CHINABANK
Since 1920

THE CORE OF OUR MISSION

2022 ANNUAL FINANCIAL AND SUSTAINABILITY REPORT

About the Cover

Amid the dramatic changes, companies not only face the challenge of staying ahead of the competition, but also of keeping up with customers who are now more connected and empowered than ever. For over a century, China Bank has built strong and enduring relationships with generations of customers, focusing on how best to serve and support them and designing processes and solutions around their needs. No matter how much we grow and change with the times, our customers are at the core of our mission and we are motivated to fulfill our promise: your success is our business.


CHINABANK Online
CHINABANK


CHINABANK


CHINABANK

About the Report

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Placing a strong emphasis on transparency and accountability, China Bank's 2022 Annual Financial and Sustainability Report highlights material information about the financial and non-financial activities and results of the China Bank Group for the period January 1 to December 31, 2022. This report was prepared in accordance with GRI Standards and in line with the standards and/or guidelines of the Securities and Exchange Commission, Bangko Sentral ng Pilipinas, Sustainability Accounting Standards Board, and the ASEAN Corporate Governance Scorecard to provide a holistic view of our overall operational, financial, and sustainability performance.

We welcome any comments or questions.
Please send them to investor-relations@chinabank.ph.

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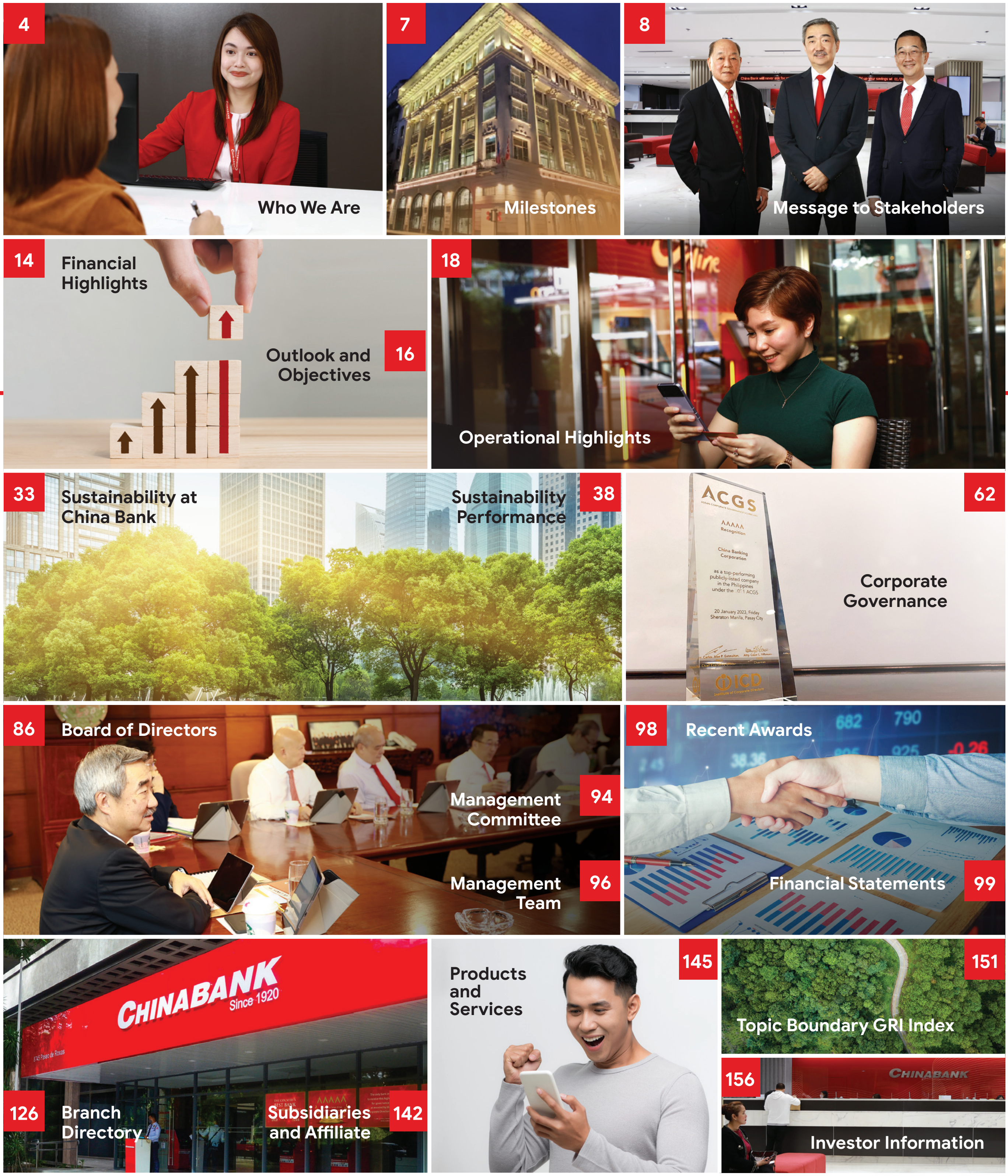

