

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

*Trading and securities gain (loss) - net*

This represents results arising from trading activities and sale of FVOCI debt financial assets.

*Gain on disposal of investment securities at amortized cost*

This represents results arising from sale of investment securities measured at amortized cost.

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 Group, nor can they be paid directly to the Group. 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 Group'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.

#### Share-based Payments (Stock Grants)

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments (stock grants), whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### *Equity-settled transactions*

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

When the equity-settled transactions vest immediately but the grant date is not yet determined as of reporting date, the Group recognizes the expense and the corresponding increase in equity using the estimated grant date fair value as of reporting date. Subsequently, once the grant date is determined, the Group revises the estimate based on the actual grant date fair value.

#### 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. Effective January 1, 2019, management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

#### *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 computes diluted EPS when there are outstanding dilutive potential common shares. Diluted EPS is computed by adjusting both the net income for the year and the weighted average number of common shares outstanding during the year with the impact of the dilutive potential common stock issuance transaction.

#### 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 32. 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

There are new PFRSs, amendments, interpretation and annual improvements, to existing standards which are effective for annual periods subsequent to 2020. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's financial statements:

##### *Effective beginning on or after January 1, 2021*

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Relief from discontinuing hedging relationships



- Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

- The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
- Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

The amendments are effective for annual reporting periods beginning on or after January 1, 2021 and apply retrospectively, however, the Group is not required to restate prior periods.

*Effective beginning on or after January 1, 2022*

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.



The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

*Effective beginning on or after January 1, 2023*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period



- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively.

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

PFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted.

*Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, 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. 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.

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### 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. Financial instruments*

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. 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 31). 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.

#### *c. Evaluation of business model in managing financial assets*

The Group manages its financial assets based on business models that maintain an adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

The Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at the entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument under PFRS 9, the Group evaluates in which business model a financial asset or a portfolio of financial assets belong to, taking into consideration the objectives of each business model established by the Group, various risks and key performance indicators being reviewed and monitored by responsible officers, as well as the manner of compensation for them. The Group also considers the frequency, value, reasons and timing of past sales and expectation of future sales activity in this evaluation.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.





The business model assessment is based on reasonably expected scenarios without taking worst case or stress case scenarios into account. If cash flows, after initial recognition are realized in a way that is different from the Group's and the Parent Company's original expectations, the Group and the Parent Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

In 2020, the Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted ₦30.14 billion at a net gain of ₦2.19 billion. The reasons for the disposals are disclosed in Note 9.

In 2019, the Group and Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted to ₦18.62 billion at a net gain of ₦1.38 billion and ₦13.33 billion at a net gain of ₦1.30 billion, respectively. The reasons for the disposals are disclosed in Note 9.

The above disposals in 2020 and 2019 were assessed by the Group as not inconsistent with the portfolios' business models considering the conditions and reasons for which the disposals were made. Further, these disposals did not result in a change in business model and the remaining securities in the affected portfolios continue to be accounted for at amortized cost (see Note 9).

*d. Testing the cash flow characteristics of financial assets*

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk), i.e., cash flows that are non-SPPI, does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

*e. Hedge accounting*

The Parent Company has designated the hedge relationship between its floating rate bond payable (Note 18) and an interest rate swap as cash flow hedge. The Parent Company's hedge accounting policies include an element of judgment and estimation, in particular, in respect of the existence of highly probable cash flows for inclusion within the cash flow hedge. Estimates of future interest rates and the general economic environment will influence the availability and timing of suitable hedged items, with an impact on the effectiveness of the hedge relationships. Details of the Parent Company's hedging transaction are described in Note 26.



### Estimates

#### *a. Expected credit losses on financial assets and commitments*

The Group reviews its debt financial assets and commitments at each reporting date to determine the amount of expected credit losses (ECL) to be recognized in the balance sheet and any changes thereto in the statement of income. Additional considerations were made in estimating the ECL in response to the changing credit environment brought about by the coronavirus (COVID-19) pandemic. In particular, judgments and estimates by management are required in determining:

- whether a financial asset has had a significant increase in credit risk since initial recognition. Note 6 discusses how the Group considered the impact of COVID-19 pandemic in its credit risk management and allowance provisioning;
- whether a default has taken place and what comprises a default;
- macro-economic factors that are relevant in measuring a financial asset's probability of default as well as the Group's forecast of these macro-economic factors;
- probability weights applied over a range of possible outcomes such as slow or early recovery from the impact of COVID-19 pandemic;
- sufficiency and appropriateness of data used and relationships assumed in building the components of the Group's expected credit loss models;
- the measurement of the exposure at default for unused commitments on which an expected credit loss should be recognized and the applicable loss rate.

The related allowance for credit losses of financial assets and commitments of the Group and the Parent Company are disclosed in Notes 16 and 21.

#### *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 the weighted cost of capital of comparable banks. The impairment assessment process requires significant judgment and is based on assumptions, specifically loan and deposit growth rates, discount rate and the long-term 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 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 weighted cost of capital of comparable banks. The impairment assessment process requires significant judgment and is based on assumptions, specifically loan and deposit growth rates, discount rate and the long-term 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 determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. 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 salary increase rates were based on the Group's expectations of future salary increases.

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 25.

*e. Recognition of deferred income taxes*

Deferred tax assets are recognized for deductible temporary differences 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 28.

*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	
	2020	2019	2020	2019
<b>Financial assets</b>				
Cash and other cash items	<b>₱15,984,210</b>	₱16,839,755	<b>₱13,724,265</b>	₱14,856,844
Financial assets at FVTPL	<b>13,406,863</b>	18,500,111	<b>11,641,778</b>	18,444,101
Financial assets at FVOCI	<b>20,244,403</b>	26,133,360	<b>18,345,520</b>	24,170,629
Financial assets at amortized cost				
Due from BSP	<b>152,156,449</b>	100,174,398	<b>141,811,190</b>	88,109,650
Due from other banks	<b>18,228,721</b>	9,900,642	<b>17,197,750</b>	8,645,547
Interbank loans receivables and SPURA	<b>18,290,851</b>	17,036,460	<b>15,604,167</b>	10,027,609
Investment securities at amortized cost	<b>202,240,631</b>	168,202,728	<b>196,794,826</b>	164,231,583
Loans and receivables	<b>557,214,484</b>	568,919,164	<b>491,994,476</b>	502,930,197
Accrued interest receivable	<b>8,529,872</b>	7,158,494	<b>6,833,616</b>	6,526,475
Other assets*	<b>3,940,164</b>	4,382,441	<b>1,594,781</b>	2,077,459
	<b>960,601,172</b>	875,774,327	<b>871,830,806</b>	782,548,520
Total financial assets	<b>₱1,010,236,648</b>	₱937,247,553	<b>₱915,542,369</b>	₱840,020,094

\*Other assets include accounts receivables, SCR, net of allowance for impairment losses, returned checks and other cash items (RCOCI) and miscellaneous financial assets (Note 15).

	Consolidated		Parent Company	
	2020	2019	2020	2019
<b>Financial liabilities</b>				
Other financial liabilities:				
Deposit liabilities	<b>₱835,230,830</b>	₱775,427,860	<b>₱750,972,908</b>	₱687,764,453
Bonds payable	<b>52,065,678</b>	37,394,398	<b>52,065,678</b>	37,394,398
Bills payable	<b>23,655,851</b>	33,381,406	<b>23,655,851</b>	33,381,406
Accrued interest and other expenses*	<b>2,324,974</b>	2,762,016	<b>2,064,691</b>	2,411,610
Manager's check	<b>1,568,232</b>	1,998,678	<b>1,066,098</b>	1,535,936
Other liabilities**	<b>10,658,982</b>	10,657,609	<b>8,058,582</b>	8,426,083
	<b>925,504,547</b>	861,621,967	<b>837,883,808</b>	770,913,886
Financial liabilities at FVTPL:				
Derivative liabilities	<b>1,216,771</b>	1,036,052	<b>1,216,771</b>	1,036,052
Derivative contract designated as hedge	<b>521,209</b>	51,949	<b>521,209</b>	51,949
Total financial liabilities	<b>₱927,242,527</b>	₱862,709,968	<b>₱839,621,788</b>	₱772,001,887

\*Accrued interest and other expenses includes accrued interest payable and accrued other expenses payable (Note 20).

\*\*Other liabilities exclude withholding taxes payable and retirement liabilities (Note 21)



## 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 FVTPL and financial assets at FVOCI.

As of December 31, 2020 and 2019, except for the following financial instruments, the carrying values of the Group's and the Parent Company's financial assets and liabilities as reflected in the balance sheets and related notes approximate their respective fair values:

	2020			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Investment securities at amortized cost (Note 9)				
Government bonds	₱100,606,146	₱110,454,734	₱96,001,691	₱105,648,060
Private bonds	101,634,485	109,589,297	100,793,135	108,753,082
	202,240,631	220,044,031	196,794,826	214,401,142
Loans and receivables (Note 10)				
Corporate and commercial lending	453,649,372	455,890,979	434,414,419	434,973,729
Consumer lending	96,488,966	112,946,316	50,805,392	61,290,159
Trade-related lending	6,937,033	8,538,979	6,746,530	8,330,874
Others	139,113	150,900	28,135	32,449
	557,214,484	577,527,174	491,994,476	504,627,211
Sales contracts receivable (Note 15)	1,173,038	1,242,609	185,350	197,878
	558,387,522	578,769,783	492,179,826	504,825,089
	₱760,628,153	₱798,813,814	₱688,974,652	₱719,226,231
<b>Non-financial Assets</b>				
Investment properties				
Land	₱2,517,017	₱4,834,488	₱666,409	₱2,469,314
Buildings and improvements	1,467,922	2,331,151	812,524	976,934
	₱3,984,939	₱7,165,639	₱1,478,933	₱3,446,248
<b>Financial Liabilities</b>				
Deposit liabilities (Note 17)	₱366,357,014	₱362,712,054	₱318,139,885	₱314,485,438
Bonds Payable (Note 18)	52,065,678	52,101,935	52,065,678	52,101,935
	₱418,422,692	₱414,813,989	₱370,205,563	₱366,587,373
	2019			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Investment securities at amortized cost (Note 9)				
Government bonds	₱116,859,352	₱115,600,451	₱114,157,458	₱113,070,656
Private bonds	51,343,376	52,569,793	50,074,125	51,304,523
	168,202,728	168,170,244	164,231,583	164,375,179
Loans and receivables (Note 10)				
Corporate and commercial lending	458,007,221	449,343,219	433,716,968	423,191,284
Consumer lending	100,104,341	105,846,151	58,707,050	59,188,709
Trade-related lending	10,766,453	11,267,769	10,472,182	10,819,193
Others	41,149	47,780	33,997	39,177
	568,919,164	566,504,919	502,930,197	493,238,363
Sales contracts receivable (Note 15)	1,132,439	1,200,426	210,706	224,080
	570,051,603	567,705,345	503,140,903	493,462,443
	₱738,254,331	₱735,875,589	₱667,372,486	₱657,837,622



	2019			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Non-financial Assets</b>				
Investment properties				
Land	₱2,775,580	₱5,199,926	₱615,253	₱2,516,447
Buildings and improvements	1,561,604	2,819,400	881,734	1,455,041
	<b>₱4,337,184</b>	<b>₱8,019,326</b>	<b>₱1,496,987</b>	<b>₱3,971,488</b>
<b>Financial Liabilities</b>				
Deposit liabilities (Note 17)	363,600,383	358,540,409	307,293,511	302,112,818
Bonds Payable (Note 18)	37,394,398	37,980,269	37,394,398	37,980,269
	<b>₱400,994,781</b>	<b>₱396,520,678</b>	<b>₱344,687,909</b>	<b>₱340,093,087</b>

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, interbank loans receivable and SPURA and accrued interest receivable* - The carrying amounts approximate their fair values in view of the relatively short-term maturities of these instruments.

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

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

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

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

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

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

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

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



*Other liabilities* - Quoted market prices are not readily available for these liabilities. These are reported at cost and are not significant in relation to the Group's total portfolio.

#### 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, 2020 and 2019, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

	Consolidated			
	2020			
	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱1,970,624	₱1,560,897	₱—	₱3,531,521
Treasury notes	—	2,126,819	—	2,126,819
Treasury bills	—	1,892,770	—	1,892,770
Private bonds	3,358,210	—	—	3,358,210
Quoted equity shares	1,210,665	—	—	1,210,665
Financial Assets designated at FVTPL	150,000	—	—	150,000
Derivative assets	—	1,136,878	—	1,136,878
FVOCI financial assets				
Government bonds	2,654,823	10,349,673	—	13,004,496
Quoted private bonds	6,596,820	—	—	6,596,820
Quoted equity shares	624,722	—	—	624,722
	₱16,565,864	₱17,067,037	₱—	₱33,632,901
Financial liabilities at FVTPL				
Derivative liabilities	₱—	₱1,216,771	₱—	₱1,216,771
Derivative contract designated as hedge	—	521,209	—	521,209
	₱—	₱1,737,980	₱—	₱1,737,980
<b>Fair values of assets carried at amortized cost/cost</b>				
Investment securities at amortized cost				
Government bonds	₱110,454,734	₱—	₱—	₱110,454,734
Private bonds	53,290,698	—	56,298,599	109,589,297
Loans and receivables				
Corporate and commercial loans	—	—	455,890,979	455,890,979
Consumer loans	—	—	112,946,316	112,946,316
Trade-related loans	—	—	8,538,979	8,538,979
Others	—	—	150,900	150,900
Sales contracts receivable	—	—	1,242,609	1,242,609
Investment properties				
Land	—	—	4,834,488	4,834,488
Buildings and improvements	—	—	2,331,151	2,331,151
	₱163,745,432	₱—	₱642,234,021	₱805,979,453
<b>Fair values of liabilities carried at amortized cost</b>				
Deposit liabilities	₱—	₱—	₱362,712,054	₱362,712,054
Bonds payable	—	—	52,101,935	52,101,935
	₱—	₱—	₱414,813,989	₱414,813,989





Consolidated				
2019				
	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱5,087,179	₱3,363,947	₱—	₱8,451,126
Treasury notes	—	2,386,226	—	2,386,226
Treasury bills	—	1,378,137	—	1,378,137
Private bonds	4,372,734	—	—	4,372,734
Quoted equity shares	1,243,938	—	—	1,243,938
Derivative assets	—	667,950	—	667,950
FVOCI financial assets				
Government bonds	3,977,446	18,563,070	—	22,540,516
Quoted private bonds	2,953,271	—	—	2,953,271
Quoted equity shares	621,208	—	—	621,208
	₱18,255,776	₱26,359,330	₱—	₱44,615,106
Financial liabilities at FVTPL				
Derivative liabilities	₱—	₱1,036,052	₱—	₱1,036,052
Derivative contract designated as hedge	—	51,949	—	51,949
	₱—	₱1,088,001	₱—	₱1,088,001
<b>Fair values of assets carried at amortized cost/cost</b>				
Investment securities at amortized cost				
Government bonds	₱115,600,451	₱—	₱—	₱115,600,451
Private bonds	31,666,529	—	20,903,264	52,569,793
Loans and receivables				
Corporate and commercial loans	—	—	449,343,219	449,343,219
Consumer loans	—	—	105,846,151	105,846,151
Trade-related loans	—	—	11,267,769	11,267,769
Others	—	—	47,780	47,780
Sales contracts receivable	—	—	1,200,426	1,200,426
Investment properties				
Land	—	—	5,199,926	5,199,926
Buildings and improvements	—	—	2,819,400	2,819,400
	₱147,266,980	₱—	₱596,627,935	₱743,894,915
<b>Fair values of liabilities carried at amortized cost</b>				
Deposit liabilities	₱—	₱—	₱358,540,409	₱358,540,409
Bonds payable	—	—	37,980,269	37,980,269
	₱—	₱—	₱396,520,678	₱396,520,678

Parent Company				
2020				
	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱1,970,624	₱1,560,897	₱—	₱3,531,521
Treasury notes	—	2,126,819	—	2,126,819
Treasury bills	—	1,892,770	—	1,892,770
Private bonds	1,812,303	—	—	1,812,303
Quoted equity shares	1,141,487	—	—	1,141,487
Derivative assets	—	1,136,878	—	1,136,878
FVOCI financial assets				
Government bonds	1,053,928	10,349,673	—	11,403,601
Quoted private bonds	6,329,550	—	—	6,329,550
Quoted equity shares	594,004	—	—	594,004
	₱12,901,896	₱17,067,037	₱—	₱29,968,933
Financial liabilities at FVTPL				
Derivative liabilities	₱—	₱1,216,771	₱—	₱1,216,771
Derivative contract designated as hedge	—	521,209	—	521,209
	₱—	₱1,737,980	₱—	₱1,737,980

(Forward)



Parent Company				
2020				
	Level 1	Level 2	Level 3	Total
<b>Fair values of assets carried at amortized cost/cost</b>				
Investment securities at amortized cost				
Government bonds	₱105,648,060	₱—	₱—	₱105,648,060
Private bonds	52,454,483	—	56,298,599	108,753,082
Loans and receivables				
Corporate and commercial loans	—	—	434,973,729	434,973,729
Consumer loans	—	—	61,290,159	61,290,159
Trade-related loans	—	—	8,330,874	8,330,874
Others	—	—	32,449	32,449
Sales contracts receivable	—	—	197,878	197,878
Investment properties				
Land	—	—	2,469,314	2,469,314
Buildings and improvements	—	—	976,934	976,934
	₱158,102,543	₱—	₱564,569,936	₱722,672,479

<b>Fair values of liabilities carried at amortized cost</b>				
Deposit liabilities	₱—	₱—	₱314,485,438	₱314,485,438
Bonds payable	—	—	52,101,935	52,101,935
	₱—	₱—	₱366,587,373	₱366,587,373

Parent Company				
2019				
	Level 1	Level 2	Level 3	Total
<b>Recurring fair value measurements</b>				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱5,087,179	₱3,363,947	₱—	₱8,451,126
Treasury notes	—	2,386,226	—	2,386,226
Treasury bills	—	1,378,137	—	1,378,137
Private bonds	4,372,734	—	—	4,372,734
Quoted equity shares	1,187,928	—	—	1,187,928
Derivative assets	—	667,950	—	667,950
FVOCI financial assets				
Government bonds	2,489,563	18,563,070	—	21,052,633
Quoted private bonds	2,512,588	—	—	2,512,588
Quoted equity shares	587,043	—	—	587,043
	₱16,237,035	₱26,359,330	₱—	₱42,596,365
Financial liabilities at FVTPL				
Derivative liabilities	₱—	₱1,036,052	₱—	₱1,036,052
Derivative contract designated as hedge	—	51,949	—	51,949
	₱—	₱1,088,001	₱—	₱1,088,001

<b>Fair values of assets carried at amortized cost/cost</b>				
Investment securities at amortized cost				
Government bonds	₱113,070,656	₱—	₱—	₱113,070,656
Private bonds	30,401,259	—	20,903,264	51,304,523
Loans and receivables				
Corporate and commercial loans	—	—	423,191,284	423,191,284
Consumer loans	—	—	59,188,709	59,188,709
Trade-related loans	—	—	10,819,193	10,819,193
Others	—	—	39,177	39,177
Sales contracts receivable	—	—	224,080	224,080
Investment properties				
Land	—	—	2,516,447	2,516,447
Buildings and improvements	—	—	1,455,041	1,455,041
	₱143,471,915	₱—	₱518,337,195	₱661,809,110
<b>Fair values of liabilities carried at amortized cost</b>				
Deposit liabilities	₱—	₱—	₱302,112,818	₱302,112,818
Bonds payable	—	—	37,980,269	37,980,269
	₱—	₱—	₱340,093,087	₱340,093,087



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 2020 and 2019.

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.

*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 the 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 used in the valuation for each type of investment properties held by the Group and the Parent Company:

	<b>Valuation Techniques</b>	<b>Significant Unobservable Inputs</b>
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

Descriptions 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.



Significant unobservable inputs

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.

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**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 inherent risks and maximize returns from taking acceptable risks necessary to sustain its business viability and good financial position in the market.

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



### ***Risk Management Structure***

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

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

The Risk Management Group (RMG) is the operating unit of the ROC primarily responsible for the implementation of the risk management strategies approved by the Board of Directors. The implementation cuts across all departments of the Parent Company and involves all of the Parent Company's financial instruments, whether "on-books" or "off-books." The RMG is likewise responsible for monitoring the implementation of specific risk control procedures and enforcing compliance thereto. The RMG is also directly involved in the day-to-day monitoring of material risks ensuring that the Parent Company, in its transactions and dealings, engages only in risk taking activities duly approved by the ROC. The RMG also ensures that relevant information 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 reports to the ROC and is a resource to the Management Committee (ManCom) and the Credit Committee (CreCom). The CRO reports on key risk indicators and specific risk management issues that would need resolution from top management. This is undertaken after the risk issues and key risk indicators have been discussed with the business units concerned. The RMG's function, particularly, that of the CRO, as well as the Board's risk oversight responsibilities are articulated under BSP Circular No. 971, Guidelines on Risk Governance.

The key risk indicators were formulated on the basis of the financial risks faced by the Parent Company. These indicators contain information from all business units that provide measurements on the level of the risks taken by the Parent Company in its products, transactions and financial structure. Among others, the report on key risk indicators includes information on the Parent Company's aggregate credit exposure, credit metric forecasts, hold limit exceptions, Value-at-Risk (VaR), Maximum Cumulative Outflow (MCO) and Earnings-at-Risk (EAR) analysis, utilization of



market and credit limits and thresholds, liquidity risk limits and ratios, overall loan loss provisioning and risk profile changes. Loan loss provisioning and credit limit utilization are, however, discussed in more detail in the Credit Committee. On a monthly basis, detailed reporting of industry, customer and geographic risks is included in the discussion with the ROC. A comprehensive risk report is presented to the BOD on a periodic basis for an overall assessment of the level of risks taken by the Parent Company. On the other hand, the Chief Audit Executive reports to the Audit Committee on a monthly basis on the results of branch or business unit audits and for the resolution of pending but important internal audit issues.

### ***Risk Mitigation***

The Parent Company uses derivatives to manage exposures 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. For interest rate risk from the bonds payable to IFC (Note 18), the Parent Company entered into a pay-fixed, receive-floating interest rate swap (Note 26) with the same principal terms to hedge the exposure to variable cash flow payments. The hedge relationship would eliminate the risk that variability in the floating rates will compress the net interest margin. The IRS designated as hedge is reflected in the Earnings-at-Risk report of RMG.

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 2018 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 Parent Company 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 2018 to enhance risk measurement and automate daily reporting.

BSP issued Circular No. 639 dated January 15, 2009 which mandated the use of the Internal Capital Adequacy Assessment Process (ICAAP) by all universal and 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 November 4, 2020, the BOD approved the changes in the methodology for the Management Action Trigger (MAT) on capital ratios. There were no changes made in the Priority Risk Areas of the Parent Company and the approved trigger events for the review of Capital Ratios MAT and Priority Risks.

The Parent Company submitted its annually updated ICAAP document, in compliance with BSP requirements on October 30, 2020. The document disclosed that the Parent Company has an appropriate level of internal capital relative to the Group's risk profile.

For this submission, 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.

### ***Group's Response to the COVID-19 Pandemic***

The COVID-19 pandemic has impacted all types of businesses and the banking sector is among the severely hit, at least operationally. As the National Government imposed stringent quarantine measures and mobility becomes limited, being part of the sector essential to the economy, the need for the Group to quickly adapt to the rapidly changing business climate becomes apparent. In spite of the exceedingly challenging situation, the Group continued to open its doors to serve the public while looking after the health, safety and well-being of the workers including service personnel and customers.

The Group developed "The New Normal Work Force and Work Management Plan for the COVID-19 Pandemic". The plan is designed to provide general direction and guidance in sustaining the operations of the Group while we manage and exert effort to reduce exposure to COVID-19. In place are team rotation work schedules, work from home arrangements, mandatory health and safety measures, and case management protocols which are all included in the Group's Work Management Plan.

The Group continued to implement all its market limits and triggers without changes even with the reduced trading hours in the market and shorter working hours of the Group during the Enhanced Community Quarantine. The Financial Markets Segment also issued guidance on work-from-home setup during this period for its trading personnel. Under this setup, for control purposes, Deal limits



of Sales Traders were reduced to zero in the Treasury system to automatically require supervisor authorization of any transaction facilitated offsite.

In view of the heightened credit risk arising from the COVID 19- pandemic, the Group responded by issuing several credit bulletins on the changes in credit granting and lending policies. This includes, among others, the implementation of guidelines to comply with the provisions of the Bayanihan to Heal as One Act and the tightening of credit approval requirements for new loans and credit facilities both to new and existing clients. Special Approving Authority was also granted to the President with regards to further extension of credit line expiry. In addition, there were also guidelines on post-ECQ collection, policies for managing loans affected by the Covid-19 crisis, and procedures for the availment of the regulatory relief measure stated in BSP memoranda No. M-2020-008 (Regulatory Relief for BSFIs Affected by the Corona Virus Disease 2019) and M-2020-032 (Amendments to M-2020-008).

### ***Credit Risk***

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, major industries, as well as countries. 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.

### ***Credit Risk Rating and Scoring Models***

The Parent Company has four credit risk rating models in place: for corporate borrowers, for retail small and medium entities and individual accounts (non-consumer), for financial institutions, for sovereign / country exposures. In addition, it also has two scoring models for auto and housing loan applicants.

In compliance with BSP requirements, the Parent Company established an internal Credit Risk Rating System (ICRRS) 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 ICRRS covers corporate borrowers with total assets, total facilities, or total credit exposures amounting to ₱15.00 million and above.

Further, the ICRRS 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 Ratio which provides an assessment of the proposed facilities as mitigated or enhanced by security arrangements.





On February 6, 2019, the Board of Directors approved the recalibrated ICRRS model. Among the changes made was in the rating scale which was expanded from ten to fourteen rating grades, ten of which fall under unclassified accounts, with the remaining four falling under classified accounts in accordance with regulatory provisioning guidelines.

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 2018, 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.

The CAMELOT rating system was approved by the BOD in 2006 to specifically assess Philippine universal, commercial and thrift banks. In 2009, the Parent Company implemented the rating system for rural and cooperative banks as well as the rating system for foreign financial institutions.

The Parent Company also developed a Sovereign Risk Rating Model, which provided the tool for the Parent Company 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, 2018.

The scorecards for auto and housing loans were officially launched in November 2016, adopting the models developed by CBS with a third-party consultant, and utilizing internally developed software interfaces for their implementation.

For the Parent Company's credit cards, starting September 2017, Transunion score is being used in lieu of an acquisition scorecard to determine application acceptance in conjunction with other credit acceptance criteria.

### ***Concentration of Assets and Liabilities and Off-Balance Sheet Items***

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 by geographic region as of December 31, 2020 and 2019 (in millions) follows:

	Consolidated					
	2020			2019		
	Assets	Liabilities	Commitment*	Assets	Liabilities	Commitment*
Geographic Region						
Philippines	₱943,498	₱906,192	₱31,030	₱871,435	₱840,712	₱70,016
Asia	19,628	9,495	6,486	15,110	6,717	7,638
Europe	35,592	2,750	1,172	39,071	10,116	1,065
United States	11,390	8,785	458	10,185	321	199
Others	129	21	184	1,447	4,844	87
	₱1,010,237	₱927,243	₱39,330	₱937,248	₱862,710	₱79,005

\*Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued and Standby credit commitments



	Parent Company					
	2020			2019		
	Assets	Liabilities	Commitment*	Assets	Liabilities	Commitment*
Geographic Region						
Philippines	₱848,803	₱818,571	₱30,635	₱774,207	₱750,004	₱69,564
Asia	19,628	9,495	6,486	15,110	6,717	7,638
Europe	35,592	2,750	1,172	39,071	10,116	1,065
United States	11,390	8,785	458	10,185	321	200
Others	129	21	184	1,447	4,844	87
	₱915,542	₱839,622	₱38,935	₱840,020	₱772,002	₱78,554

\*Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued and Standby credit commitments

Information on credit concentration as to industry of financial assets is presented below:

	Consolidated				
	2020				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱145,914,294	₱104,182,177	₱—	₱721,351	₱250,817,823
Electricity, gas and water	77,295,952	1,057,897	—	5,903,340	84,257,189
Wholesale and retail trade	48,797,393	10,789	—	6,087,617	54,895,800
Transportation, storage and communication	54,792,752	31,918	—	1,089,860	55,914,530
Financial intermediaries	67,320,876	126,232,618	188,161,354	10,048,951	391,763,800
Manufacturing	33,567,819	4,851	—	3,850,988	37,423,658
Arts, entertainment and recreation	23,687,515	123,599	—	74,557	23,885,670
Accommodation and food service activities	12,904,107	215,084	—	807,123	13,926,314
Construction	13,955,942	13,394	—	4,659,875	18,629,211
Mining and quarrying	8,000,701	—	—	998,853	8,999,555
Agriculture	7,929,762	—	—	321,822	8,251,584
Education	5,290,900	793,673	—	281,370	6,365,942
Public administration and defense	2,055,542	—	—	448,303	2,503,845
Professional, scientific and technical activities	860,778	26,731	—	1,494,877	2,382,387
Others*	69,970,620	2,062,288	2,573,272	2,540,929	77,147,109
	₱572,344,954	₱234,755,020	₱190,734,625	₱39,329,818	₱1,037,164,417

\*Others consist of administrative and support service, health, household and other activities.

	Consolidated				
	2019				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱131,554,416	₱54,807,417	₱—	₱7,279,938	₱193,641,771
Electricity, gas and water	80,765,283	1,636,634	—	16,899,703	99,301,620
Wholesale and retail trade	59,338,780	4,770	—	15,309,344	74,652,894
Transportation, storage and communication	57,770,020	33,403	—	8,426,228	66,229,651
Financial intermediaries	63,584,092	154,096,601	128,674,636	3,789,184	350,144,513
Manufacturing	32,405,243	—	—	5,049,128	37,454,371
Arts, entertainment and recreation	17,899,693	69,499	—	4,073,295	22,042,487
Accommodation and food service activities	12,818,690	2,088	—	3,509,765	16,330,543
Construction	13,131,862	—	—	4,141,360	17,273,223
Mining and quarrying	9,995,905	—	—	421,633	10,417,539
Agriculture	6,636,039	—	—	195,184	6,831,223
Education	6,321,846	758,537	—	247,077	7,327,460
Public administration and defense	8,475,590	—	—	369,423	8,845,013
Professional, scientific and technical activities	2,425,097	—	—	7,167,361	9,592,458
Others*	74,747,762	759,299	565,412	2,126,442	78,198,914
	₱577,870,318	₱212,168,249	₱129,240,048	₱79,005,066	₱998,283,681

\*Others consist of administrative and support service, health, household and other activities.



Parent Company					
2020					
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱123,150,868	₱103,771,477	₱—	₱721,351	₱227,643,696
Electricity, gas and water	75,367,275	1,035,733	—	5,903,340	82,306,348
Financial intermediaries	45,324,442	—	—	5,914,716	51,239,158
Wholesale and retail trade	52,346,480	26,299	—	1,089,860	53,462,639
Transportation, storage and communication	66,402,640	119,603,856	174,613,107	10,048,951	370,668,555
Manufacturing	31,988,437	4,851	—	3,835,488	35,828,776
Arts, entertainment and recreation	23,630,122	123,599	—	74,557	23,828,278
Accommodation and food service activities	11,892,441	211,150	—	787,123	12,890,714
Construction	12,886,246	—	—	4,657,525	17,543,771
Mining and quarrying	7,998,397	—	—	998,853	8,997,251
Agriculture	6,372,652	—	—	321,557	6,694,210
Public administration and defense	4,735,250	679,254	—	281,370	5,695,875
Education	2,055,542	—	—	448,303	2,503,845
Professional, scientific and technical activities	788,324	26,731	—	1,494,877	2,309,932
Others*	39,791,654	162,296	514,667	2,356,729	42,825,345
	₱504,730,771	₱225,645,246	₱175,127,774	₱38,934,602	₱944,438,392

\*Others consist of administrative and support service, health, household and other activities.

Parent Company					
2019					
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Others	Total
Real estate, renting and business services	₱108,067,826	₱53,845,497	₱—	₱7,279,938	₱169,193,261
Electricity, gas and water	78,802,898	1,636,634	—	16,899,703	97,339,235
Financial intermediaries	55,222,983	—	—	14,861,742	70,084,725
Wholesale and retail trade	55,429,738	33,403	—	8,426,228	63,889,369
Transportation, storage and communication	62,178,902	149,875,310	106,782,806	3,789,184	322,626,201
Manufacturing	29,753,750	—	—	5,049,128	34,802,878
Arts, entertainment and recreation	17,799,562	69,499	—	4,073,295	21,942,356
Accommodation and food service activities	11,591,121	—	—	3,509,765	15,100,886
Construction	11,985,485	—	—	4,141,360	16,126,846
Mining and quarrying	9,991,633	—	—	421,633	10,413,266
Agriculture	5,076,970	—	—	191,234	5,268,204
Public administration and defense	5,667,447	638,679	—	247,077	6,553,203
Education	8,475,590	—	—	369,423	8,845,013
Professional, scientific and technical activities	2,338,562	—	—	7,167,361	9,505,923
Others*	47,777,227	79,342	565,412	2,126,442	50,548,422
	₱510,159,693	₱206,178,364	₱107,348,218	₱78,553,514	₱902,239,789

\*Others consist of administrative and support service, health, household and other activities.

### Maximum exposure to credit risk

The tables below provide the analysis of the maximum exposure to credit risk of the Group's 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			
2020			
	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	₱557,214,484	₱358,707,660	₱198,506,824
Interbank loans receivable and SPURA	18,290,851	—	18,290,851
Sales contracts receivable	1,173,038	—	1,173,038
	₱576,678,373	₱358,707,660	₱217,970,713



Consolidated 2019			
	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	₱568,919,164	₱319,163,000	₱249,756,164
Interbank loans receivable and SPURA	17,036,460	–	17,036,460
Sales contracts receivable	1,132,439	–	1,132,439
	₱587,088,063	₱319,163,000	₱267,925,063

Parent 2020			
	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	₱491,994,476	₱334,229,018	₱157,765,458
Interbank loans receivable and SPURA	15,604,167	–	15,604,167
Sales contracts receivable	185,350	–	185,350
	₱507,783,993	₱334,229,018	₱173,554,975

Parent 2019			
	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	₱502,930,197	₱289,396,593	₱213,533,604
Interbank loans receivable and SPURA	10,027,609	–	10,027,609
Sales contracts receivable	210,706	–	210,706
	₱513,168,512	₱289,396,593	₱223,771,919

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱314.67 billion and ₱2.59 billion, respectively, as of December 31, 2020 and ₱281.92 billion and 2.38 billion, respectively, as of December 31, 2019.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱273.93 billion and ₱0.86 billion, respectively, as of December 31, 2020 and ₱245.70 billion and ₱0.91 billion, respectively, as of December 31, 2019.

Credit risk, in respect of derivative financial products, is limited to those with positive fair values, which are included under financial assets at FVTPL (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 31 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 regards 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.

#### *Collateral valuation*

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of loss allowances. It is generally assessed, at a minimum, at inception and re-assessed on an annual basis. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by internal or external appraisers.

#### *Credit quality per class of financial assets*

##### Loans and Receivables

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 Parent Company's Internal Audit Group, the Parent Company likewise engaged the services of third-party consultants in 2014, 2015, and 2017 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 rating categories are further described below.

#### *High Grade*

This includes all borrowers whose ratings are considered as Low Risk and/or those where the exposures are covered by Government Guarantee. Thus, these borrowers have a very low probability of going into default in the coming year.



In terms of borrower credit ratings, these include the following:

A. ICRRS-Covered

- Borrower Risk Rating (BRR) 1 (Exceptional)
- BRR 2 (Excellent)
- BRR 3 (Strong)
- BRR 4 (Good)

B. BCS-Covered

- Strong

Generally, a Low Risk (High Grade) rating is indicative of a high capacity to fulfill its obligations supported by robust financials (i.e., profitable, with returns considerably higher than the industry, elevated capacities to service its liabilities), gainful positioning in growing industries (i.e., participation in industries where conditions are very favorable and in which they are able to get a good share of the market), and very strong leadership providing clear strategic direction and/or excellent training and development programs.

*Standard Grade*

This includes all borrowers whose ratings are considered as Moderate Risk and are seen to withstand typical swings in the economic cycle without going into default. However, any prolonged unfavorable economic period would create deterioration that may already be beyond acceptable levels.

In terms of borrower credit ratings, these include the following:

A. ICRRS-Covered

- BRR 5 (Satisfactory)
- BRR 6 (Acceptable)
- BRR 7 (Fair)

B. BCS-Covered

- Satisfactory
- Acceptable

Generally, a Moderate Risk (Standard Grade) rating signifies a borrower whose financial performance is sufficient to service obligations and is at par with competitors in the industry. In terms of management, it is run by executives with adequate personal and professional qualifications and sufficient experience in similar companies. In terms of growth potential, it is engaged in an industry with stable outlook, supportive of continuing operations.

*Sub-Standard Grade*

In terms of borrower credit ratings, this includes the following:

*Unclassified*

A. ICRRS-Covered

- BRR 8 (Watchlist)
- BRR 9 (Speculative)
- BRR 10 (Highly Speculative)



B. BCS-Covered

- Watchlist

*Adversely Classified*

A. ICRRS and BCS--Covered

- BRR 11 (Especially Mentioned)
- BRR 12 (Substandard)
- BRR 13 (Doubtful)
- BRR 14 (Loss)

For accounts that are Unclassified, a High Risk (Sub-Standard Grade) rating is indicative of borrowers where there are unfavorable industry or company-specific factors. This may be financial in nature (i.e. marginal operating performance, returns that are lower than those of the industry, and/or diminished capacity to pay off obligations that are due), related to management quality (including negative information regarding the company or specific executives) and/or unfavorable industry conditions. The borrower might find it very hard to cope with any significant economic downturn and a default in such a case is more than a possibility. These accounts require a closer monitoring for any signs of further deterioration, warranting adverse classification.

Adversely Classified accounts are automatically considered as high-risk and generally includes past due accounts. However, in some cases, even accounts that are neither past due nor impaired, qualifies for adverse classification. Reasons for this include among others the following: consecutive net losses, emerging weaknesses in terms of cash flow, negative equity, and/or breach in the covenants per term loan agreement.

For consumer loans that are covered by application scorecards which provide either a pass/fail score, the basis for credit quality rating is the BSP classification for those that are booked as Current (i.e. Standard Grade if Unclassified and Sub Standard Grade if Classified and impairment status for those that are booked as Past Due / Items in Litigation.

The financial assets are also grouped according to stage whose description is explained as follows:

*Stage 1* - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

*Stage 2* - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

*Stage 3* - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.



The following tables illustrate the Group's and the Parent Company's credit exposures (amounts in millions).

Consolidated	2020			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Corporate and commercial lending</b>				
Neither past due nor impaired				
High grade	₱29,684	₱3,310	₱–	₱32,994
Standard grade	275,345	23,591	–	298,936
Sub-Standard	92,097	9,290	–	101,387
Unrated	866	120	–	986
Past due but not impaired	–	3,406	–	3,406
Past due and impaired	–	–	11,956	11,956
<b>Gross carrying amount</b>	<b>₱397,992</b>	<b>₱39,717</b>	<b>₱11,956</b>	<b>₱449,665</b>

Consolidated	2020			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Consumer Lending</b>				
Neither past due nor impaired				
High grade	₱41,506	₱70	₱–	₱41,576
Standard grade	44,176	5,349	–	49,525
Sub-Standard	2,167	6,254	–	8,421
Unrated	1,130	2,331	–	3,461
Past due but not impaired	422	2,793	–	3,215
Past due and impaired	–	–	7,805	7,805
<b>Gross carrying amount</b>	<b>₱89,401</b>	<b>₱16,797</b>	<b>₱7,805</b>	<b>₱114,003</b>

Consolidated	2020			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Trade-related Lending</b>				
Neither past due nor impaired				
High grade	₱460	₱33	₱–	₱493
Standard grade	4,809	846	–	5,655
Sub-Standard	1,947	131	–	2,078
Unrated	–	–	–	–
Past due but not impaired	–	3	–	3
Past due and impaired	–	–	305	305
<b>Gross carrying amount</b>	<b>₱7,216</b>	<b>₱1,013</b>	<b>₱305</b>	<b>₱8,534</b>

Consolidated	2020			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Others</b>				
Neither past due nor impaired				
High grade	₱103	₱–	₱–	₱103
Standard grade	–	3	–	3
Sub-Standard	–	–	–	–
Unrated	29	–	–	29
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	7	7
<b>Gross carrying amount</b>	<b>₱132</b>	<b>₱3</b>	<b>₱7</b>	<b>₱142</b>





Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Corporate and commercial lending				
Neither past due nor impaired				
High grade	P50,613	P4,271	P—	P54,884
Standard grade	295,112	5,899	—	301,011
Sub-Standard	88,999	8,542	—	97,541
Unrated	723	1	—	724
Past due but not impaired	13	725	—	738
Past due and impaired	—	—	4,785	4,785
Gross carrying amount	P435,460	P19,438	P4,785	P459,683

Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Consumer Lending				
Neither past due nor impaired				
High grade	P40,222	P—	P—	P40,222
Standard grade	48,761	744	—	49,505
Sub-Standard	7,433	435	—	7,868
Unrated	2,281	1,862	—	4,143
Past due but not impaired	106	1,562	—	1,668
Past due and impaired	—	—	3,496	3,496
Gross carrying amount	P98,803	P4,603	P3,496	P106,902

Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Trade-related Lending				
Neither past due nor impaired				
High grade	P250	P—	P—	P250
Standard grade	8,436	37	—	8,473
Sub-Standard	2,169	37	—	2,206
Unrated	—	—	—	—
Past due but not impaired	32	—	—	32
Past due and impaired	—	—	236	236
Gross carrying amount	P10,887	P74	P236	P11,197

Consolidated	2019			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Others				
Neither past due nor impaired				
High grade	P8	P—	P—	P8
Standard grade	—	—	—	—
Sub-Standard	—	—	—	—
Unrated	34	—	—	34
Past due but not impaired	—	—	—	—
Past due and impaired	—	—	5	5
Gross carrying amount	P42	P—	P5	P47



Parent Company		2020		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
Corporate and commercial lending		12-month ECL	Lifetime ECL	Lifetime ECL
				Total
Neither past due nor impaired				
High grade		₱19,691	₱3,310	₱–
Standard grade		275,292	17,275	–
Sub-Standard		92,097	9,194	–
Unrated		867	119	–
Past due but not impaired		–	3,096	–
Past due and impaired		–	–	8,240
<b>Gross carrying amount</b>		<b>₱387,947</b>	<b>₱32,994</b>	<b>₱8,240</b>
				<b>₱429,181</b>

Parent Company		2020		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
Consumer Lending		12-month ECL	Lifetime ECL	Lifetime ECL
				Total
Neither past due nor impaired				
High grade		₱238	₱70	₱–
Standard grade		44,175	5,349	–
Sub-Standard		2,167	6,254	–
Unrated		1,130	2,331	–
Past due but not impaired		–	310	–
Past due and impaired		–	–	5,169
<b>Gross carrying amount</b>		<b>₱47,710</b>	<b>₱14,314</b>	<b>₱5,169</b>
				<b>₱67,193</b>

Parent Company		2020		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
Trade-related Lending		12-month ECL	Lifetime ECL	Lifetime ECL
				Total
Neither past due nor impaired				
High grade		₱283	₱33	₱–
Standard grade		4,809	846	–
Sub-Standard		1,947	131	–
Unrated		–	–	–
Past due but not impaired		1	3	–
Past due and impaired		–	–	275
<b>Gross carrying amount</b>		<b>₱7,040</b>	<b>₱1,013</b>	<b>₱275</b>
				<b>₱8,328</b>

Parent Company		2020		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
Others		12-month ECL	Lifetime ECL	Lifetime ECL
				Total
Neither past due nor impaired				
High grade		₱–	₱–	₱–
Standard grade		–	–	–
Sub-Standard		–	–	–
Unrated		28	–	–
Past due but not impaired		–	–	–
Past due and impaired		–	–	–
<b>Gross carrying amount</b>		<b>₱28</b>	<b>₱–</b>	<b>₱–</b>
				<b>₱28</b>

Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
Corporate and commercial lending		12-month ECL	Lifetime ECL	Lifetime ECL
				Total
Neither past due nor impaired				
High grade		₱29,392	₱4,271	₱–
Standard grade		295,114	5,155	–
Sub-Standard		88,999	8,528	–
Unrated		724	1	–
Past due but not impaired		12	50	–
Past due and impaired		–	–	2,229
<b>Gross carrying amount</b>		<b>₱414,241</b>	<b>₱18,005</b>	<b>₱2,229</b>
				<b>₱434,475</b>



Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
		12-month ECL	Lifetime ECL	Lifetime ECL
Consumer Lending				Total
Neither past due nor impaired				
High grade		P224	P-	P-
Standard grade		48,760	714	-
Sub-Standard		7,433	430	-
Unrated		2,281	1,862	-
Past due but not impaired		-	624	-
Past due and impaired		-	-	2,420
Gross carrying amount		P58,698	P3,630	P2,420
				P64,748

Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
		12-month ECL	Lifetime ECL	Lifetime ECL
Trade-related Lending				Total
Neither past due nor impaired				
High grade		P250	P-	P-
Standard grade		8,141	38	-
Sub-Standard		2,169	37	-
Unrated		-	-	-
Past due but not impaired		32	-	-
Past due and impaired		-	-	236
Gross carrying amount		P10,592	P75	P236
				P10,903

Parent Company		2019		
		ECL Staging		
		Stage 1	Stage 2	Stage 3
		12-month ECL	Lifetime ECL	Lifetime ECL
Others				Total
Neither past due nor impaired				
High grade		P-	P-	P-
Standard grade		-	-	-
Sub-Standard		-	-	-
Unrated		34	-	-
Past due but not impaired		-	-	-
Past due and impaired		-	-	-
Gross carrying amount		P34	P-	P-
				P34

#### 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 of S&P, Moody's, and/or Fitch when available; otherwise, rating is based on risk grades by Philratings or mapped internal credit risk ratings (ICRRS). When the counterparty has no available external or internal ratings, it is included under "Unrated".

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		Credit Rating		Mapped ICRRS
External Credit Risk Rating		Agency	BRR	
High grade	AAA, AA+, AA, AA-	S&P		
	Aaa, Aa1, Aa2, Aa3	Moody's		1 to 3
	AAA, AA+, AA, AA-	Fitch		
Standard grade	A+, A, A-, BBB+, BBB, BBB-	S&P		
	A1, A2, A3, Baa1, Baa2, Baa3	Moody's		4 to 7
	A+, A, A-, BBB+, BBB, BBB-	Fitch		
Substandard grade	BB+, BB, BB-, B/B+, CCC, R, SD &			
	Ba1, Ba2, Ba3, B1, B2, R, SD & D	S&P		
	BB+, BB, BB-, B/B+, CCC, R, SD &	Moody's		8 to 14
		Fitch		



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.

In the case of PHP-denominated securities which are not rated by either S&P, Moody's, or Fitch, but have an external rating by Philratings, the following grouping was applied.

<b>Credit Quality Rating</b>	<b>External Credit Risk Rating</b>
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 succeeding tables show the credit exposure of the Group and the Parent Company related to these financial assets.

Consolidated	2020				2019			
	ECL Staging			Total	Stage 1	Stage 2	Stage 3	Total
Investment securities at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
Neither past due nor impaired								
High grade	₱38,401	₱–	₱–	₱38,401	₱25,859	₱–	₱–	₱25,859
Standard grade	148,468	–	–	148,468	109,042	336	–	109,378
Sub-Standard	8,482	–	–	8,482	1,183	–	–	1,183
Unrated	69	–	–	69	15,721	8,302	–	24,023
Past due but not impaired	–	–	–	–	–	–	–	–
Impaired	–	–	3,632	3,632	–	–	–	–
Gross carrying amount	₱195,420	₱–	₱3,632	₱199,052	₱151,805	₱8,638	₱–	₱160,443



Consolidated	2020				2019			
	ECL Staging			Total	ECL Staging			Total
Financial assets at FVOCI	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired								
High grade	₱1,141	₱—	₱—	₱1,141	₱1,205	₱—	₱—	₱1,205
Standard grade	18,034	—	—	18,034	22,822	—	—	22,822
Sub-Standard	1,032	—	—	1,032	107	—	—	107
Unrated	20	—	—	20	1,980	—	—	1,980
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	17	17	—	—	19	19
Gross carrying amount	₱20,227	₱—	₱17	₱20,244	₱26,114	₱—	₱19	₱26,133

Parent Company	2020				2019			
	ECL Staging			Total	ECL Staging			Total
Investment securities at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired								
High grade	₱37,683	₱—	₱—	₱37,683	₱24,491	₱—	₱—	₱24,491
Standard grade	144,105	—	—	144,105	106,682	336	—	107,018
Sub-Standard	8,482	—	—	8,482	1,183	—	—	1,183
Unrated	—	—	—	—	15,720	8,302	—	24,022
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	3,632	3,632	—	—	—	—
Gross carrying amount	₱190,270	₱—	₱3,632	₱193,902	₱148,076	₱8,638	₱—	₱156,714

Parent Company	2020				2019			
	ECL Staging			Total	ECL Staging			Total
Financial assets at FVOCI	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Neither past due nor impaired								
High grade	₱951	₱—	₱—	₱951	₱555	₱—	₱—	₱555
Standard grade	16,344	—	—	16,344	21,528	—	—	21,528
Sub-Standard	1,032	—	—	1,032	107	—	—	107
Unrated	19	—	—	19	1,981	—	—	1,981
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	—	—	—	—	—	—
Gross carrying amount	₱18,346	₱—	₱—	₱18,346	₱24,171	₱—	₱—	₱24,171

Parent Company	2020				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Due from BSP	₱—	₱141,811	₱—	₱—	₱141,811
Due from other banks	1,451	15,727	—	20	17,198
Interbank loans receivable and SPURA	1,311	14,293	—	—	15,604
Financial assets at FVTPL	1,694	7,682	—	2,266	11,642
	₱4,456	₱179,513	₱—	₱2,286	₱186,255

Parent Company	2019				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Due from BSP	₱—	₱88,110	₱—	₱—	₱88,110
Due from other banks	374	8,249	3	20	8,646
Interbank loans receivable and SPURA	—	10,028	—	—	10,028
Financial assets at FVTPL	3,510	11,580	483	2,871	18,444
	₱3,884	₱117,967	₱486	₱2,891	₱125,228



### Renegotiated Loans

The following table presents the carrying amount of financial assets of the Group and Parent Company as of December 31, 2020 and 2019 that would have been considered past due or impaired if not renegotiated:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Loans and advances to customers				
Corporate and commercial lending	<b>₱2,345,933</b>	₱312,787	<b>₱2,091,813</b>	₱35,673
Consumer lending	<b>43,577</b>	115,370	<b>42,521</b>	114,185
<b>Total renegotiated financial assets</b>	<b>₱2,389,510</b>	₱428,157	<b>₱2,134,334</b>	₱149,858

### Impairment Assessment (Including the Impact of the COVID-19 Pandemic)

The Group recognizes a credit loss allowance on a financial asset based on whether it has had a significant increase in credit risk since initial recognition. Accordingly, the Group categorizes its financial assets into three categories: stage 1 – financial asset that has not had a significant increase in credit risk; stage 2 – financial asset that has had a significant increase in credit risk; and stage 3 – financial asset in default.

Generally, the Group assesses the presence of a significant increase in credit risk based on the number of notches that a financial asset's credit risk rating has declined. When applicable, the Group also applies a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, in all cases when the borrower becomes at least 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria for a consecutive period of 180 days (i.e. consecutive payments from the borrowers for 180 days).

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors such as downgrade in the credit rating of the borrowers and a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses. For exposures without internal credit grades, if contractual payments are more than a specified days past due threshold (i.e. 30 days), the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL.

Further, the Group considers a financial asset as in default when (a) as a result of one or more loss events, there is objective evidence that its recoverable value is less than its carrying amount; (b) it is classified as doubtful or loss under prudential reporting; (c) it is in litigation; and/or (d) full repayment of principal and interest is unlikely without foreclosure of collateral, if any. When applicable, the Group also applies a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



In view of the government moratorium on loan payments (see Note 10), the Group considered how the availment of the borrowers and counterparties will affect the stage classification of the financial assets. In particular, the Group assessed how the availment of the mandatory grace period, together with other relevant information about the borrower (e.g., impact of the pandemic to its industry and operations, potential cash flow pressures affecting the borrower's capacity to pay amounts becoming due), will affect SICR and default assessments. Based on these assessments, in the absence of indicators of impairment or SICR since initial recognition, exposures to borrowers and counterparties who availed of the mandatory grace period as provided for by law are classified as stage 1.

The Group then measures the credit loss allowance on a financial instrument at an amount equal to 12-month expected credit losses for items categorized as stage 1 and lifetime credit losses to items categorized as stage 2 and stage 3.

The Group modeled the following inputs to the expected credit loss formula separately. The formula is applied to each financial asset, with certain exceptions wherein a collective or other general approach is applied:

*Exposure at Default (EAD)*

The Group defines EAD as the principal and interests that would not be collected assuming the borrower defaults during a future point in time. The Group computes for a financial asset's EAD using the expected contractual cash flows during the contractual life of the financial instrument. A financial asset's EAD is defined as the sum of EAD from principal and EAD from interest.

In relation to the modification of loans and receivables (see Note 10), the Group utilized the revised or modified cash flows of financial assets as EAD in calculating allowance for credit losses.

*Probability of default (PD)*

The Group uses forward-looking PD estimates that are unbiased and probability-weighted using a range of possible outcomes. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio. The Group's PDs are mainly categorized into three: (a) corporate; (b) sovereign; and (c) retail.

The PDs used in calculating allowance for credit losses have been updated with information after considering the impact of the pandemic to current market conditions as well as expectations about future economic conditions (i.e., forward-looking information).

*Loss given default (LGD)*

The Group's LGD model considers certain factors such as the historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. Generally, the model utilizes the Group's existing loan exposure rating system which is designed to capture these factors as well as the characteristics of collaterals related to an exposure. In cases wherein this does not apply, the Group looks into the standard characteristics of collaterals (e.g., car and housing loans) in order to estimate an LGD factor. In the case of exposures without collaterals (e.g., securities), the Group uses internationally-accepted standard LGD factors. As of December 31, 2020, the Group has updated all available collateral information in order to incorporate the impact of the pandemic, to the extent possible, in measuring LGD.





The Group will continue to assess the current market conditions and forecasts of future economic conditions, and its impact to the aforementioned items, in order to update the ECL on a timely basis in the upcoming reporting periods, as the country continues to deal with this public health crisis.

#### ***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 Parent Company's policies, to assess loan quality and appropriateness of classification.

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 VaR in 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 <sup>1</sup>	Foreign Exchange <sup>2</sup>	Price <sup>3</sup>	Interest Rate <sup>4</sup>	Interest Rate <sup>5</sup>
	(In Millions)				
<b>2020</b>					
31 December	<b>₱139.14</b>	<b>₱11.86</b>	<b>₱13.90</b>	<b>₱4.51</b>	<b>₱2.52</b>
Average daily	<b>98.93</b>	<b>29.67</b>	<b>14.39</b>	<b>7.98</b>	<b>3.08</b>
Highest	<b>202.55</b>	<b>108.73</b>	<b>18.00</b>	<b>18.35</b>	<b>5.35</b>
Lowest	<b>11.69</b>	<b>2.16</b>	<b>12.23</b>	<b>2.22</b>	<b>1.79</b>
<b>2019</b>					
31 December	₱69.41	₱21.89	₱17.85	₱12.53	₱5.54
Average daily	82.81	25.42	23.89	8.75	7.78
Highest	134.67	73.41	42.90	14.60	16.15
Lowest	44.49	1.84	17.29	3.36	5.22

<sup>1</sup> Interest rate VaR for debt securities (Interest rate VaR for foreign currency denominated debt securities are translated to PHP using daily closing rate)

<sup>2</sup> FX VaR is the bankwide foreign exchange risk

<sup>3</sup> Price VaR for equity securities and futures

<sup>4</sup> Interest rate VaR for FX swaps and FX forwards

<sup>5</sup> 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 and discusses its exposure in Asset and Liability Committee (ALCO) meetings held every week.

As of December 31, 2020 and 2019, 65.48% and 72.55% 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 not paid on demand accounts, which constituted 25.86% and 24.76% of total deposits of the Parent Company as of December 31, 2020 and 2019, respectively.

Interest is paid on savings accounts and time deposits accounts, which constitute 31.76% and 42.35%, respectively, of total deposits of the Parent Company as of December 31, 2020, and 30.56% and 44.68%, respectively, as of December 31, 2019

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 financial assets at FVOCI and FVTPL 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, 2020 and 2019:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Peso</b>				
<b>Assets</b>				
Due from BSP	<b>0.67%</b>	0.29%	<b>0.53%</b>	0.07%
Due from banks	<b>0.23%</b>	0.22%	<b>0.08%</b>	0.11%
Interbank Loans Receivable and SPURA	<b>3.65%</b>	6.12%	<b>3.65%</b>	6.12%
Investment securities*	<b>5.24%</b>	5.47%	<b>5.27%</b>	5.47%
Loans and receivables	<b>6.34%</b>	7.09%	<b>6.19%</b>	6.89%
<b>Liabilities</b>				
Deposit liabilities	<b>1.29%</b>	2.63%	<b>1.22%</b>	2.54%
Bills payable	<b>5.80%</b>	4.86%	<b>5.80%</b>	4.86%
Bonds payable	<b>5.84%</b>	3.02%	<b>5.84%</b>	3.02%
<b>USD</b>				
<b>Assets</b>				
Due from banks	<b>0.11%</b>	0.99%	<b>0.11%</b>	1.02%
Interbank Loans Receivable and SPURA	<b>0.74%</b>	6.12%	<b>0.74%</b>	6.12%
Investment securities*	<b>3.63%</b>	3.58%	<b>3.65%</b>	3.56%
Loans and receivables	<b>3.74%</b>	4.13%	<b>3.73%</b>	4.07%
<b>Liabilities</b>				
Deposit liabilities	<b>0.80%</b>	1.66%	<b>0.81%</b>	1.66%
Bills payable	<b>2.62%</b>	4.99%	<b>2.62%</b>	4.00%
Bonds payable	<b>2.45%</b>	1.71%	<b>2.45%</b>	1.71%

\* Consisting of financial assets at FVTPL, Financial assets at FVOCI and Investment securities at amortized cost.

The repricing 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, 2020 and 2019 (in millions):

	Consolidated							
	2020				2019			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
<b>Financial Assets</b>								
Due from BSP	₱149,620	₱—	₱2,536	₱152,156	₱96,254	₱—	₱3,920	₱100,174
Due from other banks	18,229	—	—	18,229	9,901	—	—	9,901
Interbank Loans Receivable and SPURA	18,291	—	—	18,291	17,036	—	—	17,036
Investment securities	21,759	4,555	209,578	235,892	3,815	6,637	202,384	212,836
Loans and receivables	237,391	126,106	193,717	557,214	257,385	111,758	199,776	568,919
<b>Total financial assets</b>	<b>445,290</b>	<b>130,661</b>	<b>405,831</b>	<b>981,782</b>	<b>384,391</b>	<b>118,395</b>	<b>406,080</b>	<b>908,866</b>
<b>Financial Liabilities</b>								
Deposit liabilities	292,534	34,663	508,034	835,231	313,164	37,636	424,628	775,428
Bills payable	12,466	4,490	6,700	23,656	18,409	14,972	—	33,381
Bonds payable	29,470	7,596	15,000	52,066	—	7,394	30,000	37,394
<b>Total financial liabilities</b>	<b>334,470</b>	<b>46,749</b>	<b>529,734</b>	<b>910,953</b>	<b>331,573</b>	<b>60,002</b>	<b>454,628</b>	<b>846,203</b>
<b>Repricing gap</b>	<b>₱110,820</b>	<b>₱83,912</b>	<b>(₱123,903)</b>	<b>₱70,829</b>	<b>₱52,818</b>	<b>₱58,393</b>	<b>(₱48,548)</b>	<b>₱62,663</b>

	Parent Company							
	2020				2019			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
<b>Financial Assets</b>								
Due from BSP	₱141,811	₱—	₱—	₱141,811	₱88,110	—	—	₱88,110
Due from other banks	17,198	—	—	17,198	8,646	—	—	8,646
Interbank Loans Receivable and SPURA	15,604	—	—	15,604	10,028	—	—	10,028
Investment securities	19,658	4,407	202,717	226,782	3,815	4,671	198,360	206,846
Loans and receivables	228,754	96,248	166,992	491,994	248,190	81,756	172,984	502,930
<b>Total financial assets</b>	<b>423,025</b>	<b>100,655</b>	<b>369,709</b>	<b>893,389</b>	<b>358,789</b>	<b>86,427</b>	<b>371,344</b>	<b>816,560</b>
<b>Financial Liabilities</b>								
Deposit liabilities	267,674	22,937	460,362	750,973	288,786	16,873	382,105	687,764
Bills payable	12,466	4,490	6,700	23,656	18,409	14,972	—	33,381
Bonds payable	29,470	7,595	15,000	52,065	—	7,394	30,000	37,394
<b>Total financial liabilities</b>	<b>309,610</b>	<b>35,022</b>	<b>482,062</b>	<b>826,694</b>	<b>307,195</b>	<b>39,239</b>	<b>412,105</b>	<b>758,539</b>
<b>Repricing gap</b>	<b>₱113,415</b>	<b>₱65,633</b>	<b>(₱112,353)</b>	<b>₱66,695</b>	<b>₱51,594</b>	<b>₱47,188</b>	<b>(₱40,761)</b>	<b>₱58,021</b>

The Group 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. Interest rate risk exposure is managed through approved limits.

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, 2020 and 2019:

	Consolidated			
	2020			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱1,738	₱869	(₱869)	(₱1,738)
As a percentage of the Group's net interest income for the year ended December 31, 2020	5.13%	2.57%	(2.57%)	(5.13%)



Consolidated				
2019				
Change in interest rates (in basis points)				
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱966	₱483	(₱483)	(₱966)
As a percentage of the Group's net interest income for the year ended December 31, 2019	3.58%	1.79%	(1.79%)	(3.58%)
Parent Company				
2020				
Change in interest rates (in basis points)				
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱1,626	₱813	(₱813)	(₱1,626)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2020	4.81%	2.40%	(2.40%)	(4.81%)
Parent Company				
2019				
Change in interest rates (in basis points)				
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱870	₱435	(₱435)	(₱870)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2019	3.67%	1.84%	(1.84%)	(3.67%)

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 FVTPL and financial assets at FVOCI, brought about by movement in the interest rate curve as of December 31, 2020 and 2019 (in millions):

Consolidated				
2020				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱99)	(₱40)	₱40	₱99
Change in equity	(281)	(112)	112	281
Consolidated				
2019				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱183)	(₱73)	₱73	₱183
Change in equity	(369)	(148)	148	369



Parent Company				
2020				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P99)	(P40)	P40	P99
Change in equity	(253)	(101)	101	253

Parent Company				
2019				
Change in interest rates (in basis points)				
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(P183)	(P73)	P73	P183
Change in equity	(356)	(142)	142	356

### 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 with its PHP equivalent:

Consolidated								
	2020				2019			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
<b>Assets</b>								
Cash and other cash items	\$4,005	\$3,402	\$7,408	P355,735	\$2,258	\$2,377	\$4,635	P234,704
Due from other banks	77,760	6,758	84,518	4,058,824	118,692	4,983	123,675	6,262,264
Financial assets at FVTPL	15,363	—	15,363	737,772	15,396	34,582	49,978	2,530,668
Financial assets at FVOCI	16,638	2,488	19,126	918,512	13,543	2,284	15,827	801,358
Investment securities at amortized cost	28,868	31,460	60,328	2,897,396	25,838	—	25,838	1,308,285
Loans and receivables	18,954	38,232	57,186	2,746,248	31,901	39,692	71,593	3,625,127
Accrued interest receivable	761	286	1,047	50,279	654	287	941	47,644
Other assets	17,652	24	17,676	848,835	1,156	2	1,158	58,661
	180,001	82,650	262,652	12,613,601	209,438	84,207	293,645	14,868,711
<b>Liabilities</b>								
Deposit liabilities	69,549	20,081	89,630	4,304,282	64,221	32,506	96,727	4,897,774
Bills payables	131,776	—	131,776	6,328,295	388,225	62,731	450,956	22,834,146
Accrued interest and other expenses	215	1	216	10,371	2,227	1	2,228	112,788
Other liabilities	20,292	1,979	22,271	1,069,520	7,790	793	8,583	434,593
	221,832	22,061	243,893	11,712,468	462,463	96,031	558,494	28,279,301
Currency spot	(4,000)	—	(4,000)	(192,092)	(21,103)	103	(21,000)	(1,063,314)
Currency forwards	49,804	(59,397)	(9,593)	(460,666)	284,866	32,397	317,263	16,064,529
Net Exposure	\$3,973	\$1,192	\$5,166	P248,375	\$10,738	\$20,676	\$31,414	P1,590,625

\*Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD.