Who We Are

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Founded in 1920, China Banking Corporation (China Bank) is a leading private universal bank in the Philippines with a strong presence in the entrepreneur, middle market, and corporate segments. We offer a full range of financial products and services, also serving the retail banking, investment banking, and insurance needs of our diverse customers through our subsidiaries China Bank Savings, China Bank Capital, China Bank Securities, Resurgent Capital, CBC Assets One, China Bank Insurance Brokers, and affiliate Manulife China Bank Life Assurance.

For over 100 years, we have made the success of the people and businesses who bank with us our business. Leveraging our network, expertise, and resources—vast distribution network, robust technological infrastructure, team of highly qualified banking professionals, strong balance sheet— we build long-term relationships with today's generation and shape China Bank as a responsive, reliable, and responsible banking partner for the next generation.

China Bank is listed on the Philippine Stock Exchange under the ticker symbol "CHIB" and a member of the SM Group, one of the largest conglomerates in the Philippines.

Headquarters

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

640
Branches

1,044
ATMs

11
Cash Accept Machines

10,237
Employees

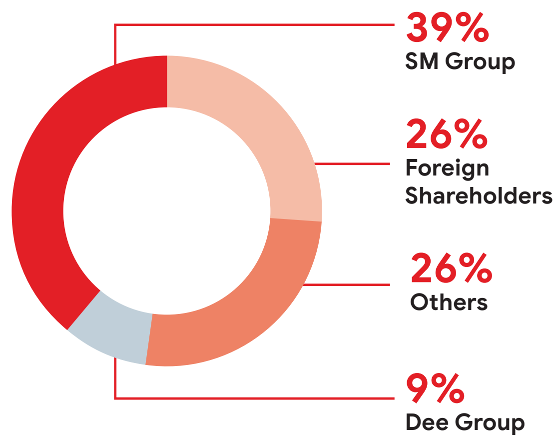
2.4M
Customers

STOCK INFORMATION

₱27.45 Stock Price	**₱73.88B** Market Capitalization
5.56% Dividend Yield	**₱7.10** Earnings per Share

* As of December 31, 2022

OWNERSHIP



FULL SERVICE PLATFORM

RELATIONSHIP BANKING

- Retail Banking Business Segment
  - Loans
  - Deposits
- Institutional Banking Segment
  - Corporate Loans
  - Commercial Loans
- Consumer Banking Segment
  - Housing Loans
  - Auto Loans
  - Credit Cards
  - Multi-purpose Loans

FINANCIAL MARKETS

- Treasury
- Market Sales
- Remittance
- Wealth Management
- Trust & Asset Management
- China Bank Capital
- China Bank Securities

SAVINGS BANK & BANCASSURANCE

- China Bank Savings
  - Deposits
  - SME Loans
  - Consumer Loans
    - Housing Loans
    - Auto Loans
    - Teachers' Loans
    - Personal Loans
- Manulife China Bank Life Assurance
- China Bank Insurance Brokers

Mission

We will be a leading provider of quality services consistently delivered to institutions, entrepreneurs, and individuals here and abroad, to meet their financial needs and exceed their rising expectations.

We will be a primary catalyst in the creation of wealth for our customers, driven by a desire to help them succeed, through a highly engaged team of competent and empowered professionals, guided by in-depth knowledge of their needs and supported by leading-edge technology.