	Parent Company							
	2020				2019			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
<b>Assets</b>								
Cash and other cash items	\$163	\$3,402	\$3,566	₱171,234	\$148	\$2,377	\$2,525	₱127,857
Due from other banks	58,309	6,758	65,067	3,124,739	98,334	4,983	103,317	5,231,428
Financial assets at FVTPL	15,363	—	15,363	737,772	15,396	34,582	49,978	2,530,668
Financial assets at FVOCI	—	2,488	2,488	119,487	—	2,284	2,284	115,629
Investment securities at amortized cost	—	31,460	31,460	1,511,082	—	—	—	—
Loans and receivables	15,980	38,232	54,212	2,603,419	24,445	39,692	64,137	3,247,606
Accrued interest receivable	65	286	351	16,848	103	287	390	19,737
Other assets	17,632	24	17,656	847,915	1,137	2	1,139	57,691
	\$107,512	\$82,650	\$190,163	₱9,132,496	\$139,563	\$84,207	\$223,770	₱11,330,616
<b>Liabilities</b>								
Deposit liabilities	189	20,081	20,270	973,406	140	32,506	32,646	1,653,048
Bills payables	131,776	—	131,776	6,328,295	388,225	62,731	450,956	22,834,146
Accrued interest and other expenses	187	1	187	9,004	2,126	1	2,127	107,687
Other liabilities	19,182	1,979	21,160	1,016,183	7,597	793	8,390	424,785
	151,334	22,061	173,393	8,326,888	398,088	96,031	494,119	25,019,666
Currency spot	(4,000)	—	(4,000)	(192,092)	(21,103)	103	(21,000)	(1,063,314)
Currency forwards	49,804	(59,397)	(9,593)	(460,666)	284,866	32,397	317,263	16,064,529
Net Exposure	\$1,982	\$1,192	\$3,177	₱152,850	\$5,238	\$20,676	\$25,914	₱1,312,165

\*Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD.

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				
	2020		2019		
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity	Sensitivity of Pretax Income	Sensitivity of Equity
USD	2%	₱20	₱98	₱126	₱238
Other	1%	—	1	—	1
USD	(2%)	(20)	(98)	(126)	(238)
Other	(1%)	—	(1)	—	(1)

	Parent Company				
	2020		2019		
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity	Sensitivity of Pretax Income	Sensitivity of Equity
USD	2%	₱20	₱90	₱126	₱225
Other	1%	—	1	—	1
USD	(2%)	(20)	(90)	(126)	(225)
Other	(1%)	—	(1)	—	(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 at FVOCI due to a reasonably possible change in equity indices, with all other variables held constant, is as follows (in millions):

	Consolidated		Parent Company	
	Change in equity index	Effect on Equity	Change in equity index	Effect on Equity
<b>2020</b>	<b>+10%</b>	<b>(P0.9)</b>	<b>+10%</b>	<b>(P3.9)</b>
	<b>-10%</b>	<b>(7.4)</b>	<b>-10%</b>	<b>(5.1)</b>
2019	+10%	P9.7	+10%	P10.0
	-10%	(0.3)	-10%	(2.5)

### **Liquidity Risk and Funding Management**

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The Group's liquidity management involves maintaining funding capacity to accommodate fluctuations in asset and liability levels due to changes in the Group's business operations or unanticipated events created by customer behavior or capital market conditions. The Group 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 Group's and the Parent Company's assets and liabilities, based on contractual undiscounted cash flows (in millions):

	Consolidated					
	December 31, 2020					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
<b>Financial Assets</b>						
Cash and other cash items	₱15,984	₱–	₱–	₱–	₱–	₱15,984
Due from BSP	152,156	–	–	–	–	152,156
Due from other banks	18,189	40	–	–	–	18,229
SPURA	2,687	15,604	–	–	–	18,291
Financial assets at FVTPL	150	4,190	617	1,502	6,109	12,568
Financial assets at FVOCI	–	2,745	1,553	1,266	34,280	39,844
Loans and receivables	–	163,452	30,855	43,019	332,626	569,952
	189,166	186,031	33,025	45,787	373,015	827,022
<b>Financial Liabilities</b>						
Deposit liabilities						
Demand	₱212,467	₱–	₱–	₱–	₱–	₱212,467
Savings	256,407	–	–	–	–	256,407
Time	5	354,378	1,729	3,345	6,900	366,357
Bills payable	–	23,656	–	–	–	23,656
Manager's checks	–	1,568	–	–	–	1,568
Accrued interest and other expenses	5	3,899	2	–	–	3,906
Derivative liabilities	–	1,217	–	–	–	1,217
Bonds payable	–	30,000	–	14,882	7,184	52,066
Other liabilities:						
Lease payable	–	734	712	368	1,529	3,343
Accounts payable	–	4,322	–	–	–	4,322
Acceptances payable	–	478	–	–	–	478
Due to PDIC	–	756	–	–	–	756
Margin deposits	–	–	–	–	–	–
Other credits – dormant	–	357	–	–	–	357
Due to the Treasurer of the Philippines	–	390	–	–	–	390
Miscellaneous	–	947	–	–	–	947
Total liabilities	468,884	422,702	2,443	18,595	15,612	928,236
<b>Net Position</b>	<b>(₱279,718)</b>	<b>(₱236,671)</b>	<b>₱30,582</b>	<b>₱27,192</b>	<b>₱357,402</b>	<b>(₱101,214)</b>





Consolidated						
December 31, 2019						
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
<b>Financial Assets</b>						
Cash and other cash items	P16,840	P—	P—	P—	P—	P16,840
Due from BSP	100,174	—	—	—	—	100,174
Due from other banks	9,901	—	—	—	—	9,901
SPURA	7,009	10,028	—	—	—	17,037
Financial assets at FVTPL	—	2,027	1,795	3,564	15,642	23,028
Financial assets at FVOCI	—	1,691	4,908	739	35,287	42,625
Loans and receivables	—	167,173	37,239	27,712	343,835	575,959
	133,924	180,919	43,942	32,015	394,764	785,564
<b>Financial Liabilities</b>						
Deposit liabilities						
Demand	P186,955	P—	P—	P—	P—	P186,955
Savings	224,872	—	—	—	—	224,872
Time	—	308,305	253	6	4	308,568
Bills payable	—	33,381	—	—	—	33,381
Manager's checks	—	1,999	—	—	—	1,999
Accrued interest and other expenses	—	4,121	—	—	—	4,121
Derivative liabilities	—	1,036	—	—	—	1,036
Bonds payable	—	—	29,828	—	7,566	37,394
Other liabilities:						
Lease payable	—	568	538	476	2,382	3,964
Accounts payable	—	3,221	—	—	—	3,221
Acceptances payable	—	413	—	—	—	413
Due to PDIC	—	692	—	—	—	692
Margin deposits	—	6	—	—	—	6
Other credits – dormant	—	447	—	—	—	447
Due to the Treasurer of the Philippines	—	416	—	—	—	416
Miscellaneous	—	683	—	—	—	683
Total liabilities	411,827	355,307	30,619	482	9,951	808,188
Net Position	(P277,904)	(P174,387)	P13,322	P31,533	P384,813	(P22,624)

Parent Company						
December 31, 2020						
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
<b>Financial Assets</b>						
Cash and other cash items	P13,724	P—	P—	P—	P—	P13,724
Due from BSP	141,811	—	—	—	—	141,811
Due from other banks	17,198	—	—	—	—	17,198
SPURA	—	15,604	—	—	—	15,604
Financial assets at FVTPL	—	2,575	617	1,502	6,109	10,802
Financial assets at FVOCI	—	2,581	1,317	995	33,242	38,135
Loans and receivables	—	140,997	17,617	33,955	312,161	504,731
	172,733	161,757	19,551	36,452	351,512	742,005
<b>Financial Liabilities</b>						
Deposit liabilities						
Demand	194,231	—	—	—	—	194,231
Savings	238,602	—	—	—	—	238,602
Time	—	316,635	471	909	125	318,140
Bills payable	—	23,656	—	—	—	23,656
Manager's checks	—	1,066	—	—	—	1,066
Accrued interest and other expenses	—	3,589	—	—	—	3,589
Derivative liabilities	—	1,217	—	—	—	1,217
Bonds payable	—	30,000	—	14,882	7,184	52,066
Other liabilities:						
Lease payable	—	538	476	368	1,338	2,721
Accounts payable	—	2,810	—	—	—	2,810
Acceptances payable	—	478	—	—	—	478
Due to PDIC	—	756	—	—	—	756
Margin deposits	—	—	—	—	—	—
Other credits – dormant	—	303	—	—	—	303
Due to the Treasurer of the Philippines	—	371	—	—	—	371
Miscellaneous	—	491	—	—	—	491
Total liabilities	432,833	381,910	947	16,159	8,647	840,497
Net Position	(P260,100)	(P220,153)	P18,604	P20,293	P342,865	(P98,492)



	Parent Company					
	December 31, 2019					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
<b>Financial Assets</b>						
Cash and other cash items	₱14,857	₱—	₱—	₱—	₱—	₱14,857
Due from BSP	88,110	—	—	—	—	88,110
Due from other banks	8,646	—	—	—	—	8,646
SPURA	—	10,028	—	—	—	10,028
Financial assets at FVTPL	—	1,971	1,795	3,564	15,642	22,972
Financial assets at FVOCI	—	993	4,517	523	26,443	32,476
Loans and receivables	—	144,745	25,030	19,176	320,917	509,869
	111,613	157,737	31,342	23,263	363,002	686,958
<b>Financial Liabilities</b>						
Deposit liabilities						
Demand	₱170,280	₱—	₱—	₱—	₱—	₱170,280
Savings	210,191	—	—	—	—	210,191
Time	—	308,305	253	6	4	308,568
Bills payable	—	33,381	—	—	—	33,381
Manager's checks	—	1,536	—	—	—	1,536
Accrued interest and other expenses	—	3,650	—	—	—	3,650
Derivative liabilities	—	1,036	—	—	—	1,036
Bonds payable	—	—	29,828	—	7,566	37,394
Other liabilities:						
Lease payable	—	568	538	476	1,706	3,288
Accounts payable	—	2,179	—	—	—	2,179
Acceptances payable	—	413	—	—	—	413
Due to PDIC	—	692	—	—	—	692
Margin deposits	—	6	—	—	—	6
Other credits – dormant	—	447	—	—	—	447
Due to the Treasurer of the Philippines	—	416	—	—	—	416
Miscellaneous	—	323	—	—	—	323
Total liabilities	380,471	352,952	30,619	482	9,276	773,800
Net Position	(₱268,858)	(₱195,215)	₱723	₱22,781	₱353,726	(₱86,842)

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 fund providers have been set to determine sufficiency of liquid assets over deposit liabilities. Liquidity is managed by the Parent Company and its subsidiaries on a daily basis, while scenario stress tests and sensitivity analysis are conducted periodically.

## 7. Due From BSP and Other Banks

### Due from BSP

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Demand deposit account (Note 17)	<b>₱77,986,434</b>	₱92,674,383	<b>₱75,311,175</b>	₱80,609,635
Special deposit account	<b>74,170,000</b>	7,500,000	<b>66,500,000</b>	7,500,000
Others	<b>15</b>	15	<b>15</b>	15
	<b>₱152,156,449</b>	₱100,174,398	<b>₱141,811,190</b>	₱88,109,650



Due from Other Banks

This comprises of deposit accounts with:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Local banks	<b>₱14,032,433</b>	₱3,067,833	<b>₱14,032,433</b>	₱2,224,644
Foreign banks	<b>4,196,288</b>	6,832,809	<b>3,165,317</b>	6,420,903
	<b>₱18,228,721</b>	₱9,900,642	<b>₱17,197,750</b>	₱8,645,547

Interest Income on Due from BSP and Other Banks

This account consists of:

	<b>Consolidated</b>			<b>Parent Company</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Due from BSP	<b>₱180,394</b>	₱232,148	₱124,557	<b>₱49,762</b>	₱83,124	₱67,039
Due from other banks	<b>783,050</b>	229,197	135,818	<b>605,858</b>	162,709	101,994
	<b>₱963,444</b>	₱461,345	₱260,375	<b>₱655,620</b>	₱245,833	₱169,033

**8. Interbank Loans Receivable and Securities Purchased Under Resale Agreements**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Interbank loans receivable	<b>₱6,268,203</b>	₱4,580,316	<b>₱6,268,203</b>	₱4,580,316
SPURA	<b>12,022,648</b>	12,456,144	<b>9,335,964</b>	5,447,293
	<b>₱18,290,851</b>	₱17,036,460	<b>₱15,604,167</b>	₱10,027,609

*Interbank Loans Receivable*

As of December 31, 2020 and 2019, interbank loans receivable includes short-term foreign currency-denominated loans granted to other banks with annual interest rates ranging from 0.07% to 0.30% and 1.90% to 2.10%, respectively.

As of December 31, 2020, interbank loans receivable also includes short-term peso-denominated loans granted to other banks with annual interest rates ranging from 1.00% to 1.13%.

*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 2020, 2019 and 2018, the interest rate of SPURA is 2.00%, 4.00%, and 4.75%, respectively, for the Group and Parent Company.



## 9. Trading and Investment Securities

### Financial Assets at FVTPL

This account consists of:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Held for trading				
Government bonds (Note 28)	<b>₱3,531,521</b>	₱8,451,126	<b>₱3,531,521</b>	₱8,451,126
Treasury notes	<b>2,126,819</b>	2,386,226	<b>2,126,819</b>	2,386,226
Treasury bills	<b>1,892,770</b>	1,378,137	<b>1,892,770</b>	1,378,137
Private bonds	<b>3,358,210</b>	4,372,734	<b>1,812,303</b>	4,372,734
Quoted equity shares	<b>1,210,665</b>	1,243,938	<b>1,141,487</b>	1,187,928
	<b>12,119,985</b>	17,832,161	<b>10,504,900</b>	17,776,151
Financial Assets designated at FVTPL	<b>150,000</b>	–	–	–
Derivative assets (Note 26)	<b>1,136,878</b>	667,950	<b>1,136,878</b>	667,950
<b>Total</b>	<b>₱13,406,863</b>	₱18,500,111	<b>₱11,641,778</b>	₱18,444,101

As of December 31, 2020 and 2019, HFT securities include fair value loss of ₱26.75 million and ₱14.33 million respectively, for the Group. As of December 31, 2020 and 2019, HFT securities include fair value loss of ₱27.48 million and ₱22.14 million respectively, for the Parent Company.

Effective interest rates for peso-denominated financial assets at FVTPL for both the Group and the Parent Company range from 0.32% to 8.04% in 2020, from 1.41% to 7.26% in 2019 and from 0.06% to 7.11% in 2018. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Group range from 0.32% to 8.04% in 2020, from 0.71% to 5.81% in 2019 and from 0.71% to 6.28% in 2018. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Parent Company range from 0.53% to 7.17% in 2020, from 0.71% to 5.81% in 2019 and from 0.71% to 6.28% in 2018.

### Financial Assets at FVOCI

This account consists of:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Debt Securities				
Government bonds (Notes 18 and 28)	<b>₱13,004,496</b>	₱22,540,516	<b>₱11,403,601</b>	₱21,052,633
Private bonds	<b>6,596,820</b>	2,953,271	<b>6,329,550</b>	2,512,588
	<b>19,601,316</b>	25,493,787	<b>17,733,151</b>	23,565,221
Equity Securities				
Quoted Equity Shares	<b>624,722</b>	621,208	<b>594,004</b>	587,043
Unquoted Equity Shares	<b>18,365</b>	18,365	<b>18,365</b>	18,365
	<b>643,087</b>	639,573	<b>612,369</b>	605,408
<b>Total</b>	<b>₱20,244,403</b>	₱26,133,360	<b>₱18,345,520</b>	₱24,170,629

### *Unquoted equity securities*

This account comprises of shares of stocks of various unlisted private corporations. The Group has designated these equity securities as at FVOCI as these will not be sold in the foreseeable future.

### *Net unrealized gains (losses)*

Financial assets at FVOCI include fair value gains of ₱263.74 million for the Group and the Parent Company as of December 31, 2020 and fair value losses of ₱399.06 million for the Group and the Parent Company as of December 31, 2019. The fair value gains are recognized under OCI.

Allowance for credit losses on debt financial assets at FVOCI of the Group and the Parent Company amounted to ₱30.38 million and ₱30.06 million as of December 31, 2020, respectively. Allowance



for credit losses on debt financial assets at FVOCI of the Group and the Parent Company amounted to ₱18.52 million and ₱18.47 million as of December 31, 2019, respectively.

Effective interest rates for peso-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.74% to 5.06% in 2020, from 3.94% to 6.87% in 2019 and from 4.25% to 5.58% in 2018.

Effective interest rates for foreign currency-denominated financial assets at FVOCI for both the Group and Parent Company range from 0.83% to 7.00% in 2020, from 0.83% to 5.65% in 2019 and from 2.33% to 8.48% in 2018.

#### Investment Securities at Amortized Cost

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Government bonds (Note 18)	<b>₱95,852,375</b>	₱108,061,363	<b>₱91,543,048</b>	₱105,602,176
Private bonds	<b>103,200,111</b>	52,381,323	<b>102,358,761</b>	51,112,073
	<b>199,052,486</b>	160,442,686	<b>193,901,809</b>	156,714,249
Unamortized premium – net	<b>5,577,990</b>	8,848,025	<b>5,276,817</b>	8,600,024
Allowance for credit losses	<b>(2,389,845)</b>	(1,087,983)	<b>(2,383,800)</b>	(1,082,690)
	<b>₱202,240,631</b>	₱168,202,728	<b>₱196,794,826</b>	₱164,231,583

Effective interest rates for peso-denominated investment securities at amortized cost for the Group range from 1.06% to 8.92% in 2020, 2019, and 2018. Effective interest rates for foreign currency-denominated investment securities at amortized cost range from 0.57% to 10.35% in 2020, 1.82% to 6.97% in 2019 and 0.58% to 7.37% in 2018.

#### *Sale of Investment Securities at Amortized Cost*

The Parent Company sold the following investment securities at amortized cost in 2020 (amounts in millions):

Reason for selling	Parent Company	
	Carrying amount	Gain on sale
Additional liquidity to take advantage of a change in a regulatory loan limit	₱25,761	₱1,782
Redemption by issuer to effect its debt refinancing	2,641	145
A change in the funding profile of the Parent Company*	698	243
To address requirements on regulatory and internal limit of the Parent Company	536	5
A highly probable change in regulations with a potentially adverse impact to the financial assets' contractual cash flows*	507	12
<b>Total</b>	<b>₱30,143</b>	<b>₱2,187</b>

\* The sales are based on the assessments made in 2019.



The Group and the Parent Company sold the following investment securities at amortized cost in 2019 (amounts in millions):

Reason for selling	Group		Parent Company	
	Carrying amount	Gain on sale	Carrying amount	Gain on sale
A change in funding profile of the Parent Company	₱10,445	₱1,156	₱10,445	₱1,156
To address requirements on regulatory and internal limit of the Group and Parent Company	6,275	168	982	86
An increase in the financial assets' credit risk due to political uncertainty affecting the sovereign issuer's environment	1,169	43	1,169	43
A highly probable change in regulations with a potentially adverse impact to the financial assets' contractual cash flows	729	14	729	14
<b>Total</b>	<b>₱18,618</b>	<b>₱1,381</b>	<b>₱13,325</b>	<b>₱1,299</b>

These disposals of investment securities at amortized cost were assessed by the Group as not inconsistent with the portfolios' business models considering the conditions and reasons for which the disposals were made (see Note 3).

#### Interest Income on Investment Securities

This account consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Financial assets at FVOCI	₱3,595,277	₱665,379	₱596,864	₱3,531,285	₱600,160	₱525,774
Investment securities at amortized cost	6,427,897	9,162,697	5,279,064	6,203,399	8,762,267	5,033,783
	<b>₱10,023,174</b>	<b>₱9,828,076</b>	<b>₱5,875,928</b>	<b>₱9,734,684</b>	<b>₱9,362,427</b>	<b>₱5,559,557</b>

## 10. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Loans and discounts				
Corporate and commercial lending	₱449,665,226	₱459,683,487	₱429,181,294	₱434,474,621
Consumer lending	114,003,342	106,901,801	67,192,608	64,748,163
Trade-related lending	8,534,049	11,196,919	8,328,448	10,902,568
Others*	142,337	46,830	28,421	34,341
	<b>572,344,954</b>	<b>577,829,037</b>	<b>504,730,771</b>	<b>510,159,693</b>
Unearned discounts	(390,552)	(349,897)	(208,638)	(290,711)
	<b>571,954,402</b>	<b>577,479,140</b>	<b>504,522,133</b>	<b>509,868,982</b>
Allowance for impairment and credit losses (Note 16)	(14,739,918)	(8,559,976)	(12,527,657)	(6,938,785)
	<b>₱557,214,484</b>	<b>₱568,919,164</b>	<b>₱491,994,476</b>	<b>₱502,930,197</b>

\*Others include employee loans and foreign bills purchased.

As of December 31, 2020 and 2019, loans of the Parent Company amounting to ₱5.75 billion and ₱3.28 billion, respectively, are rediscounted with the BSP (Note 19).



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			
	2020		2019		2020		2019	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Loans secured by								
Real estate	<b>₱77,049,605</b>	<b>13.46</b>	₱100,722,095	17.43	<b>₱51,972,071</b>	<b>10.30</b>	₱75,049,610	14.71
Chattel mortgage	<b>23,902,079</b>	<b>4.18</b>	26,294,676	4.55	<b>8,334,760</b>	<b>1.65</b>	10,602,721	2.08
Guarantee by the Republic of the Philippines	<b>2,274,070</b>	<b>0.40</b>	4,574,220	0.79	<b>2,274,070</b>	<b>0.45</b>	4,574,220	0.90
Deposit hold out	<b>3,018,427</b>	<b>0.53</b>	3,166,911	0.55	<b>2,539,755</b>	<b>0.50</b>	2,286,341	0.45
Shares of stock of other banks	<b>2,354,950</b>	<b>0.41</b>	2,345,300	0.41	<b>2,354,950</b>	<b>0.47</b>	2,345,300	0.46
Others	<b>90,569,698</b>	<b>15.82</b>	119,011,685	20.60	<b>90,289,852</b>	<b>17.89</b>	118,675,412	23.26
	<b>199,168,829</b>	<b>34.80</b>	256,114,887	44.33	<b>157,765,458</b>	<b>31.26</b>	213,533,604	41.86
Unsecured loans	<b>373,176,125</b>	<b>65.20</b>	321,714,150	55.67	<b>346,965,313</b>	<b>68.74</b>	296,626,089	58.14
	<b>₱572,344,954</b>	<b>100.00</b>	₱577,829,037	100.00	<b>₱504,730,771</b>	<b>100.00</b>	₱510,159,693	100.00

As of December 31, 2020 and 2019, the Parent Company does not have credit concentration in any particular industry.

#### Modification of Loans and Receivables

On March 25, 2020, Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act (“Bayanihan 1 Act”) was enacted. Bayanihan 1 Act provides that all covered institutions shall implement a 30-day grace period for all loans with principal and/or interest and lease amortization falling due within the enhanced community quarantine (ECQ) period without incurring interest on interest, penalties, fees and other charges. Subsequently, on September 11, 2020, Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“Bayanihan 2 Act”), was enacted. Under Bayanihan 2 Act, a one-time 60-day grace period is granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on interests, penalties, fees, or other charges and thereby extending the maturity of the said loans. Furthermore, a minimum 30-day grace period shall also be granted by covered institutions to all payments due within the period of community quarantine on rent and utility-related expenditures without incurring penalties, interest and other

In 2020, the Group and the Parent Company, in addition to the reliefs provided under Bayanihan 1 Act and Bayanihan 2 Act, have offered financial reliefs to their borrowers or counterparties as a response to the effect of the COVID-19 pandemic, particularly the modification of existing loans and receivables which includes extension of payment terms.

Based on the Group’s and the Parent Company’s assessments, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and, therefore, do not result in the derecognition of the affected financial assets but would require the recognition of modification losses. The total modification losses resulting from Bayanihan 1 Act and Bayanihan 2 Act amounted to ₱605.15 million for the Group and ₱401.40 million for the Parent Company. For the Group, the net impact of the loan modification after subsequent accretion of the modified loans amounted to ₱141.79 million. For the Parent Company, the net impact of the loan modification after subsequent accretion of the modified loans is not material to the Parent Company’s financial statements.



The Group's loans and receivables that had loss allowances measured at an amount equal to lifetime ECL and whose cash flows were modified in 2020 but have not resulted in derecognition had an amortized cost before modification amounting to ₱6.79 billion and ₱5.28 billion for the Group and the Parent Company, respectively. Modification loss recognized for these loans and receivables amounted to ₱27.51 million and ₱21.61 million for the Group and the Parent Company, respectively.

The Group's loans and receivables having loss allowance measured at an amount equal to lifetime ECL at the time of modification but were not derecognized in 2020 and for which credit risk has significantly improved as at the end of reporting period, resulting in a change in loss allowance to 12-month ECL, had an amortized cost before modification amounting to ₱1.28 billion and ₱1.13 billion for the Group and the Parent Company, respectively. As of December 31, 2020, these loans and receivables had a gross carrying amount of ₱1.25 billion and ₱1.10 billion for the Group and the Parent Company, respectively.

#### Interest Income on Loans and Receivables

As of December 31, 2020 and 2019, 65.48% and 72.55%, respectively, of the total receivables from customers of the Group were subject to interest repricing. As of December 31, 2020 and 2019, 68.02% and 75.54%, 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 1.02% to 16.25% in 2020, from 1.66% to 10.50% in 2019, and from 1.65% to 10.50% in 2018 for foreign currency-denominated receivables and from 0.95% to 30.00% in 2020, 2019 and 2018 for peso-denominated receivables.

## 11. Equity Investments

This account consists of investments in:

### A. Subsidiaries

	2020	2019
Balance at beginning of the year		
CBSI	<b>₱12,479,647</b>	₱12,117,074
CBCC	<b>2,236,902</b>	1,846,455
CBC-PCCI	<b>60,800</b>	42,739
CIBI	<b>351,769</b>	327,299
	<b>15,129,118</b>	14,333,567
Share in net income		
CBSI	<b>506,068</b>	345,165
CBCC	<b>215,971</b>	350,421
CBC-PCCI	<b>7,704</b>	18,061
CIBI	<b>60,739</b>	56,981
	<b>790,482</b>	770,628

(Forward)





	2020	2019
Share in Other Comprehensive Income		
<i>Items that recycle to profit or loss in subsequent periods:</i>		
Net unrealized gain (loss) on FVOCI		
CBSI	<b>₱15,054</b>	₱143,236
CBCC	<b>4,048</b>	34,527
CBC-PCCI	<b>11,017</b>	—
CIBI	<b>1,584</b>	12,732
	<b>31,703</b>	190,495
Cumulative translation adjustments		
CBSI	<b>(12,166)</b>	17,015
	<b>(12,166)</b>	17,015
Other Equity-stock grants		
CBSI	<b>18,286</b>	—
CBCC	<b>211</b>	—
CBC-PCCI	<b>2,776</b>	—
CIBI	<b>657</b>	—
	<b>21,930</b>	—
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Remeasurement gain on defined benefit assets		
CBSI	<b>59,569</b>	(66,609)
CBCC	<b>(625)</b>	5,499
CBC-PCCI	<b>(4,930)</b>	—
CIBI	<b>(388)</b>	4,757
	<b>53,626</b>	(56,353)
Realized loss on sale of equity securities at FVOCI	—	(76,597)
	—	(76,597)
Additional Investments		
CBSI	—	363
	—	363
Impairment		
CBSI	<b>(59,902)</b>	—
	<b>(59,902)</b>	—
Cash Dividends		
CBCC	<b>(50,000)</b>	—
CIBI	<b>(150,000)</b>	(50,000)
	<b>(200,000)</b>	(50,000)
Balance at end of the year		
CBSI	<b>13,006,556</b>	12,479,647
CBCC	<b>2,406,507</b>	2,236,902
CBC-PCCI	<b>77,367</b>	60,800
CIBI	<b>264,361</b>	351,769
	<b>₱15,754,791</b>	₱15,129,118



B. Associates:

	2020	2019
Balance at beginning of the year	<b>₱704,169</b>	₱335,092
Share in net income	<b>152,441</b>	184,661
Share in OCI:		
<i>Items that do not recycle to profit or loss in subsequent periods</i>		
Remeasurement loss on life insurance reserves	<b>(66,558)</b>	(11,021)
Remeasurement on defined benefit plan	<b>3,415</b>	2,985
<i>Item that recycle to profit or loss in subsequent periods:</i>		
Net unrealized gain on FVOCI	<b>119,180</b>	152,452
Additional investments	—	40,000
Balance at end of the year	<b>₱912,647</b>	₱704,169

CBSI

Cost of investment includes the original amount incurred by the Parent Company from its acquisition of CBSI in 2007 amounting to ₱1.07 billion.

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. 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
	<b>₱2,976,700</b>

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
	<b>₱1,676,700</b>



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
	₱1,785,000

On April 6, 2016, the Parent Company's BOD 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, 2017, 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	
Net liabilities of PDB*	(₱725,207)
Branch licenses, net of deferred tax liability (Note 14)	1,785,000
	1,059,793
	₱616,907

\*inclusive of the existing branch licenses of PDB with an aggregate fair value of ₱289.50 million (Note 14)

#### CIBI

On January 16, 2020, the BOD declared and approved cash dividends amounting to ₱100 million for stockholders on record as of declaration date, payable on February 21, 2020. On December 10, 2020, the BOD declared and approved another cash dividends amounting to ₱50 million for stockholders on record as of declaration date, payable on December 21, 2020.

On October 16, 2019, the BOD declared and approved cash dividends of ₱50 million for stockholders on record as of declaration date, payable on December 19, 2019.

#### CBCC

On June 11, 2020, the BOD declared and approved cash dividends of ₱50 million for stockholders on record as of declaration date, payable on June 30, 2020.

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.



*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.

On July 6, 2017, the SEC approved the change of name from ATC Securities, Inc. to China Bank Securities Corporation.

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.

Investment in Associates

Investment in associates in the consolidated and the parent company 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). Investment in Urban Shelters is carried at nil amount as of December 31, 2020 and 2019.

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 the right 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.

On December 5, 2018, the Parent Company's BOD approved the additional capital infusion in the amount of ₱40.00 million in MCB Life. This represents 40% of the ₱100.00 million total capital infusion in MCB Life with the balance of ₱60.00 million to be provided by Manulife Philippines. On top of complying with the higher capital requirements for insurance companies, the additional capital will improve MCB Life's capacity to underwrite more business and enhance its competitive position. On February 22, 2019, the BSP approved the Bank's capital infusion of ₱40.0 million to MCB Life to comply with the capitalization requirement of the Insurance Commission for insurance companies, which was paid on March 21, 2019.



The following tables show the summarized financial information of MCB Life:

	2020	2019
Total assets	<b>₱43,089,159</b>	₱39,276,563
Total liabilities	<b>40,856,962</b>	37,565,561
Equity	<b>2,232,197</b>	1,711,002

	2020	2019
Revenues	<b>₱9,402,315</b>	₱8,628,345
Benefits, claims and operating expenses	<b>8,932,982</b>	8,104,905
Income before income tax	<b>469,333</b>	523,440
Net income	<b>381,102</b>	461,652

Commission income earned by the Group from its bancassurance agreement amounting to ₱282.00 million, ₱303.45 million, ₱357.79 million in 2020, 2019 and 2018, respectively, is included under 'Miscellaneous income' in the statements of income (Note 22).