We will maintain the highest ethical standards, sense of responsibility, and fairness with respect to our customers, employees, shareholders, and the communities we serve.

Vision

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

Core Values

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

Milestones

1920

Opened for business on August 16, 1920—the first privately owned local commercial bank in the Philippines

1927

Became one of the first companies to be listed on the Manila Stock Exchange

1945

Reopened for business after being shut down by the Japanese Military, lending to key industries for post-war reconstruction and long-term development

1969

Became the first bank in Southeast Asia to process deposits on-line, using the IBM 360

1991

Became a universal bank

2007

Acquired Manila Bank and renamed it China Bank Savings; entered into a bancassurance joint venture with Manulife to form Manulife China Bank Life Assurance Corp.

2015

Entered the credit card business and launched China Bank MasterCard; rolled out a new core banking system; incorporated China Bank Capital

2012

Acquired Pampanga-based Unity Bank

2014

Acquired Plantersbank and merged it with China Bank Savings

2016

Acquired ATC Securities and renamed it China Bank Securities

2018

Signed US$150 million Green Bond issuance for climate-smart projects with International Finance Corporation (IFC) as sole investor

2019

Raised ₱30 billion via maiden issue of fixed-rate retail bonds

2020

Marked centennial with ₱1 trillion in assets and ₱100 billion in capital

2021

Inaugurated the restored China Bank Binondo Business Center and the new China Bank Museum; emerged as Best Bank in the Philippines and among the strongest banks in the country and in the Asia Pacific region

2022

Became the fourth largest private universal bank in the country in terms of assets; breached the trillion-peso mark in deposits

Message to Stakeholders

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To our fellow stakeholders:

The year 2022 marked the tail end of the pandemic. Although COVID-19 is still a cause for concern, the worst has passed and the world is now focused on recovery, with most countries easing or dropping their pandemic restrictions. The year saw the return of face-to-face classes, in-person gatherings, and consumer demand to pre-pandemic levels.

For China Bank, 2022 was another banner year. While ensuring the safety and well-being of our employees and customers, we deftly navigated the pandemic's lingering impacts and the constantly changing landscape. Despite the external headwinds, we delivered on our strategic priorities and continued to help our clients and other stakeholders recover and move successfully forward.

COVID cases dropped, prices spiked

The world may be out of the health crisis but high and persistent inflation and geopolitical tension have weakened most economies, including the three largest—US, China, and the European Union.

In 2022, pent-up demand from two years of various degrees of mobility restrictions and the war in Ukraine led to decades-high inflation for many economies. Global central banks have responded with synchronous monetary tightening that the world has not seen before. Aggressive monetary tightening led to downturns in advanced economies, with some countries in Europe already estimated to have entered recessions as early as the fourth quarter of 2022. The US will likely achieve a soft landing with slower growth in 2023. On the bright side though, China's recent U-turn on its zero-COVID policy will bode well for the global economy.

Domestically, although we grappled with elevated inflation and increasing interest rates in 2022, the country's gross domestic product (GDP) grew by 7.6% in 2022. Opening of borders for international travelers since February, elections in May, and gradual return to face-to-face classes boosted domestic demand. On the other hand, the external environment was beset with challenges. Higher commodity prices of oil, grains, and fertilizers pushed up domestic inflation to decades high. To reign in inflation, the Bangko Sentral ng Pilipinas raised its key policy rate by 350 basis points in 2022. This also led to a wider trade deficit, weakening the peso to a new low of ₱59 to a US dollar.

Gilbert U. Dee
Vice Chairman

Hans T. Sy
Chairman

William C. Whang
President

A strong financial system, an even stronger China Bank

Against this backdrop, Philippine banks remain strongly positioned to support the country's economic recovery. At end-2022, the banking industry's total resources grew by 10.5% year-on-year to ₱22.7 trillion as improving market sentiment and economic condition spurred credit expansion. Non-performing loans (NPL) were manageable, with an NPL ratio of 3.2%, while loan loss reserves were adequate at 108% even as banks started easing on credit provisioning.

China Bank, in particular, is stronger and more resilient than ever, growing from strength to strength and not losing ground even at the height of the pandemic. The internal transformations and asset build-up undertaken over the past decade not only laid the groundwork for sustainable growth, but also enabled us to strengthen our market position during the downturn. Amid the extraordinary challenges of the last three years, China Bank continued to be profitable, adequately capitalized, and well managed.