## 12. Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets

The composition of and movements in this account follow:

Consolidated								
2020								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
<b>Cost</b>								
Balance at beginning of year	₱3,236,995	₱6,982,242	₱1,961,818	₱2,326,571	₱59,439	₱181,451	₱3,506,393	₱18,254,909
Additions	51,635	273,890	105,272	65,800	44,680	—	167,762	709,039
Disposals/transfers (Note 14)*	—	(53,548)	7,015	(33,731)	(22,658)	(8,079)	(34,655)	(145,656)
Balance at end of year	3,288,630	7,202,584	2,074,105	2,358,640	81,461	173,372	3,639,500	18,818,292
<b>Accumulated Depreciation and Amortization</b>								
Balance at beginning of year	—	5,802,599	1,157,640	1,467,601	—	13,556	658,280	9,099,676
Depreciation and amortization	—	564,984	69,561	238,980	—	56,787	642,024	1,572,336
Disposals/transfers (Note 14)*	—	(165,930)	(4,153)	(75,569)	—	—	(30,785)	(276,437)
Balance at end of year	—	6,201,653	1,223,048	1,631,012	—	70,343	1,269,519	10,395,575
<b>Net Book Value at End of Year</b>	<b>₱3,288,630</b>	<b>₱1,000,931</b>	<b>₱851,057</b>	<b>₱727,628</b>	<b>₱81,461</b>	<b>₱103,029</b>	<b>₱2,369,981</b>	<b>₱8,422,717</b>

\*Includes transfers from investment properties amounting to ₱14.46 million.

Consolidated								
2019								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
<b>Cost</b>								
Balance at beginning of year	₱3,218,263	₱7,909,078	₱1,789,412	₱2,189,884	₱24,727	₱181,451	₱3,260,478	₱18,573,293
Additions	—	388,704	95,138	108,863	82,649	—	247,310	922,664
Disposals/transfers (Note 14)*	18,732	(1,315,540)	77,268	27,824	(47,937)	—	(1,397)	(1,241,050)
Balance at end of year	3,236,995	6,982,242	1,961,818	2,326,571	59,439	181,451	3,506,391	18,254,907
<b>Accumulated Depreciation and Amortization</b>								
Balance at beginning of year	—	6,360,109	1,063,973	1,256,824	—	—	—	8,680,906
Depreciation and amortization	—	581,985	108,578	233,081	—	13,556	657,228	1,594,428
Disposals/transfers (Note 14)*	—	(1,139,495)	(14,911)	(22,304)	—	—	1,049	(1,175,661)
Balance at end of year	—	5,802,599	1,157,640	1,467,601	—	13,556	658,277	9,099,673
<b>Net Book Value at End of Year</b>	<b>₱3,236,995</b>	<b>₱1,179,643</b>	<b>₱804,178</b>	<b>₱858,970</b>	<b>₱59,439</b>	<b>₱167,895</b>	<b>₱2,848,114</b>	<b>₱9,155,234</b>

\*Includes transfers from investment properties amounting to ₱ 28.90 million.



Parent Company								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Bldg.	2020 Total
<b>Cost</b>								
Balance at beginning of year	₱2,889,705	₱5,665,067	₱1,235,690	₱1,642,879	₱19,370	₱181,451	₱2,730,534	₱14,364,696
Additions	956	223,555	104,259	61,672	17,786	—	56,340	464,568
Disposals/transfers (Note 14)*	—	1,679	10,957	(33,806)	(22,658)	—	—	(43,828)
Balance at end of year	2,890,661	5,890,301	1,350,906	1,670,745	14,498	181,451	2,786,874	14,785,436
<b>Accumulated Depreciation and Amortization</b>								
Balance at beginning of year	—	4,749,235	645,600	995,684	—	13,556	491,975	6,896,050
Depreciation and amortization	—	453,352	56,352	175,989	—	56,787	458,816	1,201,296
Disposals/transfers (Note 14)*	—	(113,320)	87	(75,636)	—	—	—	(188,869)
Balance at end of year	—	5,089,267	702,039	1,096,037	—	70,343	950,791	7,908,477
<b>Net Book Value at End of Year</b>	<b>₱2,890,661</b>	<b>₱801,034</b>	<b>₱648,867</b>	<b>₱574,708</b>	<b>₱14,498</b>	<b>₱111,108</b>	<b>₱1,836,083</b>	<b>₱6,876,959</b>

\*Includes transfers from investment properties amounting to ₱14.46 million.

Parent Company								
	Land (Note 23)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Bldg.	2019 Total
<b>Cost</b>								
Balance at beginning of year	₱2,786,310	₱6,628,787	₱1,104,030	₱1,536,024	₱24,727	₱181,451	₱2,544,985	₱14,806,314
Additions	—	292,340	90,988	80,222	42,494	—	185,549	691,593
Disposals/transfers (Note 14)*	103,395	(1,256,060)	40,672	26,633	(47,851)	—	—	(1,133,211)
Balance at end of year	2,889,705	5,665,067	1,235,690	1,642,879	19,370	181,451	2,730,534	14,364,696
<b>Accumulated Depreciation and Amortization</b>								
Balance at beginning of year	—	5,381,253	580,504	852,735	—	—	—	6,814,492
Depreciation and amortization	—	455,240	61,486	165,524	—	13,556	491,975	1,187,781
Disposals/transfers (Note 14)*	—	(1,087,258)	3,610	(22,575)	—	—	—	(1,106,223)
Balance at end of year	—	4,749,235	645,600	995,684	—	13,556	491,975	6,896,050
<b>Net Book Value at End of Year</b>	<b>₱2,889,705</b>	<b>₱915,832</b>	<b>₱590,090</b>	<b>₱647,195</b>	<b>₱19,370</b>	<b>₱167,895</b>	<b>₱2,238,559</b>	<b>₱7,468,646</b>

\*Includes transfers from investment properties amounting to ₱28.90 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 ₱1.28 billion was closed to surplus (Note 24) in 2011.

As of December 31, 2020 and 2019, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to ₱2.90 billion and ₱2.73 billion, respectively, for the Group and ₱2.09 billion and ₱1.99 billion, respectively, for the Parent Company.

Gain on sale of furniture, fixtures and equipment amounting to ₱1.25 million, ₱1.44 million and ₱1.81 million in 2020, 2019 and 2018, respectively, for the Group and ₱0.02 million, ₱1.44 million and ₱1.60 million in 2020, 2019 and 2018, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 22).

In 2018, depreciation and amortization amounting to ₱1.01 billion and ₱742.53 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	2020 Total
<b>Cost</b>			
Balance at beginning of year	₱3,649,943	₱2,730,718	₱6,380,661
Additions	129,272	165,054	294,326
Disposals/write-off/transfers*	(649,210)	(134,786)	(783,996)
Balance at end of year	3,130,005	2,760,986	5,890,991
<b>Accumulated Depreciation and Amortization</b>			
Balance at beginning of year	₱—	₱914,465	₱914,465
Depreciation and amortization	—	157,568	157,568
Disposals/write-off/transfers*	—	(82,200)	(82,200)
Balance at end of year	—	989,833	989,833
<b>Allowance for Impairment Losses</b> (Note 16)			
Balance at beginning of year	874,363	254,649	1,129,012
Provisions during the year	—	29,986	29,986
Disposals/write-off/reclassification*	(261,375)	18,596	(242,779)
Balance at end of year	612,988	303,231	916,219
<b>Net Book Value at End of Year</b>	<b>₱2,517,017</b>	<b>₱1,467,922</b>	<b>₱3,984,939</b>

\*Includes transfers to bank premises amounting to ₱14.46 million (Note 12).

		Consolidated	
	Land	Buildings and Improvements	2019 Total
<b>Cost</b>			
Balance at beginning of year	₱4,285,852	₱2,659,748	₱6,945,600
Additions	405,996	445,622	851,618
Disposals/write-off/transfers*	(1,041,905)	(374,652)	(1,416,557)
Balance at end of year	3,649,943	2,730,718	6,380,661
<b>Accumulated Depreciation and Amortization</b>			
Balance at beginning of year	—	880,766	880,766
Depreciation and amortization	—	173,378	173,378
Disposals/write-off/transfers*	—	(139,679)	(139,679)
Balance at end of year	—	914,465	914,465
<b>Allowance for Impairment Losses</b> (Note 16)			
Balance at beginning of year	942,559	332,673	1,275,232
Disposals/write-off/reclassification*	(68,196)	(78,024)	(146,220)
Balance at end of year	874,363	254,649	1,129,012
<b>Net Book Value at End of Year</b>	<b>₱2,775,580</b>	<b>₱1,561,604</b>	<b>₱4,337,184</b>

\*Includes transfers to bank premises amounting to ₱28.90 million (Note 12).



	Parent Company		2020
	Land	Buildings and Improvements	Total
<b>Cost</b>			
Balance at beginning of year	₱1,528,079	₱1,538,765	₱3,066,844
Additions	46,693	70,967	117,660
Disposals/write-off/transfers*	(232,265)	(75,822)	(308,087)
Balance at end of year	1,342,507	1,533,910	2,876,417
<b>Accumulated Depreciation and Amortization</b>			
Balance at beginning of year	₱—	₱455,342	₱455,342
Depreciation and amortization	—	96,263	96,263
Disposals/write-off/transfers*	—	(31,908)	(31,908)
Balance at end of year	—	519,697	519,697
<b>Allowance for Impairment Losses</b> (Note 16)			
Balance at beginning of year	912,826	201,689	1,114,515
Provisions during the year	(236,728)	—	(236,728)
Disposals/write-off/reclassification*	—	—	—
Balance at end of year	676,098	201,689	877,787
<b>Net Book Value at End of Year</b>	<b>₱666,409</b>	<b>₱812,524</b>	<b>₱1,478,933</b>

\*Includes transfers to bank premises amounting to ₱14.46 million (Note 12).

	Parent Company		2019
	Land	Buildings and Improvements	Total
<b>Cost</b>			
Balance at beginning of year	₱1,420,279	₱1,329,938	₱2,750,217
Additions	174,610	315,738	490,348
Disposals/write-off/transfers*	(66,810)	(106,911)	(173,721)
Balance at end of year	1,528,079	1,538,765	3,066,844
<b>Accumulated Depreciation and Amortization</b>			
Balance at beginning of year	—	440,455	440,455
Depreciation and amortization	—	101,933	101,933
Disposals/write-off/transfers*	—	(87,046)	(87,046)
Balance at end of year	—	455,342	455,342
<b>Allowance for Impairment Losses</b> (Note 16)			
Balance at beginning and end of year	919,276	201,689	1,120,965
Disposals/write-off/reclassification*	(6,450)	—	(6,450)
Balance at end of year	912,826	201,689	1,114,515
<b>Net Book Value at End of Year</b>	<b>₱615,253</b>	<b>₱881,734</b>	<b>₱1,496,987</b>

\*Includes transfers to bank premises amounting to ₱28.90 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 2018, depreciation and amortization amounting to ₱170.98 million and ₱89.93 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:

	<b>Consolidated</b>		
	<b>2020</b>	2019	2018
Rent income on investment properties	<b>₱28,127</b>	₱38,288	₱35,323
Direct operating expenses on investment properties generating rent income	<b>1,537</b>	12,952	1,451
Direct operating expenses on investment properties not generating rent income	<b>69,651</b>	55,424	66,011
	<b>Parent Company</b>		
	<b>2020</b>	2019	2018
Rent income on investment properties	<b>₱8,843</b>	₱8,460	₱10,994
Direct operating expenses on investment properties generating rent income	<b>815</b>	12,150	649
Direct operating expenses on investment properties not generating rent income	<b>22,753</b>	20,503	29,584

Rent income earned from leasing out investment properties is included under ‘Miscellaneous income’ in the statements of income (Note 22).

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, 2020 and 2019, 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. Other than loans and deposits growth rates, the significant assumptions, and the most sensitive, used in computing for the recoverable values of the CGUs follow:

	2020		2019	
	RBB	CBSI	RBB	CBSI
Discount rate	6.12%	7.25%	6.29%	10.19%
Long-term growth rate	1.00%	1.00%	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, 2020 and 2019.

#### Branch Licenses

Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. As of December 31, 2020 and 2019, details of branch licenses in the Group's and the Parent Company's financial statements follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Branch license from CBSI acquisition	₱477,600	₱477,600	₱455,000	₱455,000
Branch license from Unity Bank acquisition	360,000	360,000	—	—
Branch license from PDB acquisition*	2,839,500	2,839,500	—	—
	3,677,100	3,677,100	455,000	455,000
Allowance for probable losses	(289,502)	(229,600)	(57,000)	(57,000)
	₱3,387,598	₱3,447,500	₱398,000	₱398,000

\*mostly attributable to the Parent Company

The calculation of the value-in-use of the CGU is most sensitive to the following assumptions:

- Discount rates
- Long-term growth rate used to extrapolate cash flows beyond the budget period



### Capitalized software costs

The movements in the account follow:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Cost</b>				
Balance at beginning of year	<b>₱1,878,745</b>	₱1,000,739	<b>₱1,785,403</b>	₱895,105
Additions	<b>68,133</b>	95,620	<b>52,371</b>	79,070
Disposals/Write-off/Reclassifications (Note 12)	<b>(27,691)</b>	782,386	<b>(1,153)</b>	811,228
Balance at end of year	<b>1,919,187</b>	1,878,745	<b>1,836,621</b>	1,785,403
<b>Accumulated Depreciation and Amortization</b>				
Balance at beginning of year	<b>1,268,667</b>	407,277	<b>1,237,487</b>	377,574
Depreciation and amortization	<b>164,995</b>	174,854	<b>163,221</b>	173,378
Disposals/Write-off/Reclassifications (Note 12)	<b>(46)</b>	686,536	<b>(23)</b>	686,535
Balance at end of year	<b>1,433,616</b>	1,268,667	<b>1,400,685</b>	1,237,487
<b>Net Book Value at End of Year</b>	<b>₱485,571</b>	₱610,078	<b>₱435,936</b>	₱547,916

### Exchange Trading Right

As of December 31, 2020 and 2019, the Group has an exchange trading right with the following carrying value:

Cost	₱12,000
Less: allowance for impairment losses	3,500
	<b>₱8,500</b>

The trading right has an indefinite useful life and, thus, is not amortized but is subject for impairment at every reporting date. The last transacted price of the trading right is ₱8.50 million as approved by the BOD of PSE. The exchange trading right, as of December 31, 2020 and 2019, remains to be unimpaired.

Under the PSE rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts to other members of the exchange arising out of or in connection with the present or future members' contracts.

Republic Act (RA) No. 8799, entitled SRC, prescribed the conversion of the PSE into a stock corporation effective on August 8, 2001, pursuant to a conversion plan approved by the SEC. In August 2001, the SEC approved the conversion plan with the following salient features, among others:

- the existing 184 member-brokers as of August 8, 2001 are eligible to subscribe to the shares and to retain access to the trading facilities of the PSE;
- each member shall subscribe to 50,000 shares at a par value of ₱1.00;
- the balance of the members' contribution amounting to ₱277.40 million shall be treated as additional paid-in capital;
- the separation of ownership of the PSE from access to trading;
- issuance of certificate of trading right;
- policy of imposing a moratorium on the issuance of new trading right; and
- transferability of trading right.



## 15. Other Assets

This account consists of:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Financial assets</b>				
Accounts receivable	<b>₱2,279,947</b>	₱2,394,849	<b>₱1,223,657</b>	₱1,464,942
SCR	<b>1,203,482</b>	1,162,106	<b>209,692</b>	235,049
RCOCI	<b>124,705</b>	424,364	<b>90,566</b>	342,018
Others	<b>855,122</b>	966,441	<b>304,975</b>	330,363
	<b>4,463,256</b>	4,947,760	<b>1,828,890</b>	2,372,372
<b>Nonfinancial assets</b>				
Net plan assets (Note 25)	<b>127,937</b>	543,471	<b>32,609</b>	499,711
Prepaid expenses	<b>336,626</b>	338,754	<b>309,436</b>	303,794
Creditable withholding taxes	<b>598,278</b>	544,634	<b>489,157</b>	476,107
Security deposit	<b>256,804</b>	268,602	<b>177,479</b>	189,277
Documentary stamps	<b>209,699</b>	198,093	<b>137,302</b>	157,020
Sundry debits	<b>609,383</b>	278,761	<b>627,227</b>	278,761
Miscellaneous	<b>422,119</b>	332,751	—	—
	<b>2,560,846</b>	2,505,066	<b>1,773,210</b>	1,904,670
	<b>7,024,102</b>	7,452,826	<b>3,602,100</b>	4,277,042
Allowance for impairment losses (Note 16)	<b>(523,092)</b>	(565,319)	<b>(234,109)</b>	(294,913)
	<b>₱6,501,010</b>	₱6,887,507	<b>₱3,367,991</b>	₱3,982,129

### *Accounts receivable*

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 rates per annum in 2020 and 2019 ranging from 5.00% to 10.00% and 5.00% to 10.25%, 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	
	2020	2019	2020	2019
Balances at beginning of year				
Loans and receivables	<b>₱8,559,976</b>	₱6,829,280	<b>₱6,938,785</b>	₱5,425,713
Investment securities at amortized cost	<b>1,087,983</b>	375,102	<b>1,082,690</b>	214,938
Financial Assets at FVOCI	<b>18,521</b>	(4,023)	<b>18,471</b>	—
Investment properties	<b>1,129,012</b>	1,275,232	<b>1,114,515</b>	1,120,965
Accrued interest receivable	<b>275,888</b>	303,555	<b>39,261</b>	45,247
Intangible assets	<b>233,100</b>	73,100	<b>57,000</b>	57,000
Other assets	<b>565,319</b>	772,004	<b>294,913</b>	477,454
	<b>11,869,799</b>	9,624,250	<b>9,545,635</b>	7,341,317
Provisions charged to operations	<b>8,868,919</b>	2,570,168	<b>7,983,206</b>	2,205,062
Accounts charged off and others	<b>(1,508,473)</b>	(324,619)	<b>(1,321,921)</b>	(744)
	<b>7,360,446</b>	2,245,549	<b>6,661,285</b>	2,204,318
Balances at end of year				
Loans and receivables (Note 10)	<b>14,739,918</b>	8,559,976	<b>12,527,657</b>	6,938,785
Investment securities at amortized cost	<b>2,389,845</b>	1,087,983	<b>2,383,800</b>	1,082,690
Financial Assets at FVOCI (Note 9)	<b>30,384</b>	18,521	<b>30,056</b>	18,471
Investment properties (Note 13)	<b>916,219</b>	1,129,012	<b>877,787</b>	1,114,515
Accrued interest receivable	<b>337,785</b>	275,888	<b>36,609</b>	39,261
Intangible assets	<b>293,002</b>	233,100	<b>57,000</b>	57,000
Investment in subsidiaries	—	—	<b>59,902</b>	—
Other assets (Note 15)	<b>523,092</b>	565,319	<b>234,109</b>	294,913
	<b>₱19,230,245</b>	₱11,869,799	<b>₱16,206,920</b>	₱9,545,635

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 ₱1.59 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 ₱199.15 million was not recognized by the Group on the effectivity date of acquisition as these properties were measured at fair value on acquisition date.

The tables below illustrate the movements of the allowance for impairment and credit losses during 2020 (effect of movements in ECL due to transfers between stages are shown in the total column):

	Consolidated			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Corporate and commercial lending</b>				
Loss allowance at January 1, 2020	<b>₱3,406,716</b>	<b>₱493,312</b>	<b>₱3,017,416</b>	<b>₱6,917,444</b>
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(110,125)	1,795,484	—	1,685,359
Transfer from Stage 1 to Stage 3	(333,940)	—	2,259,231	1,925,291
Transfer from Stage 2 to Stage 1	111,168	(243,190)	—	(132,022)
Transfer from Stage 2 to Stage 3	—	(57,867)	815,965	758,098
Transfer from Stage 3 to Stage 1	32	—	(4,661)	(4,629)

(Forward)



	Consolidated			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Corporate and commercial lending</b>				
Transfer from Stage 3 to Stage 2	₱—	₱179	(₱22,117)	(₱21,938)
New financial assets originated *	1,893,028	1,171,035	451,313	3,515,376
Changes in PDs/LGDs/EADs	614,376	168,604	(263,803)	519,177
Financial assets derecognized during the period	(1,044,910)	(114,476)	(614,627)	(1,774,013)
Fx and other movements	15,527	788	133,157	149,472
<b>Total net P&amp;L charge during the period</b>	<b>1,145,156</b>	<b>2,720,557</b>	<b>2,754,458</b>	<b>6,620,171</b>
<b>Other movements without P&amp;L impact</b>				
Write-offs, foreclosures and other movements	(15,583)	(788)	(1,143,748)	(1,160,119)
<b>Total movements without P&amp;L impact</b>	<b>(15,583)</b>	<b>(788)</b>	<b>(1,143,748)</b>	<b>(1,160,119)</b>
<b>Loss allowance at December 31, 2020</b>	<b>₱4,536,289</b>	<b>₱3,213,081</b>	<b>₱4,628,126</b>	<b>₱12,377,496</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Consumer lending</b>				
<b>Loss allowance at January 1, 2020</b>	<b>₱226,544</b>	<b>₱30,935</b>	<b>₱1,048,161</b>	<b>₱1,305,640</b>
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	(36,480)	129,412	—	92,932
Transfer from Stage 1 to Stage 3	(11,450)	—	1,004,196	992,746
Transfer from Stage 2 to Stage 1	1,638	(5,843)	—	(4,205)
Transfer from Stage 2 to Stage 3	—	(9,289)	160,169	150,880
Transfer from Stage 3 to Stage 1	107	—	(13,073)	(12,966)
Transfer from Stage 3 to Stage 2	—	881	(20,232)	(19,351)
New financial assets originated *	95,436	20,068	55,052	170,556
Changes in PDs/LGDs/EADs	97,587	(4,418)	40,010	133,179
Financial assets derecognized during the period	(41,288)	(5,997)	(117,332)	(164,617)
Fx and other movements	—	—	287,434	287,434
<b>Total net P&amp;L charge during the period</b>	<b>105,550</b>	<b>124,814</b>	<b>1,396,224</b>	<b>1,626,588</b>
<b>Other movements without P&amp;L impact</b>				
Write-offs, foreclosures and other movements	—	—	(851,299)	(851,299)
<b>Total movements without P&amp;L impact</b>	<b>—</b>	<b>—</b>	<b>(851,299)</b>	<b>(851,299)</b>
<b>Loss allowance at December 31, 2020</b>	<b>₱332,094</b>	<b>₱155,749</b>	<b>₱1,593,086</b>	<b>₱2,080,929</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Trade-related lending</b>				
<b>Loss allowance at January 1, 2020</b>	<b>₱127,073</b>	<b>₱429</b>	<b>₱207,015</b>	<b>₱334,517</b>
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	(900)	882	—	(18)
Transfer from Stage 1 to Stage 3	(253)	—	22,748	22,495
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	204	(11,808)	(11,604)
New financial assets originated *	130,287	22,522	26,235	179,044
Changes in PDs/LGDs/EADs	648	96	(106,093)	(105,349)
Financial assets derecognized during the period	(123,188)	(319)	—	(123,507)
Fx and other movements	275	—	3,920	4,195
<b>Total net P&amp;L charge during the period</b>	<b>6,869</b>	<b>23,385</b>	<b>(64,998)</b>	<b>(34,744)</b>
<b>Other movements without P&amp;L impact</b>				
Write-offs, foreclosures and other movements	(275)	—	(20,894)	(21,169)
<b>Total movements without P&amp;L impact</b>	<b>(275)</b>	<b>—</b>	<b>(20,894)</b>	<b>(21,169)</b>
<b>Loss allowance at December 31, 2020</b>	<b>₱133,667</b>	<b>₱23,814</b>	<b>₱121,123</b>	<b>₱278,604</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year



Others	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Loss allowance at January 1, 2020</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated *	1	8	-	9
Changes in PDs/LGDs/EADs	-	40	2,840	2,880
Financial assets derecognized during the period	-	-	-	-
Fx and other movements	-	-	-	-
<b>Total net P&amp;L charge during the period</b>	<b>1</b>	<b>48</b>	<b>2,840</b>	<b>2,889</b>
<b>Other movements without P&amp;L impact</b>				
Write-offs, foreclosures and other movements	-	-	-	-
<b>Total movements without P&amp;L impact</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loss allowance at December 31, 2020</b>	<b>₱1</b>	<b>₱48</b>	<b>₱2,840</b>	<b>₱2,889</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year

Investments measured at Amortized Cost	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Loss allowance at January 1, 2020</b>	<b>₱276,088</b>	<b>₱811,828</b>	<b>₱-</b>	<b>₱1,087,916</b>
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	13,447	(21,613)	-	(8,166)
Transfer from Stage 2 to Stage 3	-	(784,940)	2,002,270	1,217,330
Transfer from Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
New financial assets originated *	159,142	-	-	159,142
Changes in PDs/LGDs/EADs	(35,080)	-	-	(35,080)
Financial assets derecognized during the period	(24,960)	(5,275)	-	(30,235)
Fx and other movements	34,709	-	-	34,709
<b>Total net P&amp;L charge during the period</b>	<b>147,258</b>	<b>(811,828)</b>	<b>2,002,270</b>	<b>1,337,700</b>
<b>Other movements without P&amp;L impact</b>				
Write-offs, foreclosures and other movements	(35,771)	-	-	(35,771)
<b>Total movements without P&amp;L impact</b>	<b>(35,771)</b>	<b>-</b>	<b>-</b>	<b>(35,771)</b>
<b>Loss allowance at December 31, 2020</b>	<b>₱387,575</b>	<b>₱-</b>	<b>₱2,002,270</b>	<b>₱2,389,845</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year

Investments measured at FVOCI (Debt)	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Loss allowance at January 1, 2020</b>	<b>₱18,521</b>	<b>₱-</b>	<b>₱-</b>	<b>₱18,521</b>
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-

(Forward)



	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Investments measured at FVOCI (Debt)</b>				
Transfer from Stage 3 to Stage 2	₱–	₱–	₱–	₱–
New financial assets originated *	13,467	–	–	13,467
Changes in PDs/LGDs/EADs	2,946	–	–	2,946
Financial assets derecognized during the period	(4,550)	–	–	(4,550)
Fx and other movements	9,345	–	–	9,345
<b>Total net P&amp;L charge during the period</b>	<b>21,208</b>	<b>–</b>	<b>–</b>	<b>21,208</b>
<b>Other movements without P&amp;L impact</b>				
Write-offs, foreclosures and other movements	(9,345)	–	–	(9,345)
<b>Total movements without P&amp;L impact</b>	<b>(9,345)</b>	<b>–</b>	<b>–</b>	<b>(9,345)</b>
<b>Loss allowance at December 31, 2020</b>	<b>₱30,384</b>	<b>₱–</b>	<b>₱–</b>	<b>₱30,384</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Corporate and commercial lending</b>				
<b>Loss allowance at January 1, 2020</b>	<b>₱3,316,660</b>	<b>₱485,666</b>	<b>₱1,939,230</b>	<b>₱5,741,556</b>
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	(88,400)	1,768,208	–	1,679,808
Transfer from Stage 1 to Stage 3	(331,620)	–	2,028,750	1,697,130
Transfer from Stage 2 to Stage 1	110,960	(242,929)	–	(131,969)
Transfer from Stage 2 to Stage 3	–	(53,579)	476,664	423,085
Transfer from Stage 3 to Stage 1	3	–	(1,750)	(1,747)
Transfer from Stage 3 to Stage 2	–	38	(11,004)	(10,966)
New financial assets originated *	1,860,151	1,161,153	427,996	3,449,300
Changes in PDs/LGDs/EADs	591,037	154,171	(63,162)	682,046
Financial assets derecognized during the period	(1,017,672)	(113,814)	(504,576)	(1,636,062)
Fx and other movements	15,527	788	133,157	149,472
<b>Total net P&amp;L charge during the period</b>	<b>1,139,986</b>	<b>2,674,036</b>	<b>2,486,075</b>	<b>6,300,097</b>
<b>Other movements without P&amp;L impact</b>				
Write-offs, foreclosures and other movements	(15,583)	(788)	(1,143,748)	(1,160,119)
<b>Total movements without P&amp;L impact</b>	<b>(15,583)</b>	<b>(788)</b>	<b>(1,143,748)</b>	<b>(1,160,119)</b>
<b>Loss allowance at December 31, 2020</b>	<b>₱4,441,063</b>	<b>₱3,158,914</b>	<b>₱3,281,557</b>	<b>₱10,881,534</b>

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

	Parent			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Consumer lending</b>				
<b>Loss allowance at January 1, 2020</b>	<b>₱145,051</b>	<b>₱12,423</b>	<b>₱704,737</b>	<b>₱862,211</b>
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	(32,668)	93,437	–	60,769
Transfer from Stage 1 to Stage 3	(8,925)	–	604,704	595,779
Transfer from Stage 2 to Stage 1	1,198	(1,698)	–	(500)
Transfer from Stage 2 to Stage 3	–	(1,826)	35,021	33,195
Transfer from Stage 3 to Stage 1	74	–	(7,851)	(7,777)
Transfer from Stage 3 to Stage 2	–	714	(17,434)	(16,720)
New financial assets originated *	52,797	13,663	29,628	96,088
Changes in PDs/LGDs/EADs	87,549	(3,400)	2,702	86,851
Financial assets derecognized during the period	(30,881)	(2,832)	(24,961)	(58,674)
Fx and other movements	–	–	287,434	287,434
<b>Total net P&amp;L charge during the period</b>	<b>69,144</b>	<b>98,058</b>	<b>909,243</b>	<b>1,076,445</b>

(Forward)





Consumer lending	Parent			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Other movements without P&L impact				
Write-offs, foreclosures and other movements	—	—	(562,525)	(562,525)
Total movements without P&L impact	—	—	(562,525)	(562,525)
Loss allowance at December 31, 2020	₱214,195	₱110,481	₱1,051,455	₱1,376,131

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Trade-related lending				
Loss allowance at January 1, 2020	₱127,073	₱429	₱207,015	₱334,517
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(900)	882	—	(18)
Transfer from Stage 1 to Stage 3	(253)	—	22,748	22,495
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	204	(11,808)	(11,604)
New financial assets originated *	129,366	22,522	26,235	178,123
Changes in PDs/LGDs/EADs	656	96	(113,791)	(113,039)
Financial assets derecognized during the period	(123,189)	(319)	—	(123,508)
Fx and other movements	276	—	3,920	4,196
Total net P&L charge during the period	5,956	23,385	(72,696)	(43,355)
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(276)	—	(20,894)	(21,170)
Total movements without P&L impact	(276)	—	(20,894)	(21,170)
Loss allowance at December 31, 2020	₱132,753	₱23,814	₱113,425	₱269,992

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

	Parent			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Investments in debt instruments (AC)				
Loss allowance at January 1, 2020	₱270,795	₱811,829	₱—	₱1,082,624
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	13,447	(21,614)	-	(8,167)
Transfer from Stage 2 to Stage 3	—	(784,940)	2,002,270	1,217,330
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	156,697	—	—	156,697
Changes in PDs/LGDs/EADs	(35,080)	—	—	(35,080)
Financial assets derecognized during the period	(24,329)	(5,275)	-	(29,604)
Fx and other movements	35,771	—	—	35,771
Total net P&L charge during the period	146,506	(811,829)	2,002,270	1,336,947
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(35,771)	—	—	(35,771)
Total movements without P&L impact	(35,771)	—	—	(35,771)
Loss allowance at December 31, 2020	₱381,530	₱—	₱2,002,270	₱2,383,800

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year



Investments in debt instruments (FVOCI)	Parent			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2020				
Movements with P&L impact	₱18,471	₱—	₱—	₱18,471
Transfers:				
Transfer from Stage 1 to Stage 2				
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	—	—	—	—
Changes in PDs/LGDs/EADs	13,217	—	—	13,217
Financial assets derecognized during the period	2,918	—	—	2,918
Fx and other movements	(4,550)	—	—	(4,550)
Total net P&L charge during the period	9,345	—	—	9,345
Other movements without P&L impact	20,930	—	—	20,930
Write-offs, foreclosures and other movements				
Total movements without P&L impact	(9,345)	—	—	(9,345)
	(9,345)	—	—	(9,345)
Loss allowance at December 31, 2020	₱30,056	₱—	₱—	₱30,056

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

Comparative figures for the movement of allowance for credit and impairment losses for 2019 are shown below:

	Consolidated			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2019	₱2,775,127	₱983,660	₱1,590,107	₱5,348,894
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(52,828)	117,697	–	64,869
Transfer from Stage 1 to Stage 3	(1,359)	–	128,216	126,857
Transfer from Stage 2 to Stage 1	161,584	(806,673)	–	(645,089)
Transfer from Stage 2 to Stage 3	–	(35,349)	466,611	431,262
Transfer from Stage 3 to Stage 1	11,821	–	(18,807)	(6,986)
Transfer from Stage 3 to Stage 2	–	207	(207)	–
New financial assets originated *	1,653,940	153,502	654,294	2,461,736
Changes in PDs/LGDs/EADs	(173,129)	119,883	518,155	464,909
Financial assets derecognized during the period	(968,397)	(39,618)	(205,387)	(1,213,402)
Fx and other movements	17,673	20	12,192	29,885
Total net P&L charge during the period	649,305	(490,331)	1,555,067	1,714,041
Other movements without P&L impact				
Write-offs, Foreclosures and other movements	(17,716)	(17)	(127,758)	(145,491)
Total movements without P&L impact	(17,716)	(17)	(127,758)	(145,491)
Loss allowance at December 31, 2019	₱3,406,716	₱493,312	₱3,017,416	₱6,917,444

\* Stage classification of new financial assets originated pertains to the stage as of end of year



	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Consumer lending				
Loss allowance at January 1, 2019	₱223,382	₱16,576	₱1,141,577	₱1,381,535
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(5,909)	11,613	–	5,704
Transfer from Stage 1 to Stage 3	(3,345)	–	74,421	71,076
Transfer from Stage 2 to Stage 1	2,134	(2,300)	–	(166)
Transfer from Stage 2 to Stage 3	–	(7,011)	17,168	10,157
Transfer from Stage 3 to Stage 1	12,565	–	(32,749)	(20,184)
Transfer from Stage 3 to Stage 2	–	3,004	(10,610)	(7,606)
New financial assets originated*	80,141	8,549	102,033	190,723
Changes in PDs/LGDs/EADs	(59,675)	4,088	(127,824)	(183,411)
Financial assets derecognized during the period	(22,734)	(3,584)	(86,203)	(112,521)
Fx and other movements	(15)	–	2,016	2,001
Total net P&L charge during the period	3,162	14,359	(61,748)	(44,227)
Other movements without P&L impact				
Write-offs, Foreclosures and other movements	–	–	(31,668)	(31,668)
Total movements without P&L impact	–	–	(31,668)	(31,668)
Loss allowance at December 31, 2019	₱226,544	₱30,935	₱1,048,161	₱1,305,640

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Trade-related lending				
Loss allowance at January 1, 2019	₱53,678	₱25,774	₱19,400	₱98,852
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(14)	88	–	74
Transfer from Stage 1 to Stage 3	(242)	–	46,387	46,145
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	127,018	341	141,229	268,588
Changes in PDs/LGDs/EADs	17	–	(1)	16
Financial assets derecognized during the period	(53,384)	(25,774)	–	(79,158)
Fx and other movements	297	–	–	297
Total net P&L charge during the period	73,692	(25,345)	187,615	235,962
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(297)	–	–	(297)
Total movements without P&L impact	(297)	–	–	(297)
Loss allowance at December 31, 2019	₱127,073	₱429	₱207,015	₱334,517

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at Amortized Cost				
Loss allowance at January 1, 2019	₱208,949	₱14,317	₱151,836	₱375,102
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(12,351)	697,085	–	684,734
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	29	(486)	–	(457)
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	14,762	101,535	–	116,297

(Forward)



	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at Amortized Cost				
Changes in PDs/LGDs/EADs	₱78,542	₱4,099	₱–	₱82,641
Financial assets derecognized during the period	(18,712)	(4,722)	(151,836)	(175,270)
Fx and other movements	23,248	1,681	–	24,929
Total net P&L charge during the period	85,518	799,192	(151,836)	732,874
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(18,379)	(1,681)	–	(20,060)
Total movements without P&L impact	(18,379)	(1,681)	–	(20,060)
Loss allowance at December 31, 2019	₱276,088	₱811,828	₱–	₱1,087,916

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at FVOCI (Debt)				
Loss allowance at January 1, 2019	₱3,496	₱2	₱–	₱3,498
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	19	(2)	–	17
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	9,688	–	–	9,688
Changes in PDs/LGDs/EADs	6,227	–	–	6,227
Financial assets derecognized during the period	(909)	–	–	(909)
Fx and other movements	1,637	–	–	1,637
Total net P&L charge during the period	16,662	(2)	–	16,660
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(1,637)	–	–	(1,637)
Total movements without P&L impact	(1,637)	–	–	(1,637)
Loss allowance at December 31, 2019	₱18,471	₱–	₱–	₱18,471

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Corporate and commercial lending				
Loss allowance at January 1, 2019	₱2,646,168	₱961,778	₱909,762	₱4,517,708
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(51,341)	116,210	–	64,869
Transfer from Stage 1 to Stage 3	(862)	–	127,719	126,857
Transfer from Stage 2 to Stage 1	161,245	(806,334)	–	(645,089)
Transfer from Stage 2 to Stage 3	–	(33,631)	464,893	431,262
Transfer from Stage 3 to Stage 1	10	–	(6,996)	(6,986)
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	1,625,381	153,094	633,358	2,411,833
Changes in PDs/LGDs/EADs	(161,930)	116,189	(9,589)	(55,330)
Financial assets derecognized during the period	(901,968)	(21,640)	(64,352)	(987,960)
Fx and other movements	17,673	17	12,193	29,883
Total net P&L charge during the period	688,208	(476,095)	1,157,226	1,369,339
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(17,716)	(17)	(127,758)	(145,491)
Total movements without P&L impact	(17,716)	(17)	(127,758)	(145,491)
Loss allowance at December 31, 2019	₱3,316,660	₱485,666	₱1,939,230	₱5,741,556

\* Stage classification of new financial assets originated pertains to the stage as of end of year



	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2019	₱94,166	₱5,721	₱714,022	₱813,909
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(1,968)	7,672	–	5,704
Transfer from Stage 1 to Stage 3	(2,068)	–	73,144	71,076
Transfer from Stage 2 to Stage 1	599	(765)	–	(166)
Transfer from Stage 2 to Stage 3	–	(621)	10,778	10,157
Transfer from Stage 3 to Stage 1	192	–	(20,376)	(20,184)
Transfer from Stage 3 to Stage 2	–	94	(7,700)	(7,606)
New financial assets originated*	67,474	2,365	83,338	153,177
Changes in PDs/LGDs/EADs	(3,877)	(342)	(32,708)	(36,927)
Financial assets derecognized during the period	(9,452)	(1,701)	(86,110)	(97,263)
Fx and other movements	(15)	–	2,016	2,001
Total net P&L charge during the period	50,885	6,702	22,382	79,969
Other movements without P&L impact				
Write-offs, foreclosures and other movements	–	–	(31,668)	(31,668)
Total movements without P&L impact	–	–	(31,668)	(31,668)
Loss allowance at December 31, 2019	₱145,051	₱12,423	₱704,736	₱862,210

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2019	₱48,922	₱25,774	₱19,400	₱94,096
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(14)	88	–	74
Transfer from Stage 1 to Stage 3	(242)	–	46,387	46,145
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	127,018	341	141,229	268,588
Changes in PDs/LGDs/EADs	17	–	(1)	16
Financial assets derecognized during the period	(48,628)	(25,774)	–	(74,402)
Fx and other movements	297	–	–	297
Total net P&L charge during the period	78,448	(25,345)	187,615	240,718
Other movements without P&L impact				
Write-offs, foreclosures and other movements	(297)	–	–	(297)
Total movements without P&L impact	(297)	–	–	(297)
Loss allowance at December 31, 2019	₱127,073	₱429	₱207,015	₱334,517

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
<u>Investments in debt instruments (AC)</u>				
Loss allowance at January 1, 2019	₱200,622	₱14,317	₱–	₱214,939
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(12,351)	697,085	–	684,734
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	29	(486)	–	(457)
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	13,489	101,535	–	115,024

(Forward)



	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Investments in debt instruments (AC)</b>				
Changes in PDs/LGDs/EADs	₱78,542	₱4,099	₱—	₱82,641
Financial assets derecognized during the period	(9,536)	(4,721)	—	(14,257)
Fx and other movements	18,379	1,681	—	20,060
Total net P&L charge during the period	88,552	799,193	—	887,745
Write-offs, foreclosures and other movements	(18,379)	(1,681)	—	(20,060)
Total movements without P&L impact	(18,379)	(1,681)	—	(20,060)
Loss allowance at December 31, 2019	₱270,795	₱811,829	₱—	₱1,082,624

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Investments in debt instruments (FVOCI)</b>				
Loss allowance at January 1, 2019	₱3,496	₱2	₱—	₱3,498
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	19	(2)	—	17
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	9,638	—	—	9,638
Changes in PDs/LGDs/EADs	(96)	—	—	(96)
Financial assets derecognized during the period	(909)	—	—	(909)
Fx and other movements	1,637	—	—	1,637
Total net P&L charge during the period	10,289	(2)	—	10,287
Write-offs, foreclosures and other movements	(1,637)	—	—	(1,637)
Total movements without P&L impact	(1,637)	—	—	(1,637)
Loss allowance at December 31, 2019	₱12,148	₱—	₱—	₱12,148

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

The corresponding movement of the gross carrying amount of the financial assets during 2020 are shown below:

	Consolidated			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Corporate and commercial lending</b>				
Gross carrying amount at January 1, 2020	₱435,460,383	₱19,438,408	₱4,784,696	₱459,683,487
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(18,887,144)	18,887,144	—	—
Transfer from Stage 1 to Stage 3	(7,901,000)	—	7,901,000	—
Transfer from Stage 2 to Stage 1	4,181,487	(4,181,487)	—	—
Transfer from Stage 2 to Stage 3	—	(1,625,803)	1,625,803	—
Transfer from Stage 3 to Stage 1	8,649	—	(8,649)	—
Transfer from Stage 3 to Stage 2	—	69,542	(69,542)	—
New financial assets originated*	155,334,831	17,883,810	661,047	173,879,688
Changes in /EADs	(22,204,610)	(3,662,390)	(1,017,595)	(26,884,595)
Financial assets derecognized during the period	(147,958,908)	(7,091,733)	(821,116)	(155,871,757)
Write-offs, Foreclosures and other movements	(41,646)	—	(1,099,951)	(1,141,597)
Total movements of carrying amount	(37,468,341)	20,279,083	7,170,997	(10,018,261)
Gross carrying amount at December 31, 2020	₱397,992,042	₱39,717,491	₱11,955,693	₱449,665,226

\* Stage classification of new financial assets originated pertains to the stage as of end of year



	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2020	₱98,802,692	₱4,603,066	₱3,496,043	₱106,901,801
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(13,429,858)	13,429,858	—	—
Transfer from Stage 1 to Stage 3	(4,447,940)	—	4,447,940	—
Transfer from Stage 2 to Stage 1	650,492	(650,492)	—	—
Transfer from Stage 2 to Stage 3	—	(931,969)	931,969	—
Transfer from Stage 3 to Stage 1	50,795	—	(50,795)	—
Transfer from Stage 3 to Stage 2	—	156,508	(156,508)	—
New financial assets originated*	30,288,112	1,980,655	249,762	32,518,529
Changes in /EADs	(11,163,581)	(993,341)	230,266	(11,926,656)
Financial assets derecognized during the period	(11,349,917)	(797,195)	(448,534)	(12,595,646)
Write-offs, Foreclosures and other movements	—	—	(894,686)	(894,686)
Total movements of carrying amount	(9,401,897)	12,194,024	4,309,414	7,101,541
Gross carrying amount at December 31, 2020	₱89,400,795	₱16,797,090	₱7,805,457	₱114,003,342

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount at January 1, 2020	₱10,886,516	₱74,497	₱235,906	₱11,196,919
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(45,350)	45,350	—	—
Transfer from Stage 1 to Stage 3	(70,425)	—	70,425	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	12,258	(12,258)	—
New financial assets originated*	6,977,551	954,429	38,718	7,970,698
Changes in EADs	36,827	(11,883)	(6,936)	18,008
Financial assets derecognized during the period	(10,568,628)	(62,054)	—	(10,630,682)
Write-offs, Foreclosures and other movements	—	—	(20,894)	(20,894)
Total movements of carrying amount	(3,670,025)	938,100	69,055	(2,662,870)
Gross carrying amount at December 31, 2020	₱7,216,491	₱1,012,597	₱304,961	₱8,534,049

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount at January 1, 2020	₱41,987	₱–	₱4,843	₱46,830
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(2,887)	2,887	–	–
Transfer from Stage 1 to Stage 3	(2,224)	–	2,224	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(6)	6	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	81,129	610	–	81,739
Changes in EADs	651,455	6	(141)	651,320
Financial assets derecognized during the period	(637,509)	–	(44)	(637,553)
Write-offs, Foreclosures and other movements	–	–	–	–
Total movements of carrying amount	89,964	3,497	2,045	95,506
Gross carrying amount at December 31, 2020	₱131,951	₱3,497	₱6,888	₱142,336

\* Stage classification of new financial assets originated pertains to the stage as of end of year



	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
Investments measured at Amortized Cost	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount at January 1, 2020	₱151,804,525	₱8,638,161	₱–	₱160,442,686
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	4,566,011	(4,566,011)	–	–
Transfer from Stage 2 to Stage 3	–	(3,631,625)	3,631,625	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	76,662,322	–	–	76,662,322
Changes in /EADs	(3,158,904)	–	–	(3,158,904)
Financial assets derecognized during the period	(34,393,876)	(440,525)	–	(34,834,401)
Write-offs, Foreclosures and other movements	(59,217)	–	–	(59,217)
Total movements of carrying amount	43,616,336	(8,638,161)	3,631,625	38,609,800
Gross carrying amount at December 31, 2020	₱195,420,861	₱–	₱3,631,625	₱199,052,486

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investments measured at FVOCI (Debt)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2020	₱25,493,787	₱–	₱–	₱25,493,787
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	15,042,008	–	–	15,042,008
Changes in EADs	(54,738)	–	–	(54,738)
Financial assets derecognized during the period	(20,880,289)	–	–	(20,880,289)
Write-offs, Foreclosures and other movements	548	–	–	548
Total movements of carrying amount	(5,892,471)	–	–	(5,892,471)
Gross carrying amount at December 31, 2020	₱19,601,316	₱–	₱–	₱19,601,316

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2020	₱414,240,164	₱18,004,969	₱2,229,488	₱434,474,621
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(13,773,628)	13,773,628	–	–
Transfer from Stage 1 to Stage 3	(7,354,780)	–	7,354,780	–
Transfer from Stage 2 to Stage 1	4,132,553	(4,132,553)	–	–
Transfer from Stage 2 to Stage 3	–	(821,691)	821,691	–
Transfer from Stage 3 to Stage 1	1,750	–	(1,750)	–
Transfer from Stage 3 to Stage 2	–	43,206	(43,206)	–
New financial assets originated*	151,866,536	16,657,311	596,710	169,120,557
Changes in EADs	(19,576,589)	(3,562,665)	(1,057,326)	(24,196,580)
Financial assets derecognized during the period	(141,547,766)	(6,967,636)	(560,305)	(149,075,707)
Write-offs, foreclosures and other movements	(41,646)	–	(1,099,951)	(1,141,597)
Total movements of carrying amount	(26,293,570)	14,989,600	6,010,643	(5,293,327)
Gross carrying amount as at December 31, 2020	₱387,946,594	₱32,994,569	₱8,240,131	₱429,181,294

\* Stage classification of new financial assets originated pertains to the stage as of end of year





	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2020	₱58,698,242	₱3,630,197	₱2,419,724	₱64,748,163
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(11,539,252)	11,539,252	–	–
Transfer from Stage 1 to Stage 3	(3,195,903)	–	3,195,903	–
Transfer from Stage 2 to Stage 1	432,662	(432,662)	–	–
Transfer from Stage 2 to Stage 3	–	(539,745)	539,745	–
Transfer from Stage 3 to Stage 1	34,429	–	(34,429)	–
Transfer from Stage 3 to Stage 2	–	147,738	(147,738)	–
New financial assets originated*	15,210,115	1,629,310	126,005	16,965,430
Changes in EADs	(5,743,177)	(1,029,086)	(165,331)	(6,937,594)
Financial assets derecognized during the period	(6,187,599)	(630,842)	(159,038)	(6,977,479)
Write-offs, foreclosures and other movements	–	–	(605,912)	(605,912)
Total movements of carrying amount	(10,988,725)	10,683,965	2,749,205	2,444,445
Gross carrying amount as at December 31, 2020	₱47,709,517	₱14,314,162	₱5,168,929	₱67,192,608

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2020	₱10,592,165	₱74,497	₱235,906	₱10,902,568
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(45,350)	45,350	—	—
Transfer from Stage 1 to Stage 3	(40,509)	—	40,509	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	12,258	(12,258)	—
New financial assets originated*	6,800,313	954,429	38,718	7,793,460
Changes EADs	(99,057)	(11,882)	(6,936)	(117,875)
Financial assets derecognized during the period	(10,166,757)	(62,054)	—	(10,228,811)
Write-offs, foreclosures and other movements	—	—	(20,894)	(20,894)
Total movements of carrying amount	(3,551,360)	938,101	39,139	(2,574,120)
Gross carrying amount as at December 31, 2020	₱7,040,805	₱1,012,598	₱275,045	₱8,328,448

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Others				
Gross carrying amount as at January 1, 2020	₱34,041	₱–	₱299	₱34,340
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	–	–	–	–
Changes in EADs	(5,649)	–	(270)	(5,919)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures and other movements	–	–	–	–
Total movements of carrying amount	(5,649)	–	(270)	(5,919)
Gross carrying amount as at December 31, 2020	₱28,392	₱–	₱29	₱28,421

\* Stage classification of new financial assets originated pertains to the stage as of end of year



	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Investments in amortized cost</b>				
Gross carrying amount as at January 1, 2020	₱148,076,088	₱8,638,161	₱–	₱156,714,249
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	4,566,011	(4,566,011)	–	–
Transfer from Stage 2 to Stage 3	–	(3,631,625)	3,631,625	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	74,557,360	–	–	74,557,360
Changes in EADs	(3,105,720)	–	–	(3,105,720)
Financial assets derecognized during the period	(33,865,976)	(440,525)	–	(34,306,501)
Write-offs, foreclosures and other movements	42,421	–	–	42,421
<b>Total movements of carrying amount</b>	<b>42,194,096</b>	<b>(8,638,161)</b>	<b>3,631,625</b>	<b>37,187,560</b>
<b>Gross carrying amount as at December 31, 2020</b>	<b>₱190,270,184</b>	<b>₱–</b>	<b>₱3,631,625</b>	<b>₱193,901,809</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Investments at FVOCI (debt)</b>				
Gross carrying amount as at January 1, 2020	₱23,565,221	₱–	₱–	₱23,565,221
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	13,615,307	–	–	13,615,307
Changes in EADs	(60,033)	–	–	(60,033)
Financial assets derecognized during the period	(19,387,343)	–	–	(19,387,343)
Write-offs, foreclosures and other movements	–	–	–	–
<b>Total movements of carrying amount</b>	<b>(5,832,069)</b>	<b>–</b>	<b>–</b>	<b>(5,832,069)</b>
<b>Gross carrying amount as at December 31, 2020</b>	<b>₱17,733,152</b>	<b>₱–</b>	<b>₱–</b>	<b>₱17,733,152</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year

Comparative figures for the movement of gross carrying amount for 2019 are shown below:

	Consolidated			
	ECL Staging			Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
<b>Corporate and commercial lending</b>				
Gross carrying amount at January 1, 2019	₱390,540,527	₱17,424,690	₱3,835,233	₱411,800,450
<b>Movements with P&amp;L impact</b>				
Transfers:				
Transfer from Stage 1 to Stage 2	(9,834,545)	9,834,545	–	–
Transfer from Stage 1 to Stage 3	(718,875)	–	718,875	–
Transfer from Stage 2 to Stage 1	9,676,644	(9,676,644)	–	–
Transfer from Stage 2 to Stage 3	–	(138,087)	138,087	–
Transfer from Stage 3 to Stage 1	76,817	–	(76,817)	–
Transfer from Stage 3 to Stage 2	–	2,092	(2,092)	–
New financial assets originated*	210,489,203	6,683,212	979,440	218,151,855
Changes in /EADs	(18,208,483)	(1,851,903)	(156,935)	(20,217,321)
Financial assets derecognized during the period	(146,536,480)	(2,839,497)	(473,862)	(149,849,839)
Write-offs, Foreclosures and other movements	(24,425)	–	(177,233)	(201,658)
<b>Total movements of carrying amount</b>	<b>44,919,856</b>	<b>2,013,718</b>	<b>949,463</b>	<b>47,883,037</b>
<b>Gross carrying amount at December 31, 2019</b>	<b>₱435,460,383</b>	<b>₱19,438,408</b>	<b>₱4,784,696</b>	<b>₱459,683,487</b>

\* Stage classification of new financial assets originated pertains to the stage as of end of year



	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2019	₱80,691,641	₱3,210,598	₱3,312,700	₱87,214,939
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(2,665,015)	2,665,015	—	—
Transfer from Stage 1 to Stage 3	(1,116,995)	—	1,116,995	—
Transfer from Stage 2 to Stage 1	449,278	(449,278)	—	—
Transfer from Stage 2 to Stage 3	—	(147,539)	147,539	—
Transfer from Stage 3 to Stage 1	197,297	—	(197,297)	—
Transfer from Stage 3 to Stage 2	—	61,078	(61,078)	—
New financial assets originated*	39,667,155	649,833	206,737	40,523,725
Changes in /EADs	(6,141,036)	(598,191)	(254,693)	(6,993,920)
Financial assets derecognized during the period	(11,957,718)	(788,449)	(676,052)	(13,422,219)
Write-offs, Foreclosures and other movements	(321,915)	(1)	(98,808)	(420,724)
Total movements of carrying amount	18,111,051	1,392,468	183,343	19,686,862
Gross carrying amount at December 31, 2019	₱98,802,692	₱4,603,066	₱3,496,043	₱106,901,801

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2019	₱12,110,169	₱1,684,378	₱23,319	₱13,817,866
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(11,355)	11,355	—	—
Transfer from Stage 1 to Stage 3	(57,565)	—	57,565	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated*	10,583,215	64,584	160,927	10,808,726
Changes in PDs/LGDs/EADs	(3,548)	(1,442)	(5,905)	(10,895)
Financial assets derecognized during the period	(12,028,751)	(1,684,378)	—	(13,713,129)
Write-offs, Foreclosures and other movements	294,351	-	-	294,351
Total movements of carrying amount	(1,223,653)	(1,609,881)	212,587	(2,620,947)
Gross carrying amount at December 31, 2019	₱10,886,516	₱74,497	₱235,906	₱11,196,919

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investments measured at Amortized Cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2019	₱158,916,818	₱4,040,112	₱151,836	₱163,108,766
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(7,275,056)	7,275,056	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	60,759	(60,759)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	26,085,288	469,763	—	26,555,051
Changes in /EADs	(5,655,491)	(259,085)	—	(5,914,576)
Financial assets derecognized during the period	(20,380,991)	(2,826,926)	(151,836)	(23,359,753)
Write-offs, Foreclosures and other movements	15	—	—	15
Total movements of carrying amount	(7,165,476)	4,598,049	(151,836)	(2,719,263)
Gross carrying amount at December 31, 2019	₱151,751,342	₱8,638,161	₱—	₱160,389,503

\* Stage classification of new financial assets originated or purchased pertains to the stage as of end of year



	Consolidated			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments measured at FVOCI (Debt)				
Gross carrying amount at January 1, 2019	₱9,978,200	₱1,676	₱–	₱9,979,876
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,676	(1,676)	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated or purchased*	19,413,175	–	–	19,413,175
Changes in PDs/LGDs/EADs	163,055	–	–	163,055
Financial assets derecognized during the period	(4,109,314)	–	–	(4,109,314)
Write-offs, Foreclosures and other movements	46,995	–	–	46,995
Total movements of carrying amount	15,515,587	(1,676)	–	15,513,911
Gross carrying amount at December 31, 2019	₱25,493,787	₱–	₱–	₱25,493,787

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Corporate and commercial lending				
Gross carrying amount as at January 1, 2019	₱363,535,045	₱16,801,373	₱1,067,931	₱381,404,349
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(9,329,629)	9,329,629	–	–
Transfer from Stage 1 to Stage 3	(211,470)	–	211,470	–
Transfer from Stage 2 to Stage 1	9,561,196	(9,561,196)	–	–
Transfer from Stage 2 to Stage 3	–	(531,115)	531,115	–
Transfer from Stage 3 to Stage 1	6,996	–	(6,996)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated*	200,668,864	6,559,799	759,822	207,988,485
Changes in PDs/LGDs/EADs	(18,203,942)	(1,850,721)	(36,121)	(20,090,784)
Financial assets derecognized during the period	(131,739,122)	(2,742,800)	(120,500)	(134,602,422)
Write-offs, Foreclosures and other movements	(47,774)	–	(177,233)	(225,007)
Total movements of carrying amount	50,705,119	1,203,596	1,161,557	53,070,272
Gross carrying amount as at December 31, 2019	₱414,240,164	₱18,004,969	₱2,229,488	₱434,474,621

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Consumer lending				
Gross carrying amount as at January 1, 2019	₱47,908,408	₱2,823,817	₱1,952,306	₱52,684,531
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(1,992,394)	1,992,394	–	–
Transfer from Stage 1 to Stage 3	(930,638)	–	930,638	–
Transfer from Stage 2 to Stage 1	361,429	(361,429)	–	–
Transfer from Stage 2 to Stage 3	–	(90,866)	90,866	–
Transfer from Stage 3 to Stage 1	168,023	–	(168,023)	–
Transfer from Stage 3 to Stage 2	–	48,004	(48,004)	–
New financial assets originated*	23,337,705	421,402	176,486	23,935,593
Changes in PDs/LGDs/EADs	(6,130,304)	(596,418)	(175,417)	(6,902,139)
Financial assets derecognized during the period	(4,019,642)	(606,707)	(240,318)	(4,866,667)
Write-offs, foreclosures and other movements	(4,345)	–	(98,810)	(103,155)
Total movements of carrying amount	10,789,834	806,380	467,418	12,063,632
Gross carrying amount as at December 31, 2019	₱58,698,242	₱3,630,197	₱2,419,724	₱64,748,163

\* Stage classification of new financial assets originated pertains to the stage as of end of year



	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Trade-related lending				
Gross carrying amount as at January 1, 2019	₱11,229,908	₱1,684,378	₱23,319	₱12,937,605
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(11,355)	11,355	—	—
Transfer from Stage 1 to Stage 3	(57,565)	—	57,565	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated*	10,583,215	64,584	160,927	10,808,726
Changes in PDs/LGDs/EADs	(3,548)	(1,442)	(5,905)	(10,895)
Financial assets derecognized during the period	(11,148,490)	(1,684,378)	—	(12,832,868)
Write-offs, foreclosures and other movements	—	—	—	—
Total movements of carrying amount	(637,743)	(1,609,881)	212,587	(2,035,037)
Gross carrying amount as at December 31, 2019	₱10,592,165	₱74,497	₱235,906	₱10,902,568

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investments in amortized cost				
Gross carrying amount as at January 1, 2019	₱150,639,222	₱4,040,112	₱—	₱154,679,334
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(7,275,056)	7,275,056	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	60,759	(60,759)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	25,123,628	469,763	—	25,593,391
Changes in PDs/LGDs/EADs	(5,655,491)	(259,085)	—	(5,914,576)
Financial assets derecognized during the period	(14,816,974)	(2,826,926)	—	(17,643,900)
Write-offs, foreclosures and other movements	—	—	—	—
Total movements of carrying amount	(2,563,134)	4,598,049	—	2,034,915
Gross carrying amount as at December 31, 2019	₱148,076,088	₱8,638,161	₱—	₱156,714,249

\* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Investments at FVOCI (debt)				
Gross carrying amount as at January 1, 2019	₱8,141,359	₱1,676	₱—	₱8,143,035
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	1,676	(1,676)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated or purchased*	18,997,616	—	—	18,997,616
Changes in PDs/LGDs/EADs	136,794	—	—	136,794
Financial assets derecognized during the period	(3,712,224)	—	—	(3,712,224)
Write-offs, foreclosures and other movements	—	—	—	—
Total movements of carrying amount	15,423,862	(1,676)	—	15,422,186
Gross carrying amount as at December 31, 2019	₱23,565,221	₱—	₱—	₱23,565,221

\* Stage classification of new financial assets originated pertains to the stage as of end of year



While the Group recognizes through the statement of income the movements in the expected credit losses computed using the models, the Group also complies with BSP's regulatory requirement to appropriate a portion of its retained earnings at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 24).

	Consolidated			Parent		
	2020	2019	2018	2020	2019	2018
Provision for Impairment and Credit Losses	<b>₱8,809,017</b>	₱2,570,168	₱141,076	<b>₱7,923,304</b>	₱2,205,062	(₱1,957)
Retained Earnings, appropriated	<b>(765,263)</b>	(468,442)	340,409	<b>(765,263)</b>	(468,442)	340,409
	<b>₱8,043,754</b>	₱2,101,726	₱481,485	<b>₱7,158,041</b>	₱1,736,620	₱338,452

## 17. Deposit Liabilities

As of December 31, 2020 and 2019, 35.70% and 38.34%, respectively, of the total deposit liabilities of the Group, and 38.87% and 40.85%, respectively, of the Parent Company are subject to periodic interest repricing. The remaining deposit liabilities bear annual fixed interest rates ranging from 0.13% to 4.55% in 2020, 2019 and 2018.

### Interest Expense on Deposit Liabilities

This account consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Demand	<b>₱284,620</b>	₱242,838	₱257,380	<b>₱243,035</b>	₱189,776	₱182,521
Savings	<b>2,215,388</b>	6,356,024	3,490,378	<b>2,122,076</b>	6,247,134	3,429,446
Time	<b>7,137,167</b>	11,968,306	7,873,305	<b>5,828,476</b>	9,478,197	6,124,047
	<b>₱9,637,175</b>	₱18,567,168	₱11,621,063	<b>₱8,193,587</b>	₱15,915,107	₱9,736,014

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2020 and 2019, Due from BSP amounting to ₱77.99 billion and ₱92.67 billion, respectively, for the Group and ₱75.31 billion and ₱80.61 billion, respectively, for the Parent Company were set aside as reserves for deposit liabilities per latest report submitted to the BSP.

On May 27, 2020, the BSP issued BSP Circular No. 1087 *Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs)*, which provides the following alternative modes of compliance with the required reserves against deposit and deposit liabilities, provided that the following loans were granted, renewed or restructured after March 15, 2020:

- Peso-denominated loans that are granted to micro-, small- and medium enterprises (MSMEs)
- Peso-denominated loans that are granted to large enterprises, excluding banks and NBQBs

The use of MSME loans as allowable alternative compliance with the reserve requirement shall be available to banks from April 24, 2020 to December 29, 2022 while the use of loans to a large enterprise as allowable alternative compliance with the reserve requirements shall be available to banks from May 29, 2020 to December 29, 2022.

As of December 31, 2020 and 2019, the Group is in compliance with the reserve requirement.



#### Long Term Negotiable Certificates of Deposits (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 ₱6.35 billion due December 22, 2022, representing the second tranche of the ₱20.00 billion.

On March 7, 2018, the Board of Directors approved the Bank's Peso funding program of up to ₱50 billion via a combination of Long-Term Negotiable Certificate of Time Deposit and/or Retail Bonds and/or Commercial Papers.

On July 12, 2018, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱10.25 billion due January 12, 2024, representing the first tranche of the ₱20 billion LTNCD approved by BSP on June 14, 2018. The LTNCDs bear a fixed coupon rate of 4.55% per annum, payable quarterly in arrears. The ₱20.00 billion LTNCD program is part of the Group's funding program amounting to ₱50 billion.

The LTNCDs are included under the 'Time deposit liabilities' account.

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## **18. Bonds Payable**

The Parent Company's bonds payable consists of:

#### ₱15.00 Billion Peso Fixed Rate Bonds due in 2022

On October 22, 2020, the Parent Company issued ₱15.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 2.75% per annum, payable quarterly, and is due on October 22, 2022.

#### ₱30.00 Billion Peso Fixed Rate Bonds due in 2021

On July 10, 2019, the Parent Company issued ₱30.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 5.70% per annum, payable monthly, and is due on January 10, 2021. This was settled in 2021 as scheduled.

BSP Circular No. 830 requires reserves against peso-denominated bonds. As of December 31, 2020 and 2019, the Group is in compliance with such regulation.

#### ₱20.00 Billion Peso Fixed Rate Bonds due in 2024

On February 18, 2021, the Parent Company issued ₱20.00 billion peso fixed rate bonds, which bears a fixed coupon rate of 2.50% per annum, payable monthly, and is due on February 18, 2024. This issuance is the second drawdown under the ₱45 billion bond and commercial paper program established in September 2020.



\$150.00 Million Bonds Payable to IFC

On June 18, 2019, the Parent Company issued a \$150 million, seven-year bond to International Finance Corporation. The bond reprices semi-annually and carries an interest margin of 120 basis points over 6-month LIBOR.

Shortly thereafter, the Parent Company entered into a seven-year pay-fixed, receive-floating interest rate swap (see Note 26) with the same principal terms to hedge the exposure to variable cash flow payments on the floating-rate bonds payable attributable to interest rate risk (Note 6).

The Bond Subscription Agreement contains certain financial covenants with which the Parent Company should comply during the term of the Bond, including the following:

- Risk Weighted Capital Adequacy Ratio of not less than ten per cent (10%);
- Equity to Assets Ratio of not less than five per cent (5%);
- Aggregate Large Exposures Ratio of not more than four hundred per cent (400%);
- Open Credit Exposures Ratio of not more than twenty five per cent (25%);
- Fixed Assets Plus Equity Participations Ratio of not more than thirty five per cent (35%);
- Aggregate Foreign Exchange Risk Ratio of not more than twenty five per cent (25%);
- Single Currency Foreign Exchange Risk Ratio of not more than ten per cent (10%);
- Interest Rate Risk Ratio of not less than negative twenty five per cent (-25%) and not more than twenty five per cent (25%);
- Aggregate Interest Rate Risk Ratio of not less than negative fifty per cent (-50%) and not more than twenty per cent (20%);
- Open FX Position of not more than \$50,000,000.

In addition, the Parent Company should also comply with the regulatory requirements related to Economic Group Exposure and Related Party Exposure set by the BSP or the Bond Subscription Agreement, whichever is more stringent.

Noncompliance of these obligations may require the Parent Company to pay the bond immediately. As of December 31, 2020 and 2019, the Parent Company is in compliance with these covenants and regulatory requirements.

The movements in the Parent Company's total unamortized discount and debt issue cost of the above bonds payable follows:

	2020	2019
Beginning balance	<b>₱200,852</b>	₱—
Additions	<b>133,117</b>	270,633
Amortization	<b>(196,197)</b>	(69,781)
Ending balance	<b>₱137,772</b>	₱200,852





## 19. Bills Payable

The Parent Company's bills payable consist of:

	2020	2019
Interbank loans payable	<b>₱17,518,091</b>	₱21,867,053
BSP rediscounting (Note 10)	<b>5,747,160</b>	3,280,000
Promissory Notes	<b>390,600</b>	2,082,200
Trade finance	—	6,152,153
	<b>₱23,655,851</b>	₱33,381,406

### *Interbank loans payable*

Interbank loans payable consists of short-term dollar-denominated borrowings of the Parent Company with annual interest ranging from 0.79% to 1.60% and from 1.30% to 3.15% in 2020 and 2019, respectively.

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱13.09 billion and ₱9.00 billion as of December 31, 2020 and 2019, respectively. The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱7.21 billion and ₱10.39 billion as of December 31, 2020 and 2019, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱21.66 billion and ₱19.71 billion as of December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, margin deposits amounting to ₱2.35 billion and ₱992.56 million, respectively, are deposited with various counterparties to meet the collateral requirements for its interbank loans payable.

### *Trade finance*

As of December 31, 2020 and 2019, 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.

## 20. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Accrued payable for employee benefits	<b>₱1,347,783</b>	₱1,042,750	<b>₱1,347,783</b>	₱1,042,750
Accrued interest payable	<b>886,362</b>	1,889,291	<b>824,321</b>	1,702,098
Accrued taxes and other licenses	<b>233,188</b>	316,536	<b>167,145</b>	195,979
Accrued other expenses payable	<b>1,438,612</b>	872,725	<b>1,240,370</b>	709,512
	<b>₱3,905,945</b>	₱4,121,302	<b>₱3,579,619</b>	₱3,650,339



## 21. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2020	2019	2020	2019
<b>Financial liabilities</b>				
Accounts payable	<b>₱4,321,936</b>	₱3,221,353	<b>₱2,809,866</b>	₱2,178,540
Lease liabilities (Note 27)	<b>2,996,003</b>	3,394,925	<b>2,392,891</b>	2,719,524
Due to PDIC	<b>755,977</b>	692,262	<b>755,977</b>	692,262
Acceptances payable	<b>477,662</b>	413,149	<b>477,662</b>	413,149
Expected credit losses on off-balance sheet exposures	<b>467,117</b>	1,239,967	<b>457,099</b>	1,229,949
Due to the Treasurer of the Philippines	<b>389,621</b>	435,287	<b>370,778</b>	416,444
Other credits–dormant	<b>303,056</b>	447,346	<b>303,056</b>	447,346
Margin deposits	<b>291</b>	5,586	<b>291</b>	5,586
Miscellaneous (Note 23)	<b>947,319</b>	807,734	<b>490,962</b>	323,283
	<b>10,658,982</b>	10,657,609	<b>8,058,582</b>	8,426,083
<b>Nonfinancial liabilities</b>				
Withholding taxes payable	<b>227,909</b>	341,901	<b>203,886</b>	296,613
Retirement liabilities (Note 25)	<b>12,428</b>	15,191	<b>—</b>	—
	<b>240,337</b>	357,092	<b>203,886</b>	296,613
	<b>₱10,899,319</b>	₱11,014,701	<b>₱8,262,468</b>	₱8,722,696

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.

## 22. Other Operating Income and Miscellaneous Expenses

### Service Charges, Fees and Commissions

Details of this account are as follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Service and collection charges:						
Deposits	<b>₱419,564</b>	₱510,517	₱606,051	<b>₱419,565</b>	₱510,517	₱606,051
Loans	<b>726,819</b>	806,509	303,817	<b>20,363</b>	46,967	47,397
Remittances	<b>223,756</b>	315,050	330,520	<b>223,756</b>	315,050	330,520
Others	<b>204,742</b>	252,254	109,290	<b>202,241</b>	228,734	107,652
	<b>1,574,881</b>	1,884,330	1,349,678	<b>865,925</b>	1,101,268	1,091,620
Fees and commissions	<b>1,123,845</b>	1,412,343	1,427,605	<b>351,105</b>	523,435	438,107
	<b>₱2,698,726</b>	₱3,296,673	₱2,777,283	<b>₱1,217,030</b>	₱1,624,703	₱1,529,727

### Trading and Securities Gain – Net

This account consists of:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Financial assets at FVOCI	<b>₱3,173,881</b>	₱269,478	(₱2,104)	<b>₱3,145,147</b>	₱240,310	(₱2,451)
Financial assets designated at FVTPL (Note 9)	<b>—</b>	(8,928)	(36,766)	<b>—</b>	—	(40,831)
Held-for-trading (Note 9)	<b>257,480</b>	712,910	(212,855)	<b>245,513</b>	712,910	(212,855)
Derivatives (Note 26)	<b>(197,489)</b>	(88,978)	(19,827)	<b>(197,489)</b>	(115,345)	(19,827)
	<b>₱3,233,872</b>	₱884,482	(₱271,552)	<b>₱3,193,171</b>	₱837,875	(₱275,964)



### Miscellaneous Income

Details of this account are as follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Bancassurance (Note 10)	₱282,000	₱303,454	₱357,786	₱282,000	₱300,664	₱357,786
Dividends (Note 8)	136,957	107,969	127,084	123,494	107,050	126,386
Rental on bank premises	91,719	121,507	111,572	72,435	88,848	80,388
Recovery of charged off assets	39,059	244,947	144,924	27,494	219,055	100,517
Rental safety deposit boxes	27,645	28,987	26,341	27,645	28,987	26,341
Fund transfer fees	15,140	52,976	49,171	15,140	52,976	49,171
Miscellaneous income						
(Notes 12, 13, 21 and 15)	359,730	333,216	444,863	299,527	265,215	389,545
	₱952,250	₱1,193,056	₱1,261,741	₱847,735	₱1,062,795	₱1,130,134

### Miscellaneous Expenses

Details of this account are as follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Information technology	₱984,849	₱635,422	₱500,459	₱925,366	₱575,316	₱452,540
Service charges	146,769	207,782	231,895	146,769	206,754	231,895
Litigations	121,720	243,124	198,011	23,141	60,811	65,157
Freight	58,184	58,397	37,593	43,818	38,911	24,352
Broker's fee	26,991	27,370	35,843	25,834	27,370	31,891
Membership fees and dues	15,662	21,525	17,756	14,433	17,369	16,260
Clearing and processing fee	14,801	15,331	22,024	14,801	15,331	17,355
Miscellaneous expense	1,130,959	1,113,987	1,011,053	946,834	948,159	779,702
	₱2,499,935	₱2,322,938	₱2,054,634	₱2,140,996	₱1,890,021	₱1,619,152

## 23. Maturity Analysis of Assets and Liabilities

The following tables present both the Group's and the Parent Company's assets and liabilities as of December 31, 2020 and 2019 analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the respective reporting date:

	Consolidated					
	2020			2019		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
<b>Financial assets</b>						
Cash and other cash items	₱15,984,210	₱—	₱15,984,210	₱16,839,755	₱—	₱16,839,755
Due from BSP	152,156,449	—	152,156,449	100,174,398	—	100,174,398
Due from other banks	18,228,721	—	18,228,721	9,900,642	—	9,900,642
Interbank loans receivable and SPURA	18,290,851	—	18,290,851	17,036,460	—	17,036,460
Financial assets at FVTPL	12,255,997	1,150,866	13,406,863	17,302,294	1,197,817	18,500,111
Financial assets at FVOCI	2,163,764	18,080,639	20,244,403	894,386	25,238,974	26,133,360
Investment securities at amortized cost	6,482,819	198,147,657	204,630,476	5,173,757	164,116,954	169,290,711
Loans and receivables – gross	163,451,586	408,893,368	572,344,954	167,801,401	410,027,636	577,829,037
Accrued interest receivable – gross	8,867,657	—	8,867,657	7,434,382	—	7,434,382
Other assets – gross	3,259,774	1,203,482	4,463,256	3,785,654	1,162,106	4,947,760
	401,141,828	627,476,012	1,028,617,840	346,343,129	601,743,487	948,086,616
<b>Nonfinancial assets</b>						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	—	8,422,717	8,422,717	—	9,155,234	9,155,234
Investment properties – net of accumulated depreciation	—	4,901,158	4,901,158	—	5,466,196	5,466,196
Deferred tax assets	—	5,172,435	5,172,435	—	3,370,949	3,370,949
Investments in associates	—	912,647	912,647	—	704,169	704,169
Intangible assets	—	4,174,671	4,174,671	—	4,299,178	4,299,178
Goodwill	—	839,748	839,748	—	839,748	839,748
Other assets – gross	2,010,790	550,056	2,560,846	1,628,845	876,221	2,505,066
	2,010,790	24,973,432	26,984,222	1,628,845	24,711,695	26,340,540
Allowance for impairment and credit losses (Note 16)			(19,199,861)			(11,851,278)
Unearned discounts (Note 10)			(390,552)			(349,897)
			₱1,036,011,649			₱962,225,981



	Consolidated					
	2020			2019		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
<b>Financial liabilities</b>						
Deposit liabilities	₱823,257,082	₱11,973,748	₱835,230,830	₱764,810,192	₱10,617,668	₱775,427,860
Bills payable	23,655,851	—	23,655,851	33,381,406	—	33,381,406
Bonds payable	37,183,590	14,882,088	52,065,678	29,828,359	7,566,039	37,394,398
Manager's checks	1,568,232	—	1,568,232	1,998,678	—	1,998,678
Accrued interest and other expenses*	2,324,974	—	2,324,974	2,762,016	—	2,762,016
Derivative liabilities	1,216,771	—	1,216,771	1,036,052	—	1,036,052
Derivative Contract Designated as Hedge	521,209	—	521,209	51,949	—	51,949
Other liabilities	10,658,982	—	10,658,982	10,657,609	—	10,657,609
	<b>900,386,691</b>	<b>26,855,836</b>	<b>927,242,527</b>	<b>844,526,261</b>	<b>18,183,707</b>	<b>862,709,968</b>
<b>Nonfinancial liabilities</b>						
Accrued interest and other expenses	233,188	1,347,783	1,580,971	316,536	1,042,750	1,359,286
Deferred tax liabilities	—	1,116,362	1,116,362	—	1,083,378	1,083,378
Income tax payable	846,090	—	846,090	540,662	—	540,662
Other liabilities	227,909	12,428	240,337	217,076	140,016	357,092
	<b>1,307,187</b>	<b>2,476,573</b>	<b>3,783,760</b>	<b>1,074,274</b>	<b>2,266,144</b>	<b>3,340,418</b>
	<b>₱901,643,748</b>	<b>₱29,332,409</b>	<b>₱931,026,287</b>	<b>₱845,600,535</b>	<b>₱20,449,851</b>	<b>₱866,050,386</b>

\*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).

	Parent Company					
	2020			2019		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
<b>Financial assets</b>						
Cash and other cash items	₱13,724,265	₱—	₱13,724,265	₱14,856,844	₱—	₱14,856,844
Due from BSP	141,811,190	—	141,811,190	88,109,650	—	88,109,650
Due from other banks	17,197,750	—	17,197,750	8,645,547	—	8,645,547
Interbank loans receivable and SPURA	15,604,167	—	15,604,167	10,027,609	—	10,027,609
Financial assets at FVTPL	10,490,912	1,150,866	11,641,778	17,246,285	1,197,816	18,444,101
Financial assets at FVOCI	1,999,447	16,346,073	18,345,520	410,565	23,760,064	24,170,629
Investment securities at amortized cost	6,289,102	192,889,524	199,178,626	4,645,719	160,668,554	165,314,273
Loans and receivables – gross	140,997,182	363,733,589	504,730,771	144,905,958	365,253,735	510,159,693
Accrued interest receivable – gross	6,870,225	—	6,870,225	6,565,736	—	6,565,736
Other assets – gross	1,619,198	209,692	1,828,890	2,137,323	235,049	2,372,372
	<b>356,603,438</b>	<b>574,329,744</b>	<b>930,933,182</b>	<b>297,551,236</b>	<b>551,115,218</b>	<b>848,666,454</b>
<b>Nonfinancial assets</b>						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	—	6,876,959	6,876,959	—	7,468,646	7,468,646
Investment properties – net of accumulated depreciation	—	2,356,720	2,356,720	—	2,611,502	2,611,502
Deferred tax assets	—	3,732,048	3,732,048	—	2,287,956	2,287,956
Investments in subsidiaries	—	15,814,693	15,814,693	—	15,129,118	15,129,118
Investment in associates	—	912,647	912,647	—	704,169	704,169
Intangible assets	—	890,936	890,936	—	1,002,916	1,002,916
Goodwill	—	222,841	222,841	—	222,841	222,841
Other assets – gross	1,740,601	32,609	1,773,210	1,404,959	499,711	1,904,670
	<b>1,740,601</b>	<b>30,839,453</b>	<b>32,580,054</b>	<b>1,404,959</b>	<b>29,926,859</b>	<b>31,331,818</b>
Allowances for impairment and credit losses (Note 16)			(16,176,864)			(9,527,164)
Unearned discounts (Note 10)			(208,638)			(290,711)
			<b>(16,385,502)</b>			<b>(9,817,875)</b>
			<b>₱947,127,734</b>			<b>₱870,180,397</b>
<b>Financial liabilities</b>						
Deposit liabilities	749,468,113	1,504,795	750,972,908	687,530,863	233,590	687,764,453
Bills payable	23,655,851	—	23,655,851	33,381,406	—	33,381,406
Bonds payable	37,183,590	14,882,088	52,065,678	29,828,359	7,566,039	37,394,398
Manager's checks	1,066,098	—	1,066,098	1,535,936	—	1,535,936
Accrued interest and other expenses*	2,064,691	—	2,064,691	2,411,610	—	2,411,610
Derivative liabilities	1,216,771	—	1,216,771	1,036,052	—	1,036,052
Derivative Contract Designated as Hedge	521,209	—	521,209	51,949	—	51,949
Other liabilities	8,058,582	—	8,058,582	8,426,083	—	8,426,083
	<b>823,234,905</b>	<b>16,386,883</b>	<b>839,621,788</b>	<b>764,202,258</b>	<b>7,799,629</b>	<b>772,001,887</b>
<b>Nonfinancial liabilities</b>						
Accrued interest and other expenses	167,145	1,347,783	1,514,928	195,979	1,042,750	1,238,729
Income tax payable	825,270	—	825,270	479,923	—	479,923
Other liabilities	203,886	—	203,886	296,613	—	296,613
	<b>1,196,301</b>	<b>1,347,783</b>	<b>2,544,084</b>	<b>972,515</b>	<b>1,042,750</b>	<b>2,015,265</b>
	<b>₱824,431,206</b>	<b>₱17,734,666</b>	<b>₱842,165,872</b>	<b>₱765,174,773</b>	<b>₱8,842,379</b>	<b>₱774,017,152</b>

\*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).



## 24. Equity

The Parent Company's capital stock consists of (amounts in thousands, except for number of shares):

	2020		2019	
	Shares	Amount	Shares	Amount
Common stock – P10.00 par value				
Authorized – shares	3,300,000,000		3,300,000,000	
Issued and outstanding				
Balance at beginning and end of year	2,685,899,812	P26,858,998	2,685,899,812	P26,858,998

The Parent Company shares are listed in the Philippine Stock Exchange.

The summarized information on the Parent Company's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Authorized Shares*
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, 2018	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 1,890 and 1,902 as of December 31, 2020 and 2019, respectively.

### *Centennial Stock Grant*

In light of the Parent Company's 100th anniversary, the Board of Directors approved on August 5, 2020 a Centennial Stock Grant Plan to issue common shares to eligible grantees.

The Centennial Stock Grant Plan was approved and ratified by the stockholders on October 1, 2020, subject to the approval of the relevant regulatory agencies. New shares will be issued from the Parent Company's authorized but unissued shares in favor of the Group's regular employees and certain other officers and contractual employees as of August 16, 2020, numbering around 8,400. The stock grant will involve the issuance of around 5 million shares.

The Group is still awaiting approval of the relevant regulatory agencies as of December 31, 2020. Accordingly, the increase in equity related to the stock grant amounting to P140.92 million as of December 31, 2020 is recognized under 'Other equity - stock grants' in the Group's balance sheet.

### Dividends

Details of the Parent Company's cash dividend payments follow:



### Cash Dividends

Date of Declaration	Date of Record	Date of Payment	Cash Dividend Per Share
June 18, 2020	July 03, 2020	July 17, 2020	1.00
May 02, 2019	May 17, 2019	May 31, 2019	0.88
May 03, 2018	May 17, 2018	June 01, 2018	0.83
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%

### Surplus

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, 2020 and 2019, 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 ₱3.68 billion and ₱2.74 billion as of December 31, 2020 and 2019, 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.

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 16).

### **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, 2020 and 2019.

#### 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 international credit assessment agencies Standard & Poor's, Moody's and Fitch, and BSP-recognized domestic credit assessment agencies such as PhilRatings. Per BSP guidelines, domestic debt issuances may be rated by Bangko Sentral-recognized domestic credit assessment agencies or by international credit assessment agencies which have developed a national rating system acceptable to the Bangko Sentral. Internationally-issued debt obligations shall be rated by Bangko Sentral-recognized international credit assessment agencies only.

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, 2017. In addition to changes in



minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

On April 28, 2020, the BSP issued BSP Memorandum No. M-2020-34 *Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk-Based Capital Adequacy Framework*, which provides temporary relaxation in the assigned credit risk weight for loans to micro-, small- and medium enterprises (MSMEs) for purposes of computing compliance with the BSP's Risk-Based Capital Adequacy Frameworks.

The following exposures to MSMEs, as defined under Basel III shall be assigned a credit risk weight of 50 percent:

- MSME exposures that meet the criteria of qualified MSME portfolio, and
- Current MSME exposures that do not qualify as a highly diversified MSME portfolio

The foregoing provision under BSP Memorandum No. M-2020-34 shall apply until December 31, 2021.

The CAR of the Group and the Parent Company as of December 31, 2020 and 2019 as reported to the BSP are shown in the table below.

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	(Amounts in Million Pesos)			
<b>CET 1 Capital</b>	<b>₱103,104</b>	<b>₱92,758</b>	<b>₱100,378</b>	<b>₱89,999</b>
Less: Regulatory Adjustments	<b>12,354</b>	11,492	<b>21,286</b>	19,496
	<b>90,750</b>	81,266	<b>79,092</b>	70,503
Additional Tier 1 Capital	—	—	—	—
Less: Regulatory Adjustments	—	—	—	—
	—	—	—	—
<b>Net Tier 1 Capital</b>	<b>90,750</b>	81,266	<b>79,092</b>	70,503
<b>Tier 2 Capital</b>	<b>5,986</b>	5,799	<b>5,302</b>	5,118
Less: Regulatory Adjustments	—	—	—	—
<b>Net Tier 2 Capital</b>	<b>5,986</b>	5,799	<b>5,302</b>	5,118
<b>Total Qualifying Capital</b>	<b>₱96,736</b>	<b>₱87,065</b>	<b>₱84,394</b>	<b>₱75,621</b>

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	(Amounts in Million Pesos)			
Credit RWA	<b>₱597,826</b>	₱579,653	<b>₱528,980</b>	₱511,015
Market RWA	<b>6,835</b>	11,433	<b>6,739</b>	11,434
Operational RWA	<b>51,921</b>	45,623	<b>42,559</b>	36,385
<b>Total RWA</b>	<b>₱656,582</b>	<b>₱636,709</b>	<b>₱578,278</b>	<b>₱558,834</b>
CET 1 capital ratio	<b>13.82%</b>	12.76%	<b>13.68%</b>	12.62%
Tier 1 capital ratio	<b>13.82%</b>	12.76%	<b>13.68%</b>	12.62%
Total capital ratio	<b>14.73%</b>	13.67%	<b>14.59%</b>	13.53%

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 normally requires submission of the ICAAP document every March 31. However, for 2020, in view of the current pandemic, the BSP changed the reference date from December 31, 2019 to June 30, 2020, and correspondingly adjusted the deadline for submission from March 31, 2020 to October 31, 2020. The Group has complied with this requirement.

#### *Leverage Ratio*

On June 9, 2015, BSP issued circular No. 881, which approved the guidelines for the implementation of the Basel III Leverage Ratio in the Philippines. The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The leverage ratio intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator). The monitoring of the leverage ratio was implemented as a Pillar 1 minimum requirement effective on 1 July 2018.

The BLR of the Group and the Parent Company as of December 31, 2020 and 2019 as reported to the BSP are shown in the table below.

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	(Amounts in Million Pesos)			
<b>Tier 1 Capital</b>	<b>₱90,750</b>	₱81,266	<b>₱79,092</b>	₱70,503
<b>Exposure Measure</b>	<b>1,027,936</b>	975,329	<b>926,668</b>	871,678
<b>Leverage Ratio</b>	<b>8.83%</b>	8.33%	<b>8.54%</b>	8.09%

#### *Liquidity Coverage Ratio*

On 18 February 2016, BSP issued circular no. 905 which approved the attached liquidity standards, which include guidelines on liquidity coverage ratio (LCR), and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel III's Liquidity Coverage Ratio (LCR) aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress. As of December 31, 2020 and 2019, the LCR in single currency is 117.14% and 127.65%, respectively, for the Group and 115.84% and 126.29%, respectively, for the Parent Company.

#### *Net Stable Funding Ratio*

On 24 May 2018, BSP issued Circular No. 1007 which approved the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). Banks are required to adopt Basel III's Net Stable Funding Ratio (NSFR) aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The NSFR complements the Liquidity Coverage Ratio (LCR), which promotes short-term resilience of a Bank's liquidity profile. The Bank started monitoring and reporting NSFR to the BSP in 2019. As of December 31, 2020 and 2019, the



NSFR is 119.48% and 121.31%, respectively, for the Group and 118.85% and 120.01%, respectively, for the Parent Company.

## 25. 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, 2020.

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	
	2020	2019	2020	2019
Net plan assets (Note 15)	<b>₱127,937</b>	₱543,471	<b>₱32,609</b>	₱499,711
Retirement liabilities (Note 21)	<b>(12,428)</b>	(15,191)	—	—
	<b>₱115,509</b>	₱528,280	<b>₱32,609</b>	₱499,711



The movements in the defined benefit asset, present value of defined benefit obligation and fair value of plan assets follow:

Consolidated												
	January 1, 2020	Net benefit cost			Benefits paid	Remeasurements in OCI						December 31, 2020
		Current service cost	Net interest	Net pension expense*		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	
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱5,340,401	₱–	₱227,744	₱227,744	(₱277,475)	(₱410,930)	₱–	₱–	₱–	(₱410,930)	₱324,526	₱5,204,266
Present value of defined benefit obligation	4,812,121	518,068	210,658	728,726	(275,756)	–	(56,521)	758,972	(878,786)	(176,335)	–	5,088,757
Net defined benefit asset	₱528,280	(₱518,068)	₱17,086	(₱500,982)	(₱1,719)	(₱410,930)	₱56,521	(₱758,972)	₱878,786	(₱234,595)	₱324,526	₱115,509

\*Presented under Compensation and fringe benefits in the statements of income.

Consolidated												
	January 1, 2019	Net benefit cost			Benefits paid	Remeasurements in OCI					Contribution by employer	December 31, 2019
		Current service cost	Net interest	Net pension expense*		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)		
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k
Fair value of plan assets	₱4,859,249	₱—	₱347,965	₱347,965	(₱307,702)	(₱188,983)	₱—	₱—	₱—	(₱188,983)	₱629,871	₱5,340,401
Present value of defined benefit obligation	4,090,108	398,065	292,955	691,020	(307,702)	—	(48,548)	830,609	(443,366)	338,695	—	4,812,121
Net defined benefit asset	₱769,141	(₱398,065)	₱55,010	(₱343,055)	₱—	(₱188,983)	(₱48,548)	(₱830,609)	(₱443,366)	(₱527,678)	₱629,871	₱528,280

\*Presented under Compensation and fringe benefits in the statements of income.



	Parent Company												
	January 1, 2020	Net benefit cost			Transfer from Affiliates	Benefits paid	Remeasurements in OCI						December 31, 2020
		Current service cost	Net interest	Net pension expense*			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	
(a)	(b)	(c)	(d) = b + c	(e)	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k	
Fair value of plan assets	₱4,783,615	₱–	₱208,566	₱208,566		(₱267,313)	(₱242,580)	₱–	₱–	₱–	(₱242,580)	₱80,000	₱4,562,287
Present value of defined benefit obligation	4,283,904	408,223	186,783	595,007	873	(265,594)	–	(34,618)	570,519	(620,412)	(84,511)	–	4,529,678
Net defined benefit asset	₱499,711	(₱408,223)	₱21,783	(₱386,441)	(₱873)	(₱1,719)	(₱242,580)	₱34,618	(₱570,519)	₱620,412	(₱158,069)	₱80,000	₱32,609

\*Presented under Compensation and fringe benefits in the statements of income.

	Parent Company												
	January 1, 2019	Net benefit cost			Transfer from Affiliates	Benefits paid	Remeasurements in OCI						December 31, 2019
		Current service cost	Net interest	Net pension expense*			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	
(a)	(b)	(c)	(d) = b + c	(c)	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k	
Fair value of plan assets	₱4,467,637	₱–	₱319,436	₱319,436		(₱286,575)	(₱196,884)	₱–	₱–	₱–	(₱196,884)	₱480,000	₱4,783,615
Present value of defined benefit obligation	3,711,477	311,538	265,378	576,916	260	(286,575)	–	(29,515)	650,700	(339,360)	281,826	–	4,283,904
Net defined benefit asset	₱756,160	(₱311,538)	₱54,058	(₱257,480)	(₱260)	₱–	(₱196,884)	₱29,515	(₱650,700)	₱339,360	(₱478,710)	₱480,000	₱499,711



The Group and the Parent Company is recommended to contribute to its defined benefit pension plan in 2021 amounting to ₱275.32 million and ₱255.53 million, respectively.

In 2020 and 2019, the major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Parent Company shares (Note 30)	26.17%	25.60 %	29.85%	28.58%
Equity instruments	4.70%	3.85%	3.39%	3.21%
Cash and cash equivalents	0.15%	0.99%	0.04%	0.82%
Debt instruments	66.81%	61.76%	66.72%	63.48%
Other assets	2.17%	7.80%	0.00%	3.91%
	100.00%	100.00%	100.00%	100.00%

The following table shows the breakdown of fair value of the plan assets:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Deposits in banks	₱7,878	₱52,757	₱1,849	₱39,407
Financial assets at FVTPL				
Quoted debt securities	2,915,597	2,981,233	2,587,492	2,754,412
Quoted equity securities	244,627	205,620	154,610	153,330
Parent Company shares	1,361,752	1,367,210	1,361,752	1,367,210
Investments in unit investment trust fund	561,329	316,929	456,584	282,059
Loans and receivable	—	1,921	—	1,921
Investment properties*	—	162,323	—	162,323
Other assets	113,084	252,409	—	22,952
	₱5,204,267	₱5,340,402	₱4,562,287	₱4,783,614

\* Investment properties comprise properties located in Manila.

The principal actuarial assumptions used in 2020 and 2019 in determining the retirement asset (liability) for the Group's and Parent Company's retirement plans are shown below:

	Parent	2020				
		CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate:						
January 1	4.36%	4.47%	4.47%	4.76%	4.30%	4.24%
December 31	2.83%	2.54%	2.36%	3.02%	2.54%	2.54%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	Parent	2019				
		CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate:						
January 1	7.15%	7.27%	7.33%	7.33%	7.38%	7.40%
December 31	4.36%	4.47%	4.47%	4.76%	4.30%	4.24%
Salary increase rate	6.00%	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:

<b>December 31, 2020</b>	<b>Parent</b>	<b>CBSI</b>	<b>CIBI</b>	<b>CBC-PCCI</b>	<b>CBCC</b>	<b>CBSC</b>
Discount rate						
(+1%)	(P209,890)	(P36,453)	(P937)	(P6,779)	(P1,858)	(P32)
(-1%)	302,556	44,539	1,108	10,729	2,231	406
Salary increase rate						
(+1%)	273,413	40,633	1,004	9,716	2,071	378
(-1%)	(198,188)	(34,277)	(872)	(6,461)	(1,776)	(312)
<b>December 31, 2019</b>	<b>Parent</b>	<b>CBSI</b>	<b>CIBI</b>	<b>CBC-PCCI</b>	<b>CBCC</b>	<b>CBSC</b>
Discount rate						
(+1%)	(P227,157)	(P45,326)	(P723)	(P4,021)	(P1,330)	(P234)
(-1%)	325,654	58,726	1,065	9,049	1,628	297
Salary increase rate						
(+1%)	301,453	55,151	992	8,431	1,547	282
(-1%)	(218,813)	(43,755)	(705)	(3,918)	(1,296)	(228)

The weighted average duration (in years) of the defined benefit obligation are presented below:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Parent Company	8	9
CBSI	5	11
CIBI	4	11
CBC-PCCI	11	16
CBCC	5	8
CBSC	5	7

The maturity analyses of the undiscounted benefit payments as of December 31, 2020 and 2019 are as follows:

<b>December 31, 2020</b>	<b>Parent</b>	<b>CBSI</b>	<b>CIBI</b>	<b>CBC-PCCI</b>	<b>CBCC</b>	<b>CBSC</b>
1 year and less	P1,143,078	P14,526	P-	P-	P-	P-
More than 1 year to 5 years	1,382,813	84,373	1,182	34,908	-	-
More than 5 years to 10 years	2,498,436	346,179	16,990	23,094	-	1,303
More than 10 years to 15 years	2,706,056	795,042	6,293	130,483	16,071	4,243
More than 15 years to 20 years	5,260,877	844,853	18,074	180,316	78,979	15,106
More than 20 years	28,539,408	10,154,177	605,215	1,245,968	416,103	166,606
<b>December 31, 2019</b>	<b>Parent</b>	<b>CBSI</b>	<b>CIBI</b>	<b>CBC-PCCI</b>	<b>CBCC</b>	<b>CBSC</b>
1 year and less	P1,010,732	P10,639	P-	P3,192	P-	P-
More than 1 year to 5 years	1,245,756	70,231	5,084	32,698	-	-
More than 5 years to 10 years	2,559,422	305,122	9,295	20,648	-	1,381
More than 10 years to 15 years	2,557,933	726,316	5,788	107,204	-	-
More than 15 years to 20 years	4,691,189	896,080	7,612	118,326	106,708	3,986
More than 20 years	28,578,876	10,967,703	537,282	1,260,108	360,469	127,967



The defined benefit plan exposes the Group and the Parent Company to actuarial risks such as longevity risk, investment risk, market risk and salary risk.

## 26. 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.

As of December 31, 2020 and 2019, the aggregate notional amount of outstanding forwards and its weighted average rate are as follows:

		2020		2019	
		Notional Amount	Weighted Average Rate	Notional Amount	Weighted Average Rate
<b>US Dollar</b>	Buy	\$358,209	₱48.40	\$548,790	₱51.52
	Sell	\$253,506	₱48.49	\$297,009	₱51.10
<b>Euro</b>	Buy	—	—	€29,000	₱56.56
	Sell	€44,900	₱58.72	€17,709	₱55.88
<b>Japanese Yen</b>	Buy	—	—	¥2,189,180	₱0.46
<b>Singapore Dollar</b>	Sell	SGD1,007	₱36.14	SGD541	₱37.66

The aggregate notional amounts of the outstanding futures as of December 31, 2019 amounted to US\$40 million.

The aggregate notional amounts of the outstanding IRS as of December 31, 2020 and 2019 amounted to ₱18.53 billion and ₱26.52 billion, respectively.

As of December 31, 2020 and 2019, the fair values of derivatives follow:

	2020		2019	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Currency forwards	₱107,900	₱124,137	₱113,384	₱425,976
IRS	1,019,600	1,092,634	528,238	610,077
Futures	—	—	16,439	—
Warrants	9,378	—	9,889	—
	<b>₱1,136,878</b>	<b>₱1,216,771</b>	<b>₱667,950</b>	<b>₱1,036,053</b>

### Fair Value Changes of Derivatives

The net movements in fair value changes of derivative instruments are as follows:

	2020	2019
Balance at beginning of year	(₱368,103)	(₱47,303)
Fair value changes during the year	486,337	330,793
Settled transactions	(198,127)	(651,593)
Balance at end of year	<b>(₱79,893)</b>	<b>(₱368,103)</b>



The net movements in the value of the derivatives are presented in the statements of income under the following accounts:

	2020	2019	2018
Foreign exchange gain (loss)	<b>₱683,826</b>	₱446,139	(₱269,191)
Trading and securities gain (loss)* (Note 22)	<b>(197,489)</b>	(115,346)	(19,827)
	<b>₱486,337</b>	₱330,793	(₱289,018)

\*Net movements in the value related to embedded credit derivatives and IRS.

In 2019, the Parent Company established a monitoring process to properly account for the net movements in the value of foreign exchange contracts which pertain to funding and trading activities.

Funding activities pertain to activities undertaken by the Parent Company to obtain funds in one currency in exchange of another currency through the use of foreign exchange derivatives. Foreign exchange gains (losses) in the statements of income consisted of the net movements in the value of foreign exchange contracts amounting to ₱102.63 million loss and ₱316.09 million gain for funding and trading activities, respectively, in 2020 and ₱402.93 million loss and ₱646.69 million gain for funding and trading activities, respectively, in 2019.

Interest income on Interest Rate Swap (IRS) in 2020 and 2019 amounted to ₱264.09 million and ₱223.63 million, respectively, while the interest expense amounted to ₱288.73 million in 2020 and ₱228.06 million in 2019.

#### *Derivative contract designated as hedge*

In 2019, the Parent Company designated an interest rate swap contract (IRS) with a corresponding notional amount of US\$150 million to hedge the cash flow variability of its floating rate bonds payable. The fair value of the IRS designated as a hedging instrument amounted to ₱521.21 million and ₱51.95 million as of December 31, 2020 and 2019, respectively.

The IRS designated as cash flow hedge has the same principal terms as the hedged bonds payable (Note 18). Accordingly, as of December 31, 2020, the Parent Company assessed that the hedging relationship is expected to be highly effective and no ineffective portion was recognized in profit or loss.

Net interest expense on the IRS designated as hedge amounted to ₱61.20 million in 2020 and net interest income amounted to ₱14.27 million in 2019.

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## 27. 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%.





Movements in the lease liabilities account follows:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Beginning Balance	<b>₱3,394,925</b>	₱3,669,457	<b>₱2,719,524</b>	₱2,915,844
Additions	<b>167,762</b>	247,310	<b>56,340</b>	185,549
Interest expenses	<b>232,584</b>	264,246	<b>182,821</b>	207,744
Lease concessions	<b>(32,380)</b>	—	<b>(32,380)</b>	—
Payments	<b>(766,888)</b>	(786,088)	<b>(533,414)</b>	(589,613)
Ending Balance	<b>₱2,996,003</b>	₱3,394,925	<b>₱2,392,891</b>	₱2,719,524

As a result of the pandemic, the Parent Company was given lease concessions by its lessors. The lease concessions resulted to a decrease in lease payable and an increase in miscellaneous income amounting to ₱32.38 million.

Expenses related to short-term leases amounting to ₱403.71 million and ₱398.57 million for the Group and Parent Company in 2020, respectively, and ₱523.71 million and ₱388.83 million for the Group and Parent Company in 2019, respectively, are included in the 'Occupancy cost' account.

Total cash outflows for leases amounted to ₱1.19 billion and ₱1.00 billion for the Group and Parent Company in 2020, respectively, and ₱1.51 billion and ₱1.18 billion for the Group and Parent Company in 2019, respectively.

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:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Within one year	<b>₱4,664</b>	₱6,146	<b>₱4,664</b>	₱6,146
After one year but not more than five years	<b>5,228</b>	12,705	<b>3,498</b>	8,162
After more than five years	—	13,518	—	—
	<b>₱9,892</b>	₱32,369	<b>₱8,162</b>	₱14,308

Future minimum rentals payable under noncancellable leases follow:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Within one year	<b>₱1,301,541</b>	₱1,129,705	<b>₱568,029</b>	₱564,852
After one year but not more than five years	<b>2,094,499</b>	1,106,402	<b>1,016,816</b>	1,106,402
After more than five years	<b>2,074,369</b>	2,182,639	<b>1,706,197</b>	2,182,639
	<b>₱5,470,409</b>	₱4,418,746	<b>₱3,289,042</b>	₱3,853,893



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## 28. 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 15% while all other income of the FCDU is subject to the 30.00% corporate tax.

### Relevant Tax Updates

#### TRAIN Law

RA No. 10963, the Tax Reform for Acceleration and Inclusion (TRAIN), is the first package of the comprehensive tax reform program of the government. The bill was signed into law on December 19, 2018 and took effect on January 1, 2018, amending some provisions of the old Philippine tax system.

Except for resident foreign corporations, which is still subject to the existing rate of 7.5%, tax on interest income of foreign currency deposit was increased to 15% under TRAIN. Documentary stamp tax on bank checks, drafts, certificate of deposit not bearing interest, all debt instruments, bills of exchange, letters of credit, mortgages, deeds and others are now subjected to a higher rate.

#### CREATE Bill

The Corporate Recovery and Tax Incentives for Enterprise (CREATE) bill aims to reduce the corporate income tax rate from 30% to 25% starting July 2020 and to rationalize the current fiscal incentives.

On February 1, 2021, the Bicameral Conference Committee approved the reconciled version of the CREATE Bill of the House of Representatives and the Senate. The Bill is pending the signature of the President for it to become a law.

#### RR 4-2011

On March 15, 2011, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 4-2011 which prescribed the attribution and allocation of expenses between FCDUs/EFCDUs or OBU and RBU and within RBU.



On April 6, 2015, the Bank and other member banks of the Bankers Association of the Philippines (BAP), filed a Petition for Declaratory Relief with Application for Temporary Restraining Order (TRO) and/or Writ of Preliminary Injunction with the Regional Trial Court of Makati (Makati Trial Court). Further, in Civil Case No. 15-287, the Bank and other BAP member banks assailed the validity of RR 4-2011 on the ground, among others, that (a) the RR violates the petitioner-banks substantive due process rights; (b) it is not only illegal but also unfair; (c) that it serves as a deterrent to banks to invest in capital market transactions to the prejudice of the economy; (d) it sets a dangerous precedent for the disallowance of full deductions due to the prescribes method of allocation; and (e) it violates the equal protection clause of the Constitution.

On April 8, 2015, the Makati Trial Court issued a TRO enjoining the BIR from enforcing RR 4-2011. Also, on April 25, 2015, the Makati Trial Court issued a Writ of Preliminary Injunction enjoining the BIR from enforcing, carrying out, or implementing in any way or manner RR 4-2011 against the Bank and other BAP member banks, including issuing Preliminary Assessment Notice or Final Assessment Notice against them during the pendency of the litigation, unless sooner dissolved.

On June 10, 2015, the Makati Trial Court issued a Confirmatory Order stating that the TRO and Writ of Preliminary Injunction also prohibits the BIR from ruling or deciding on any administrative matter pending before it in relation to the subject revenue regulations and insofar as the Bank and other BAP member banks are concerned.

On May 25, 2019, the Makati Trial Court issued a decision annulling RR 4-2011 and making the Writ of Preliminary Injunction permanent.

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		
	2020	2019	2018	2020	2019	2018
Current						
Final tax	<b>₱1,425,341</b>	₱1,420,644	₱908,756	<b>₱1,415,116</b>	₱1,402,657	₱836,560
RCIT	<b>1,759,466</b>	962,712	1,070,191	<b>1,467,636</b>	680,187	926,792
MCIT	—	—	46,051	—	—	—
	<b>3,184,807</b>	2,383,356	2,024,998	<b>2,882,752</b>	2,082,844	1,763,352
Deferred	<b>(1,793,703)</b>	(870,706)	246,424	<b>(1,396,154)</b>	(405,124)	495,881
	<b>₱1,391,104</b>	<b>₱1,512,650</b>	<b>₱2,271,422</b>	<b>₱1,486,598</b>	<b>₱1,677,720</b>	<b>₱2,259,233</b>



The details of net deferred tax assets follow:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net deferred tax assets on:				
Allowance for impairment and credit losses	<b>₱5,407,554</b>	₱3,670,628	<b>₱4,183,930</b>	₱2,845,003
Revaluation Increment on land (Notes 11 and 22)	<b>(547,405)</b>	(547,405)	<b>(547,405)</b>	(547,405)
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	<b>272,994</b>	271,947	<b>34,054</b>	23,376
Net defined benefit asset	<b>(27,086)</b>	(166,955)	<b>(11,551)</b>	(151,420)
Others	<b>66,377</b>	142,734	<b>73,020</b>	118,402
	<b>₱5,172,434</b>	₱3,370,949	<b>₱3,732,048</b>	₱2,287,956

The details of net deferred tax liabilities follow:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net deferred tax liabilities on:				
Fair value adjustments on asset foreclosure and dacion transactions – net of depreciated portion	<b>₱145,781</b>	₱143,487	<b>₱–</b>	<b>₱–</b>
Fair value adjustments on net assets (liabilities) of PDB and Unity Bank	<b>128,846</b>	128,846	–	–
Others	<b>841,735</b>	811,045	–	–
	<b>₱1,116,362</b>	₱1,083,378	–	–

In 2020 and 2019, deferred tax credited to OCI amounted to ₱29.76 million and ₱143.61 million respectively, for the Group and ₱47.94 million and ₱143.61 million, respectively, for the Parent Company.

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:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Allowance for impairment and credit losses	<b>₱937,610</b>	₱1,684,183	<b>₱–</b>	<b>₱–</b>
Accrued compensated absences	–	57,182	–	–
Excess of MCIT over RCIT	–	83,204	–	–
Others	<b>25,580</b>	34,065	–	–
	<b>₱963,190</b>	₱1,858,634	<b>₱–</b>	<b>₱–</b>



As of December 31, 2020, details of the excess of MCIT over RCIT of a Subsidiary follow:

Inception Year	Original Amount	Used Amount	Expired Amount	Remaining Balance	Expiry Year
2017	P—	P—	P—	P—	2020
2018	46,643	—	—	46,643	2021
2019	36,560	—	—	36,560	2022
	<b>P83,203</b>	<b>P—</b>	<b>P—</b>	<b>P83,203</b>	

The reconciliation of the statutory income tax to the provision for income tax follows:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Statutory income tax	<b>P4,038,766</b>	P3,476,287	P3,116,258	<b>P4,064,771</b>	P3,524,004	P3,110,884
Tax effects of						
FCDU income	<b>(558,048)</b>	(730,776)	(250,305)	<b>(553,550)</b>	(714,703)	(252,809)
Non-taxable income	<b>(445,898)</b>	(690,059)	(984,372)	<b>(2,227,782)</b>	(1,458,268)	(895,392)
Interest income subjected to final tax	<b>(2,375,355)</b>	(1,609,292)	(318,857)	<b>(642,318)</b>	(622,878)	(276,675)
Nondeductible expenses	<b>1,476,130</b>	1,439,020	827,904	<b>1,062,266</b>	1,244,697	676,253
Others	<b>(744,491)</b>	(372,530)	(119,206)	<b>(216,789)</b>	(295,132)	(103,028)
Provision for income tax	<b>P1,391,104</b>	<b>P1,512,650</b>	<b>P2,271,422</b>	<b>P1,486,598</b>	<b>P1,677,720</b>	<b>P2,259,233</b>

## 29. 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 31).

In compliance with the requirements of current banking regulations relative to the Parent Company's trust functions : (a) government bonds included under financial assets at FVOCI with total face value of P2.32 billion and P1.87 billion as of December 31, 2020 and 2019, 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.

## 30. 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 ₱48.31 million and ₱42.52 million, respectively, in 2020, ₱50.78 million and ₱44.70 million, respectively, in 2019, and ₱47.60 million and ₱44.38 million, respectively, in 2018.

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:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Deposits in banks	<b>₱7,879</b>	₱52,757	<b>₱1,849</b>	₱39,407
Financial assets at FVTPL	<b>1,361,752</b>	1,367,210	<b>1,361,752</b>	1,367,210
Dividend income	<b>54,579</b>	48,126	<b>54,579</b>	48,126
Interest income	<b>245</b>	21,484	<b>133</b>	18,975
Total market value of shares	<b>1,361,752</b>	1,367,210	<b>1,361,752</b>	1,367,210
Number of shares held	<b>54,579</b>	54,688	<b>54,579</b>	54,688

In 2018, dividend income and interest income of the retirement plan from investments and placements in the Parent Company amounted to ₱45.30 million and ₱16.88 million, respectively, for the Group, and ₱45.30 million and ₱13.31 million, respectively, for the Parent Company.

Financial assets at FVOCI 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:

	<b>Consolidated</b>			<b>Parent Company</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Short-term employee benefits	<b>₱557,390</b>	₱550,767	₱533,995	<b>₱468,427</b>	₱468,271	₱441,361
Post-employment benefits	<b>2,683</b>	5,395	5,064	<b>1,661</b>	4,718	4,418
	<b>₱560,073</b>	₱556,162	₱539,059	<b>₱470,087</b>	₱472,989	₱445,779

Members of the BOD are entitled to a per diem of ₱500.00 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, 2020		
	Amount / Volume	Outstanding Balance	Terms and Conditions
<b>Significant Investor</b>			
Loans and receivables	₱—	₱2,345,300	Partially secured Loans with interest rate of 2.00%-5.12% and maturity of two to seven years.
Issuances	—		
Repayments	—		
Deposit liabilities		1,982	These are checking accounts with annual average rate of 0.13%.
Deposits	487		
Withdrawals	—		
<b>Associate</b>			
Deposit liabilities		39,394	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	181,158		
Withdrawals	(442,383)		
<b>Key Management Personnel</b>			
Loans and receivables		2,179	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	—		
Repayments	(433)		
Deposit liabilities		94,315	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	282,538		
Withdrawals	(266,986)		
<b>Other Related Parties</b>			
Deposit liabilities		1,686,887	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	19,107,945		
Withdrawals	(17,824,347)		
Category	December 31, 2019		
	Amount / Volume	Outstanding Balance	Terms and Conditions
<b>Significant Investor</b>			
Loans and receivables	₱—	₱2,345,300	Partially secured loans with interest rate of 2 – 5.12% and maturity of two to seven years.
Issuances	—	—	
Repayments	(4,421,200)	—	
Deposit liabilities		1,496	These are checking accounts with annual average rate of 0.13%.
Deposits	1,123	—	
Withdrawals	—	—	
<b>Associate</b>			
Deposit liabilities		300,620	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	666,996	—	
Withdrawals	(532,748)	—	
<b>Key Management Personnel</b>			
Loans and receivables		427	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	—	—	
Repayments	(61)	—	
Deposit liabilities		78,763	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	255,582	—	
Withdrawals	(257,836)	—	
<b>Other Related Parties</b>			
Deposit liabilities		389,714	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	22,632,109	—	
Withdrawals	(22,523,755)	—	



Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2020, 2019, and 2018 follow:

	Significant Investor			Associate		
	2020	2019	2018	2020	2019	2018
Interest income	₱92,254	₱46,906	₱42,601	₱—	₱—	₱—
Interest expense	2	2	3	500	655	168

	Key Management Personnel			Other Related Parties		
	2020	2019	2018	2020	2019	2018
Interest income	₱82	₱26	₱7,921	₱—	₱—	₱—
Interest expense	1,459	1,952	2,121	1,467	2,376	2,129

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.

Category	December 31, 2020		
	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Significant Investor</b>			
Loans and receivables		₱2,345,300	Secured with Shares of Stocks of Other Banks/NBFI-PSE listed, interest rate of 5.25% and will mature on September 5, 2024
Issuances			
Repayments			
Deposit liabilities		1,982	These are checking accounts with annual average rate of 0.13%.
Deposits	₱487		
Withdrawals			
<b>Subsidiaries</b>			
Deposit liabilities		504,336	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	5,949,780		
Withdrawals	(5,926,690)		
<b>Associate</b>			
Deposit liabilities		39,394	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	181,158		
Withdrawals	(442,383)		
<b>Key Management Personnel</b>			
Deposit liabilities		94,315	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	282,538		
Withdrawals	(266,986)		
<b>Other Related Parties</b>			
Deposit liabilities		1,686,887	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	19,107,945		
Withdrawals	(17,824,347)		

Category	December 31, 2019		
	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Significant Investor</b>			
Loans and receivables		₱2,345,300	Partially secured Loans with interest rate of 2.00-5.25% and maturity of two to seven years.
Issuances			
Repayments	(₱4,421,200)		
Deposit liabilities		1,496	These are checking accounts with annual average rate of 0.13%.
Deposits	1,123		
Withdrawals			
<b>Subsidiaries</b>			
Deposit liabilities		481,247	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	3,673,806		
Withdrawals	(3,306,898)		
<b>Associate</b>			
Deposit liabilities		300,538	These are savings accounts with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	666,995		
Withdrawals	(532,748)		
<b>Key Management Personnel</b>			
Loans and receivables		426,50	Unsecured Officer's accounts from Credit card with interest of 3% and currently maturing and fully secured OEL accounts with interest of 6%
Issuances			
Repayments	(61.14)		
Deposit liabilities		27,009	These are savings account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	229,243		
Withdrawals	(216,803)		
<b>Other Related Parties</b>			
Deposit liabilities		168,085	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	22,528,359		
Withdrawals	(22,474,211)		





In 2019, the Parent Company sold its investment property to a related party for a total cash selling price of ₱382.33 million and recognized gain of ₱377.18 million.

The related party transactions shall be settled in cash. There are no provisions for credit losses in 2020, 2019 and, 2018 in relation to amounts due from related parties.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2020, 2019 and, 2018 follow:

	Subsidiaries			Associate		
	2020	2019	2018	2020	2019	2018
Interest Income	₱2,020	₱-	₱-	₱2,020	₱-	₱-
Interest expense	850	743	375	500	654	168

	Key Management Personnel			Other Related Parties		
	2020	2019	2018	2020	2019	2018
Interest income	₱2,020	₱26	₱11,277	₱2,020	₱-	₱-
Interest expense	1,459	36	19	₱1,467	210	131

	Significant Investor		
	2020	2019	2018
Interest income	₱2,020	₱46,906	₱42,601
Interest expense	₱2	2	3

Outright purchases and outright sale of debt securities of the Parent Company with its subsidiaries in 2020 and 2019 follow:

	Subsidiaries	
	2020	2019
Peso-denominated		
Outright purchase	₱248,570	₱3,390,547
Outright sale	2,715,570	854,135
Dollar-denominated (equity)		
Outright purchase	5,000	6,550
Outright sale	6,000	450

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

	Subsidiaries		
	2020	2019	Nature, Terms and Conditions
<b>Balance Sheet</b>			
Accounts receivable	₱1,322	₱1,144	This pertains to various expenses advanced by CBC in behalf of CBSI
Security deposits	1,878	2,270	This pertains to the rental deposits with CBSI for office space leased out to the Parent Company
Accounts payable	11	12,941	This pertains to various unpaid rental to CBSI



	Subsidiaries			Nature, Terms and Conditions
	2020	2019	2018	
<b>Income Statement</b>				
Miscellaneous income	<b>₱1,800</b>	₱1,800	₱1,800	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	<b>₱11,808</b>	₱20,067	₱19,937	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	<b>225,428</b>	222,414	204,749	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements

### 31. 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.

There are several suits, assessments or notices and claims that remain contested. Management believes, based on the opinion of its legal counsels, that the ultimate outcome of such suits, assessments and claims will not have a material effect on the Group's and the Parent Bank's financial position and results of operations.

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	
	2020	2019	2020	2019
Trust department accounts (Note 29)	<b>₱210,776,272</b>	₱169,339,175	<b>₱210,776,272</b>	₱169,339,175
Committed credit lines	<b>9,551,472</b>	46,506,112	<b>9,551,472</b>	46,506,112
Unused commercial letters of credit (Note 30)	<b>14,445,630</b>	18,227,610	<b>14,338,580</b>	18,110,275
Foreign exchange bought	<b>17,338,436</b>	30,941,342	<b>17,338,436</b>	30,941,342
Foreign exchange sold	<b>15,385,289</b>	18,229,910	<b>15,385,289</b>	18,229,910
Credit card lines	<b>12,492,933</b>	11,048,767	<b>12,492,933</b>	11,048,767
IRS receivable	<b>25,351,615</b>	26,523,850	<b>25,351,615</b>	26,523,850
Outstanding guarantees issued	<b>1,187,256</b>	1,022,261	<b>899,090</b>	688,045
Inward bills for collection	<b>1,862,824</b>	4,423,799	<b>1,862,824</b>	4,423,799
Standby credit commitment	<b>1,652,526</b>	2,200,316	<b>1,652,526</b>	2,200,316
Spot exchange sold	<b>2,113,123</b>	11,965,938	<b>2,113,123</b>	11,965,938
Spot exchange bought	<b>1,920,935</b>	10,896,547	<b>1,920,935</b>	10,896,547
Deficiency claims receivable	<b>283,842</b>	285,745	<b>283,842</b>	285,745
Late deposits/payments received	<b>342,103</b>	525,953	<b>319,833</b>	492,597
Outward bills for collection	<b>150,073</b>	88,197	<b>148,316</b>	86,344
Others	<b>1,110,325</b>	37,114	<b>1,110,163</b>	36,951



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## 32. 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:

- a. 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;
- b. 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;
- c. 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
- d. 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 its assets' and liabilities' repricing or maturity date using market-based yield curve approved by the Asset Liability Committee (ALCO).



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, 2020, 2019 and 2018:

	Lending Business			Retail Banking Business		
	2020	2019	2018	2020	2019	2018
<b>Results of Operations</b>						
Net interest income						
Third party	<b>₱26,243,948</b>	₱24,613,498	₱19,034,015	<b>(₱537,797)</b>	(₱5,338,849)	(₱871,505)
Intersegment	<b>(17,367,936)</b>	(18,388,536)	(12,956,205)	<b>18,378,843</b>	18,020,023	11,763,393
	<b>8,876,012</b>	6,224,962	6,077,810	<b>17,841,046</b>	12,681,174	10,891,888
Other operating income	<b>1,014,330</b>	2,281,689	1,794,959	<b>1,924,001</b>	2,209,567	1,619,591
Total revenue	<b>9,890,342</b>	8,506,651	7,872,769	<b>19,765,047</b>	14,890,741	12,511,479
Other operating expense	<b>(3,603,526)</b>	(3,771,960)	(1,888,154)	<b>(11,276,218)</b>	(9,785,604)	(7,034,881)
Income before provisions and taxes	<b>6,286,816</b>	4,734,691	5,984,615	<b>8,488,829</b>	5,105,137	5,476,598
Provision for impairment and credit losses	<b>(6,987,211)</b>	(1,836,780)	328,404	<b>(888,952)</b>	(443,621)	(103,780)
Income before income tax	<b>(700,395)</b>	2,897,911	6,313,019	<b>7,599,877</b>	4,661,516	5,372,818
Provision for income tax	<b>271,102</b>	(45,149)	210,176	<b>(244,334)</b>	(419,750)	–
Net income	<b>(₱429,293)</b>	₱2,852,762	₱6,523,195	<b>₱7,355,543</b>	₱4,241,766	₱5,372,818
Total assets	<b>₱447,944,431</b>	₱438,731,372	₱376,187,705	<b>₱587,770,303</b>	₱516,900,229	₱471,540,704
Total liabilities	<b>₱8,177,263</b>	5,042,977	4,819,787	<b>₱631,763,776</b>	569,897,912	499,955,967
Depreciation and amortization	<b>₱126,699</b>	54,477	73,475	<b>₱1,004,571</b>	1,185,539	437,201
Capital expenditures	<b>₱21,087</b>	₱29,405	₱66,105	<b>₱55,564</b>	₱177,348	₱148,179

	Financial Markets			Other Business and Support Units		
	2020	2019	2018	2020	2019	2018
<b>Results of Operations</b>						
Net interest income						
Third party	<b>₱4,200,824</b>	₱3,462,384	₱4,028,486	<b>₱3,935,611</b>	₱3,314,264	₱735,190
Intersegment	<b>(817,457)</b>	1,041,115	(434,176)	<b>(193,450)</b>	(672,602)	1,626,988
	<b>3,383,367</b>	4,503,499	3,594,310	<b>3,742,161</b>	2,641,662	2,362,178
Other operating income	<b>5,564,672</b>	1,994,224	522,523	<b>1,508,046</b>	1,945,309	1,721,223
Total revenue	<b>8,948,039</b>	6,497,723	4,116,833	<b>5,250,207</b>	4,586,971	4,083,401
Other operating expense	<b>(2,040,542)</b>	(1,760,735)	(864,332)	<b>(4,601,876)</b>	(5,005,997)	(8,268,513)
Income before provisions and taxes	<b>6,907,497</b>	4,736,988	3,252,501	<b>648,331</b>	(419,026)	(4,185,112)
Provision for impairment and credit losses	<b>(103,465)</b>	(92,689)	(51,689)	<b>(889,291)</b>	(197,078)	(314,011)
Income before income tax	<b>6,804,032</b>	4,644,299	3,200,812	<b>(240,960)</b>	(616,104)	(4,499,123)
Provision for income tax	<b>(1,514,395)</b>	(1,240,335)	(730,643)	<b>96,523</b>	192,584	(1,750,955)
Net income	<b>₱5,289,637</b>	₱3,403,964	₱2,470,169	<b>(₱144,437)</b>	(₱423,520)	(₱6,250,078)
Total assets	<b>₱291,325,133</b>	₱230,368,926	₱170,463,397	<b>(₱291,028,218)</b>	(₱223,774,546)	(₱152,120,166)
Total liabilities	<b>₱141,939,942</b>	₱118,786,174	₱88,040,610	<b>₱149,145,306</b>	₱172,323,323	₱185,398,689
Depreciation and amortization	<b>₱329,510</b>	₱52,328	₱49,433	<b>₱434,119</b>	₱650,316	₱737,576
Capital expenditures	<b>₱4,837</b>	₱8,542	₱60,838	<b>₱195,393</b>	₱209,829	₱299,388



	<b>Total</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Results of Operations</b>			
Net interest income			
Third party	<b>₱33,842,586</b>	₱26,051,297	₱22,926,186
Intersegment	—	—	—
	<b>33,842,586</b>	26,051,297	22,926,186
Other operating income	<b>10,011,049</b>	8,430,789	5,658,296
Total revenue	<b>43,853,635</b>	34,482,086	28,584,482
Other operating expense	<b>(21,522,162)</b>	(20,324,296)	(18,055,880)
Income before provisions and taxes	<b>22,331,473</b>	14,157,790	10,528,602
Provision for impairment and credit losses	<b>(8,868,919)</b>	(2,570,168)	(141,076)
Income before income tax	<b>13,462,554</b>	11,587,622	10,387,526
Provision for income tax	<b>(1,391,104)</b>	(1,512,650)	(2,271,422)
Net income	<b>₱12,071,450</b>	₱10,074,972	₱8,116,104
Total assets	<b>₱1,036,011,649</b>	₱962,225,981	₱866,071,640
Total liabilities	<b>₱931,026,287</b>	₱866,050,386	₱778,215,053
Depreciation and amortization	<b>₱1,894,899</b>	₱1,942,660	₱1,297,685
Capital expenditures	<b>₱276,881</b>	₱425,124	₱574,510

The Group's share in net income of an associate included in other operating income amounting to ₱152.44 million, ₱184.66 million and ₱101.01 million in 2020, 2019 and 2018, respectively are reported under 'Other Business and Support Units'.

### 33. 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:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
a. Net income attributable to equity holders of the parent	<b>₱12,062,636</b>	₱10,068,960	₱8,110,379
b. Weighted average number of common shares outstanding (Note 23)	<b>2,685,900</b>	2,685,900	2,685,826
c. EPS (a/b)	<b>₱4.49</b>	₱3.75	₱3.02

As of December 31, 2020, the centennial stock grant has a dilutive effect to the EPS. Accordingly, for 2020, the diluted EPS amounts to ₱4.49 after adjusting the weighted average number of common shares outstanding during the year with the impact of stock grant. As of December 31, 2019 and 2018, there were no outstanding dilutive potential common shares.



### 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:

	<b>Consolidated</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Addition to investment properties from settlement of loans	<b>₱385,519</b>	₱832,290	₱523,343
Fair value gain on FVOCI financial assets	<b>2,932,752</b>	892,644	(451,786)
Cumulative translation adjustment	<b>(17,496)</b>	98,830	(52,900)
Addition to chattel mortgage from settlement of loans	<b>32,568</b>	618,298	626,182
<b>Parent Company</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Addition to investment properties from settlement of loans	<b>₱117,661</b>	₱471,020	₱240,680
Fair value gain in FVOCI financial assets	<b>2,870,805</b>	670,487	(381,791)
Cumulative translation adjustment	<b>(5,118)</b>	81,518	(58,792)
Addition to chattel mortgage from settlement of loans	<b>2,006</b>	10,332	20,135

The following table shows the reconciliation analysis of bonds and bills payable under financing activities for the years ended December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
<b>Balance at beginning of year</b>	<b>₱70,775,805</b>	₱39,826,532
<b>Cash flows during the year</b>		
Proceeds	<b>131,188,100</b>	180,468,980
Settlement	<b>(124,743,600)</b>	(147,998,921)
<b>Non-cash changes</b>		
Foreign exchange movement	<b>(1,560,349)</b>	(1,319,934)
Amortization of transaction cost	<b>61,572</b>	(200,852)
<b>Balance at end of year</b>	<b>₱75,721,528</b>	₱70,775,805

### 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 enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.



December 31, 2020						
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]
<b>Financial assets</b>						
SPURA	₱12,022,648	₱—	₱12,022,648	₱12,022,648	₱12,022,648	₱—
Currency forwards	106,327	—	106,327	30,790	—	75,537
IRS	37,171	—	37,171	32,616	—	4,555
	₱12,166,146	₱—	₱12,166,146	₱12,086,054	₱12,022,648	₱80,092
<b>Financial liabilities</b>						
Bills payable	₱23,655,851	₱—	₱23,655,851	₱20,298,521	₱21,664,145	₱1,991,706
Currency forwards	41,935	—	41,935	30,790	—	11,145
IRS	97,055	—	97,055	32,616	—	64,439
	₱23,794,841	₱—	₱23,794,841	₱20,361,927	₱21,664,145	₱2,067,290
December 31, 2019						
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]
<b>Financial assets</b>						
SPURA	₱5,447,293	₱—	₱5,447,293	₱5,447,293	₱5,447,293	₱—
Currency forwards	101,067	—	101,067	10,786	—	90,281
IRS	2,082	—	2,082	15	—	2,067
	₱5,550,442	₱—	₱5,550,442	₱5,458,094	₱5,447,293	₱92,348
<b>Financial liabilities</b>						
Bills payable	₱21,867,053	₱—	₱21,867,053	₱19,385,705	₱19,706,128	₱2,160,925
Currency forwards	278,942	—	278,942	37,058	—	241,883
IRS	44,355	—	44,355	10,786	—	33,569
	₱22,190,350	₱—	₱22,190,350	₱19,433,549	₱19,706,128	₱2,436,377

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. Covid-19 Pandemic

On March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon. The ECQ was originally set to last until April 12, 2020 but, upon the recommendation of the Inter-Agency Task Force on Emerging Infectious Disease (IATF-EID), President Duterte extended it until April 30, 2020. On May 1, 2020, it was further extended until May 15 but only on selected places considered high-risk. On May 12, 2020, a modified ECQ (MECQ) was imposed on Metro Manila and selected provinces effective May 16 until May 31. Meanwhile, other areas transitioned to general community quarantine (GCQ) starting May 16. On June 1, Metro Manila and selected provinces were downgraded to GCQ, while the rest of the country was placed under modified GCQ. On August 4, Metro Manila, and the provinces of Laguna, Cavite, Rizal, and Bulacan reverted back to modified ECQ amid the rising number of COVID-19 positive cases. The MECQ lasted until August 18. On August 17, on the recommendation of IATF-EID, the



President announced that Metro Manila and its neighboring provinces of Bulacan, Cavite and Laguna will be downgraded to GCQ starting August 19. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continues to evolve.

*Bayanihan to Heal as One Act*

On March 25, 2020, President Duterte signed into law the Bayanihan to Heal as One Act (RA 11469). The law provides the President, among others, the power to direct all private and public banks, quasi-banks, financing companies, lending companies and other financial institutions, including the Government Service Insurance System, Social Security System and Pag-ibig Fund to implement a grace period of 30 days minimum, for the payment of all loans falling due within the enhanced community quarantine (ECQ) without interests, penalties, fees or other charges. In a separate Frequently Asked Questions (FAQ) released by BSP on May 18, 2020, it clarified that the modified enhance community quarantine (MECQ) shall have the same effect as the ECQ with respect to the application of the mandatory grace period for the payment of all loans falling due within the period of MECQ.

The Implementing Rules and Regulations (IRR) of the said law provides that borrowers have the option to pay the interest accrued during the mandatory grace period either in lumpsum on the new due date or on staggered basis over the life of the loan. Nonetheless, covered financial institutions are not precluded from offering less onerous payment schemes with the consent of the borrower, such as allowing lump sum payment of accrued interest on the last payment date of the loan, provided that the accrued interest during the mandatory grace period will not be charged with interest on interest, fees and other charges.

On March 14, 2020, the BSP issued BSP Memorandum No. M-2020-008 *Regulatory Relief for BSFIs Affected by the Corona Virus Disease 2019 (COVID-19)*. The said memorandum provides for certain temporary regulatory and rediscounting relief measures for financial institutions supervised by the BSP. Accordingly, the Parent Company informed the BSP of its intention to avail the following:

- Provide financial assistance to officers affected by the present health emergency subject to submission by the Parent Company of a request for BSP approval within 30 calendar days from the approval thereof of the Parent Company's Board of Directors;
- Exclude from the computation of past due ratio, loans by borrowers in affected areas, subject to the following: (i) such loans shall be reported to the BSP; (ii) extension shall be for a period of one year from 08 March 2020; and (iii) BSP documentary requirements for restructuring of loans may be waived provided that the Bank will adopt appropriate and prudent operational control measures;
- Non-imposition of monetary penalties for delays incurred in the submission of all supervisory reports to BSP due to be submitted from 08 March 2020 up to six months thereafter;
- Allow staggered booking of allowance for credit losses computed under Section 143 of the Manual of Regulation for Banks (MORB) over a maximum period of five years for all types of credits extended to individuals and businesses directly affected by COVID-19 as of 08 March 2020, subject to prior approval of the BSP;
- Non-imposition of penalties on legal reserve deficiencies computed under Section 255 of the MORB starting from reserve week following 08 March 2020 up to six months thereafter, subject to prior approval of the BSP;





- Rediscounting relief as follows:
  - a. Grant of a 60-day grace period, upon application with BSP, to settle outstanding rediscounting obligations as of 08 March 2020, provided that interest shall be charged but no penalty shall be imposed;
  - b. Allowing the Parent Company to restructure with BSP, the outstanding rediscounted loans as of 08 March 2020 of its end-user borrowers affected by the COVID-19, subject to the terms and conditions stated in Appendix 133 of the MORB; and
  - c. relaxation of eligibility requirements by excluding the criteria on reserve requirement for the renewal of rediscounting line and for the availment of rediscounting loans from 08 March 2020 up to six months thereafter.

As of December 31, 2020, there was no actual availment of the foregoing regulatory reliefs.

### 37. 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 24, 2021.

### 38. Supplementary Information Required Under BSP Circular 1074

Presented below is the supplementary information required by BSP under Appendix 55 of BSP Circular 1074 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

#### *Basic quantitative indicators of financial performance*

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2020	2019	2018	2020	2019	2018
Return on average equity	<b>12.09%</b>	11.04%	9.54%	<b>12.09%</b>	11.04%	9.54%
Return on average assets	<b>1.21%</b>	1.10%	1.04%	<b>1.32%</b>	1.22%	1.17%
Net interest margin	<b>3.92%</b>	3.39%	3.56%	<b>3.82%</b>	3.26%	3.42%

#### *Description of capital instruments issued*

The Group and the Parent Company considers its common stock as capital instruments eligible as Tier 1 capital.

#### *Significant credit exposures*

	Consolidated			
	2020		2019	
	Amounts	%	Amounts	%
Real estate, renting and business services	<b>₱145,914,295</b>	<b>25.49</b>	₱131,554,263	22.77
Electricity, gas and water	<b>77,295,952</b>	<b>13.51</b>	80,765,270	13.98
Wholesale and retail trade	<b>48,797,394</b>	<b>8.53</b>	59,338,753	10.27
Transportation, storage and communication	<b>54,792,752</b>	<b>9.57</b>	57,770,004	10
Financial intermediaries	<b>67,320,876</b>	<b>11.76</b>	63,584,082	11
Manufacturing	<b>33,567,819</b>	<b>5.86</b>	32,405,226	5.61
Arts, entertainment and recreation	<b>23,687,514</b>	<b>4.14</b>	17,899,693	3.1

(Forward)



	Consolidated			
	2020		2019	
	Amounts	%	Amounts	%
Accommodation and food service activities	₱12,904,107	2.25	₱12,818,682	2.22
Construction	13,955,942	2.44	13,131,855	2.27
Mining and quarrying	8,000,701	1.40	9,995,905	1.73
Agriculture	7,929,762	1.39	6,636,029	1.15
Education	5,290,900	0.92	6,321,842	1.09
Public administration and defense	2,055,542	0.36	4,100,000	0.71
Professional, scientific and technical activities	860,778	0.15	771,566	0.13
Others*	69,970,620	12.23	80,735,867	13.98
	<b>₱572,344,954</b>	<b>100.00</b>	<b>₱577,829,037</b>	<b>100.00</b>

\*Others consist of administrative and support service, health, household and other activities.

	Parent Company			
	2020		2019	
	Amounts	%	Amounts	%
Real estate, renting and business services	₱123,150,868	24.40	₱108,067,826	21.18
Electricity, gas and water	75,367,275	14.93	78,802,898	15.45
Financial intermediaries	66,402,640	13.16	62,178,902	12.19
Wholesale and retail trade	45,324,442	8.98	55,222,983	10.82
Transportation, storage and communication	52,346,480	10.37	55,429,738	10.86
Manufacturing	31,988,437	6.34	29,757,318	5.83
Arts, entertainment and recreation	23,630,122	4.68	17,799,562	3.49
Accommodation and food service activities	11,892,441	2.36	11,591,121	2.27
Construction	12,886,246	2.55	11,985,485	2.35
Mining and quarrying	7,998,397	1.58	9,991,633	1.96
Agriculture	6,372,652	1.26	5,076,970	1.00
Public administration and defense	2,055,542	0.94	4,100,000	0.80
Education	4,735,251	0.41	5,667,447	1.11
Professional, scientific and technical activities	788,324	0.16	685,031	0.13
Others*	39,791,654	7.88	53,802,779	10.55
	<b>₱504,730,771</b>	<b>100.00</b>	<b>₱510,159,693</b>	<b>100.00</b>

\*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, 2020 and 2019, the Parent Company does not have credit concentration in any particular industry.

### Status of loans

Information on the amounts of performing and non-performing loans and receivables (gross of allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated					
	2020			2019		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	₱444,111,245	₱5,391,246	₱449,502,491	₱454,852,808	₱4,690,104	₱459,542,912
Consumer lending:						
Housing	71,659,301	5,136,896	76,796,197	69,504,381	2,427,211	71,931,592
Auto	19,748,879	1,209,090	20,957,969	22,155,296	702,476	22,857,772
Credit Card	1,014,155	392,156	1,406,311	1,209,616	304,222	1,513,838
Others	14,070,206	544,918	14,615,124	10,061,522	327,756	10,389,278
Trade-related lending	8,230,427	303,622	8,534,049	10,954,527	242,392	11,196,919
Others*	137,620	4,641	142,261	42,358	4,471	46,829
	<b>₱558,971,833</b>	<b>₱12,982,569</b>	<b>₱571,954,402</b>	<b>₱568,780,508</b>	<b>₱8,698,632</b>	<b>₱577,479,140</b>



	Parent Company			2019		
	2020			2019		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	₱426,469,140	₱2,587,729	₱429,056,869	₱432,104,596	₱2,229,449	₱434,334,045
Consumer lending:						
Housing	54,940,444	4,140,628	59,081,072	53,033,152	1,908,416	54,941,568
Auto	6,349,025	271,150	6,620,175	7,956,005	185,153	8,141,158
Credit Card	1,014,155	392,156	1,406,311	1,209,616	304,222	1,513,838
Others	838	-	838	1,463	-	1,463
Trade-related lending	8,053,403	275,045	8,328,448	10,666,662	235,906	10,902,568
Others*	28,392	28	28,420	34,340	1	34,341
	<b>₱496,855,397</b>	<b>₱7,666,736</b>	<b>₱504,522,133</b>	<b>₱505,005,834</b>	<b>₱4,863,147</b>	<b>₱509,868,981</b>

### *Loans per security*

As of December 31, 2020 and 2019, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2020	2019	2020	2019
Secured	₱3,966,218	₱3,177,507	₱775,355	₱935,742
Unsecured	9,016,351	5,521,125	6,891,381	3,927,405
	<b>₱12,982,569</b>	<b>₱8,698,632</b>	<b>₱7,666,736</b>	<b>₱4,863,147</b>

According to BSP Circular 941, *Amendments to the Regulations on Past Due and Non-Performing Loans* effective January 1, 2018, loans shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

### *Secured liability and assets pledged as security*

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱13.09 billion and ₱9.00 billion for 2020 and 2019, respectively. The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱7.21 billion and ₱10.39 billion for 2020 and 2019, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱21.66 billion and ₱19.71 billion for 2020 and 2019, respectively.

### *Related party loans*

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			
	2020		2019	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	₱3,224,094	₱55,523,024	₱3,782,090	₱53,032,123
Percent of DOSRI/Related Party loans to total loan portfolio	0.56%	9.70%	0.65%	9.18%
Percent of unsecured DOSRI/Related Party loans to total loan portfolio	0.14%	78.14%	5.16%	75.00%
Percent past due DOSRI/Related Party loans to total loan portfolio	—	—	—	—
Percent of non-performing DOSRI/Related Party loans to total loan portfolio	—	—	—	—
	Parent			
	2020		2019	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Outstanding DOSRI loans	₱3,217,097	₱54,839,195	₱3,775,723	₱52,200,773
Percent of DOSRI/Related Party loans to total loan portfolio	0.64%	10.87%	0.74%	10.23%
Percent of unsecured DOSRI/Related Party loans to total loan portfolio	0.10%	94.25%	5.16%	76.16%
Percent past due DOSRI/Related Party loans to total loan portfolio	—	—	—	—
Percent of non-performing DOSRI/Related Party loans to total loan portfolio	—	—	—	—

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.



Commitments and contingencies

The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent peso contractual amounts:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Trust department accounts	<b>₱210,776,272</b>	₱169,339,175	<b>₱210,776,272</b>	₱169,339,175
Committed credit lines	<b>9,551,472</b>	46,506,112	<b>9,551,472</b>	46,506,112
Unused commercial letters of credit	<b>14,445,630</b>	18,227,610	<b>14,338,580</b>	18,110,275
Foreign exchange bought	<b>17,338,436</b>	30,941,342	<b>17,338,436</b>	30,941,342
Foreign exchange sold	<b>15,385,289</b>	18,229,910	<b>15,385,289</b>	18,229,910
Credit card lines	<b>12,492,933</b>	11,048,767	<b>12,492,933</b>	11,048,767
IRS receivable	<b>25,351,615</b>	26,523,850	<b>25,351,615</b>	26,523,850
Outstanding guarantees issued	<b>1,187,256</b>	1,022,261	<b>899,090</b>	688,045
Inward bills for collection	<b>1,862,824</b>	4,423,799	<b>1,862,824</b>	4,423,799
Standby credit commitment	<b>1,652,526</b>	2,200,316	<b>1,652,526</b>	2,200,316
Spot exchange sold	<b>2,113,123</b>	11,965,938	<b>2,113,123</b>	11,965,938
Spot exchange bought	<b>1,920,935</b>	10,896,547	<b>1,920,935</b>	10,896,547
Deficiency claims receivable	<b>283,842</b>	285,745	<b>283,842</b>	285,745
Late deposits/payments received	<b>342,103</b>	525,953	<b>319,833</b>	492,597
Outward bills for collection	<b>150,073</b>	88,197	<b>148,316</b>	86,344
Others	<b>1,110,325</b>	37,114	<b>1,110,163</b>	36,951

**39. Supplementary Information Required Under RR No. 15–2010**

In compliance with the requirements set forth by RR No. 15–2010, hereunder are the details of percentage and other taxes paid or accrued by the Parent Company in 2020.

Gross receipts tax	₱1,848,753
Documentary stamps tax	1,544,089
Local taxes	81,506
Fringe benefit tax	14,126
Others	10,013
<b>Total for the year</b>	<b>₱3,498,487</b>

Withholding Taxes

Details of total remittances of withholding taxes in 2020 and amounts outstanding as of December 31, 2020 are as follows:

	<b>Total remittances</b>	<b>Amounts outstanding</b>
Final withholding taxes	₱2,069,386	₱117,052
Withholding taxes on compensation and benefits	599,004	65,192
Expanded withholding taxes	125,323	11,597
	<b>₱2,793,713</b>	<b>₱193,841</b>

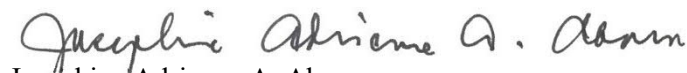


## INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of China Banking Corporation and Subsidiaries (the Group) and the financial statements of China Banking Corporation (the Parent Bank) as at December 31, 2020, included in this Form 17-A, and have issued our report thereon dated February 24, 2021. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Josephine Adrienne A. Abarca  
Partner

CPA Certificate No. 92126  
SEC Accreditation No. 0466-AR-4 (Group A),  
November 13, 2018, valid until November 12, 2021  
Tax Identification No. 163-257-145  
BIR Accreditation No. 08-001998-061-2020,  
December 3, 2020, valid until December 2, 2023  
PTR No. 8534208, January 4, 2021, Makati City

February 24, 2021



**CHINA BANKING CORPORATION**  
**INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2020**

<b>Part I</b>		
Schedule	Content	Page No.
I	Reconciliation of retained earnings available for dividend declaration (Part I 5B, Annex 68-D)	1
II	Map showing relationships between and among parent, subsidiaries, an associate, and joint venture (Part I 5G)	2
<b>Part II</b>		
A	Financial Assets Financial assets at fair value through profit or loss Financial assets at fair value through other comprehensive income Financial assets at amortized cost (Part II 7D, Annex 68-J, A)	3
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) (Part II 7D, Annex 68-J, B)	4
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements (Part II 7D, Annex 68-J, C)	5
D	Long-Term Debt (Part II 7D, Annex 68-J, D)	6
E	Indebtedness to Related Parties (included in the consolidated balance sheet) (Part II 7D, Annex 68-J, E)	7
F	Guarantees of Securities of Other Issuers (Part II 7D, Annex 68-J, F)	8
G	Capital Stock (Part II 7D, Annex 68-J, G)	9
H	Financial Soundness Indicators (Part II 7D, Annex 68-J, H)	10
I	Schedule for Listed Companies with a Recent Offering of Securities to the Public (Part II 7D, Annex 68-J, I)	11

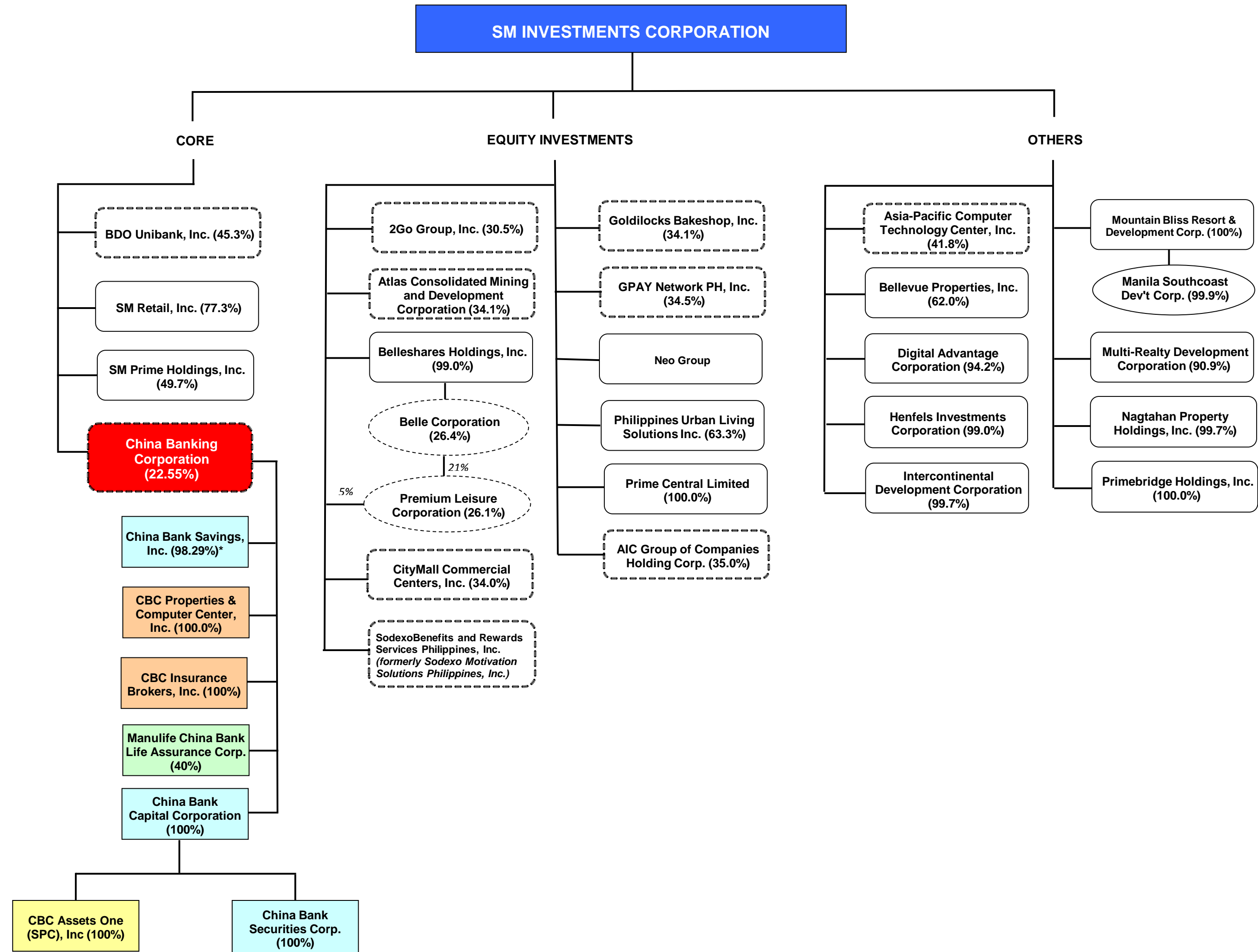
**CHINA BANKING CORPORATION**  
**8745 Paseo de Roxas corner Villar Street Makati City**

**SCHEDULE I**  
**RECONCILIATION OF RETAINED EARNINGS**  
**AVAILABLE FOR DIVIDEND DECLARATION**  
**DECEMBER 31, 2020**  
(Amounts in Thousands)

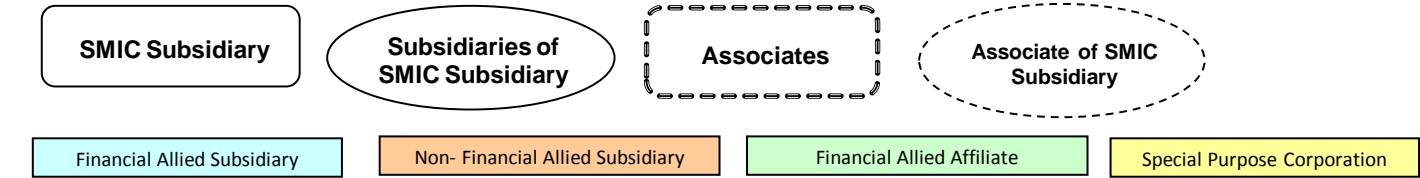
<b>Unappropriated Retained Earnings, Beginning</b>		<b>₱48,558,760</b>
Adjustments:		
Prior years non-actual/unrealized income net of tax (2007-2019)	(₱4,718,763)	
Transfer of revaluation increment to surplus	(1,277,277)	
Prior years' net earnings of subsidiaries not available for dividends	(2,736,481)	
		<b>(8,732,522)</b>
<b>Unappropriated Retained Earnings, As adjusted, Beginning</b>		<b>39,826,239</b>
<b>Add: Net income during the period</b>	<b>12,062,637</b>	
<b>Less: Non-actual/unrealized income net of tax</b>		
Provision for deferred taxes	1,396,154	
Equity in net income of associate	152,441	
Fair value adjustments (mark-to-market gains)	22,114	
Net earnings of subsidiaries not available for dividends	790,482	
Fair value adjustments of investment property resulting to gain	56,308	
Sub-total	<b>2,417,499</b>	
<b>Add: Non-actual losses</b>		
Loss on fair value adjustment on investment property (after tax)	<b>47,551</b>	
<b>Net income actually earned/ realized during the period</b>		<b>9,692,689</b>
Less: Cash dividend declared during the period	2,685,900	
Appropriation of Retained Earnings during the period	(765,263)	
Transfer from Surplus to Surplus Reserves	40,992	
		<b>(1,961,629)</b>
<b>Unappropriated Retained Earnings, Ending, Available for Dividend Declaration</b>		<b>₱47,557,299</b>



SM INVESTMENTS CORPORATION AND SUBSIDIARIES  
CONGLOMERATE MAP  
AS OF DECEMBER 31, 2020



Legend:  
% Refers to the Effective Ownership Interest, except for the CBC group (subsidiaries and affiliates), where % refers to the direct shareholding of the parent company.



**China Banking Corporation**  
**Schedule A – Financial Assets**  
**December 31, 2020**  
(Amounts in Thousands)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Valued based on market quotation at end of reporting period	Income accrued
<u>Financial Assets at Fair Value through Profit or Loss</u>				
Government Bonds	₱3,268,899	₱3,531,521	₱3,531,521	₱25,504
Treasury Notes	1,996,516	2,126,819	2,126,819	9,352
Treasury Bills	1,904,607	1,892,770	1,892,770	–
Private Bonds	1,807,991	3,358,210	3,358,210	19,325
Quoted equity shares	56,237 shares	489,081	489,081	–
	720,345	721,584	721,584	16,883
Financial Assets designated at FVTPL	117,853 units	150,000	150,000	–
Derivative assets	1,127,500	1,127,500	1,127,500	64,376
	20 warrants	9,378	9,378	–
		₱13,406,863	₱13,406,863	₱135,440
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>				
Government Bonds	₱12,583,041	₱13,004,496	₱13,004,496	₱110,230
Private Bonds	6,450,822	6,596,820	6,596,820	67,942
Equities	47,184 shares	643,087	643,087	–
		₱20,244,403	₱20,244,403	₱178,172
<u>Financial Assets at Amortized Cost</u>				
Government Bonds	₱95,725,809	₱100,606,146	₱110,454,734	₱1,490,615
Private Bonds	103,200,111	101,634,485	109,589,297	1,148,003
	₱198,925,920	₱202,240,631	₱220,044,031	₱2,638,619

**China Banking Corporation**  
**Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and**  
**Principal Stockholders (Other than Related Parties)**  
**December 31, 2020**

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written- off	Current	Non- Current	Balance at end of period
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The Group has no receivables from directors, officers, employees, related parties and principal stockholders that did not arise from ordinary course of business.

**China Banking Corporation**  
**Schedule C - Amounts Receivable from Related Parties which are eliminated**  
**during the consolidation of financial statements**  
**December 31, 2020**  
(Amounts in Thousands)

<b>Name of Debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amounts Collected</b>	<b>Amounts Written-off</b>	<b>Current</b>	<b>Non- Current</b>	<b>Balance at end of period</b>
China Bank Savings	₱1,144	₱1,322	₱1,144	₱-	₱1,322	₱-	₱1,322

**China Banking Corporation**  
**Schedule D - Long-Term Debt**  
**December 31, 2020**  
(Amounts in Thousand)

<b>Title of issue and type of obligation</b>	<b>Amount authorized by indenture</b>	<b>Amount shown under caption “Current portion of long-term debt” in related balance sheet</b>	<b>Amount shown under caption “Long-Term Debt” in related balance sheet <sup>(</sup></b>	<b>Interest Rate %</b>	<b>Maturity Date</b>
Peso-denominated:					
LTNCD-Tranche 1	₱9,588,000	—	₱9,565,337	3.25%	May 18, 2022
LTNCD-Tranche 2	6,348,000	—	6,327,572	3.65%	December 2, 2022
LTNCD-Tranche 3	10,250,000	—	10,198,837	4.55%	January 12, 2024
₱30 Billion Peso Fixed Rate Bonds due in 2021	30,000,000	30,000,000	—	5.70%	January 10, 2021
₱15 Billion Peso Fixed Rate Bonds due in 2022	15,000,000	—	14,882,088	2.75%	October 22, 2022
Foreign-currency-denominated:					
\$150 Million Bonds Payable to IFC	\$150,000	—	\$149,586	6-month libor + 120 bps	June 18, 2026

**China Banking Corporation**  
**Schedule E - Indebtedness to Related Parties**  
**(Long-term from Related Companies)**  
**December 31, 2020**

Name of Related Parties <sup>(i)</sup>	Balance at beginning of period	Balance at end of period <sup>(ii)</sup>
--	--------------------------------	--

None to Report

- <sup>(i)</sup> The related parties named shall be grouped as in Schedule D. The information called shall be stated for any persons whose investments shown separately in such related schedule.
- <sup>(ii)</sup> For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

**China Banking Corporation**  
**Schedule F - Guarantees of Securities of Other Issuers**  
**December 31, 2020**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding <sup>(i)</sup>	Amount owned by person of which statement is filed	Nature of guarantee <sup>(ii)</sup>
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None to Report

- (i) Indicate in a note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
- (ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of Dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

**China Banking Corporation**  
**Schedule G - Capital Stock**  
**December 31, 2020**

(Absolute numbers of shares)

<b>Title of Issue <sup>(i)</sup></b>	<b>Number of shares authorized</b>	<b>Number of shares issued and outstanding as shown under the related balance sheet caption</b>	<b>Number of shares reserved for options, warrants, conversion and other rights</b>	<b>Number of shares held by related parties <sup>(ii)</sup></b>	<b>Directors, officers and employees</b>	<b>Others <sup>(iii)</sup></b>
Common stock - ₱10 par value						
Authorized - shares	3,300,000,000					
Issued and outstanding		2,685,899,812		1,021,693,594	130,145,134	1,534,061,084

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(i) Include in this column each type of issue authorized

(ii) Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.

(iii) Indicate in a note any significant changes since the date of the last balance sheet filed.



**CHINA BANKING CORPORATION**  
**SCHEDULE H- FINANCIAL SOUNDNESS INDICATORS**

	2020	2019	2018
<i>PROFITABILITY (%)</i>			
Return on Assets <sup>1</sup>	1.21	1.10	1.04
Return on Equity <sup>2</sup>	12.09	11.04	9.54
Net Interest Margin <sup>3</sup>	3.92	3.39	3.56
Cost to Income Ratio	49	59	63
<i>LIQUIDITY (%)</i>			
Liquid Assets to Total Assets	43	37	38
Loans (net) to Deposit Ratio	67	73	70
<i>ASSET QUALITY (%)</i>			
Gross Non-Performing Loans Ratio <sup>4</sup>	2.3	1.5	1.2
Non-performing Loan (NPL) Cover <sup>5</sup>	128	129	167
<i>SOLVENCY RATIOS</i>			
Debt to Equity Ratio	8.9	9.0	8.9
Asset to Equity Ratio	9.9	10.0	9.9
Interest Rate Coverage Ratio <sup>6</sup>	2.0	1.5	1.9
<i>CAPITALIZATION (%)</i>			
Capital Adequacy Ratio			
CET 1 / Tier 1	13.82	12.76	12.16
Total CAR	14.73	13.67	13.09

Notes

1. Net income divided by average total assets for the period indicated. Average total assets is based on the average monthly balances for the respective periods indicated.
2. Net income divided by average total equity for the period indicated. Average total equity is based on the average monthly balances for the respective periods indicated.
3. Net interest income divided by average interest-earning assets which is based on the average monthly balances for the respective periods indicated. Interest-earning assets include due from other banks, due from BSP, securities purchased under resale agreement, financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity financial assets, and loans and receivables.
4. Total NPLs divided by loans and receivables, net of unearned discount and gross of allowance for credit and impairment losses.
5. The sum of total allowance for impairment and credit losses on receivables from customers and retained earnings appropriated for general loan loss provision divided by total NPLs.
6. Net Income before Tax and Interest Expense divided by Interest Expense

**China Banking Corporation**  
**SCHEDULE I – SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF**  
**SECURITIES TO THE PUBLIC**  
**December 31, 2020**  
(Amounts in Thousand)

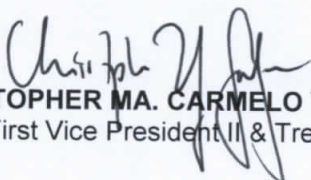
	<b>Gross Proceeds as disclosed in the Final Prospectus</b>	<b>Expenditure Items</b>	<b>Net Proceeds as disclosed in the Final Prospectus</b>	<b>Actual Gross Proceeds</b>	<b>Actual Net Proceeds</b>	<b>Balance of the proceeds as of the reporting period</b>
₱15 Billion Peso Fixed Rate Bonds	₱15,000,000	₱128,682	₱14,871,318	₱15,000,000	₱14,871,318	₱–

Republic of the Philippines )  
City of Makati.....)

### CERTIFICATION

We hereby certify that the enclosed CD copy of the Audited Financial Statements (AFS) of China Banking Corporation contains the same basic or material data in the hard copies of the AFS submitted herewith.

IN WITNESS WHEREOF, we have hereunto set our hands this 14 APR 2021 in the City of Makati.

  
**CHRISTOPHER MA. CARMELO Y. SALAZAR**  
First Vice President II & Treasurer

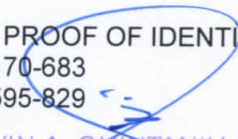
  
**PATRICK D. CHENG**  
Executive Vice President & Chief Finance Officer

SUBSCRIBED AND SWORN to before me this 14 APR 2021, affiants exhibiting to me their proofs of identification, as follows:

**NAMES**  
Patrick D. Cheng  
Christopher Ma. Carmelo Y. Salazar

Doc. No. 241;  
Page No. 50;  
Book No. 81;  
Series of 2021

**PROOF OF IDENTIFICATION**  
TIN 107-170-683  
TIN 178-595-829

  
**ALVIN A. QUINTANILLA**  
Notary Public for Makati City  
Appt. No. M-281 until December 31, 2021  
4/F Philcom Building,  
8755 Paseo de Roxas, Makati City  
PTR No. 8533568; 01-04-21, Makati City  
IBP No. 137033; 12-29-20; Cavite  
Roll of Attorney's No. 40925