In 2022, China Bank recorded an all-time high net income of ₱19.1 billion, up 27% year-on-year, and the highest among private mid-sized banks. The strong performance was driven by higher top line revenues and core fee income. China Bank also outperformed even some of the biggest local banks in terms of ROE and ROA which were recorded at 15.1% and 1.6%, respectively.

	2021	2022
Profitability		
ROE	13.6%	**15.1%**
ROA	1.5%	**1.6%**
Efficiency		
Cost-to-Income	46%	**44%**
Strength		
CET 1 / Tier 1	14.9%	**15.1%**

China Bank's total assets grew 20% to ₱1.3 trillion, the fourth largest among private universal banks in the Philippines. The expansion was driven by stronger loan demand and sustained build-up of deposits.

Despite extending more credit to drive economic rebound, our prudent credit management resulted in better-than-industry asset quality. China Bank's Gross NPL ratio dropped to 2.3%, and maintained sufficient NPL cover of 123%.

China Bank continued to be highly liquid and well capitalized with a Common Equity Tier 1 (CET 1) ratio of 15.1% and Total Capital Adequacy Ratio (CAR) of 15.9%.

In July, Moody's Investors Service affirmed China Bank's investment grade credit rating with a stable outlook, citing stable capitalization and profitability, which support business expansion, and sound liquidity as the Bank's credit strengths.

	2021	2022
Dividends		
Cash Dividends Paid (In Million Pesos)	2,686	**4,037**
Cash Dividend Per Share (In Pesos)	1.00	**1.50**
Cash Payout Ratio (In %)	22	**27**
Cash Dividend Yield (In %)	4.1	**5.6**

Confident in our underlying strength and future prospects, we paid ₱4.04 billion in total cash dividends in 2022, comprised of ₱1.00/share regular dividend and an additional ₱0.50/share special dividend. We are committed to manage our capital adequacy well above the minimum regulatory thresholds while continuing to provide shareholders with an equitable share of profits.

As we face the opportunities and challenges ahead, we are confident that we have the right strategy, sustainable business model, and healthy ambition to take China Bank further while creating long-term value for our shareholders, employees, customers, and society.

On top of our strong financial results, we maintained our regional and local standing as one of the best-governed publicly listed companies. In 2022, China Bank was recognized anew by the ASEAN Capital Markets Forum (ACMF) as among the Top 20 ASEAN Publicly Listed Companies, as an ASEAN Asset Class, and as one of the Top 3 Publicly Listed Companies in the Philippines. The Institute of Corporate Directors, the domestic ranking body of the ACMF in the Philippines, conferred its highest award for governance excellence to China Bank—the Five-Golden Arrow Recognition. China Bank is the only bank among the three recipients of the Five Golden Arrows.

We continued to provide the best returns to investors. China Bank Dollar Fund, for the sixth time since 2016, and China Bank Intermediate Fixed-Income Fund were named as the Best Managed Fund in their respective categories by the CFA Society Philippines. Moreover, we remain the partner of choice for issuers. Our investment banking arm China Bank Capital, for the third consecutive year in 2022, was the leading domestic bank in the domestic debt capital markets and the number one bookrunner for corporate fixed income deals in the Philippines.

We were also distinguished for our innovations. China Bank Easy Tax Filing & Payment Solution (Easy Tax) won the plum award in the regulatory technology category of PAY360 Awards and the Best Digital Business Banking Initiative for Business Customers award of Asian Banking & Finance, along with China Bank Direct Debit Arrangement. Easy Tax is the first and only automated tax filing and payment facility of its kind in the Philippines. The innovative solution makes transactions with the Bureau of Internal Revenue for taxes related to the sale of real estate properties faster, easier, and more secure.

As we face the opportunities and challenges ahead, we are confident that we have the right strategy, sustainable business model, and healthy ambition to take China Bank further while creating long-term value for our shareholders, employees, customers, and society.

Our best years are still ahead of us. With the lessons learned and a solid plan to achieve our ambitious targets, China Bank is ready to seize the opportunities that will arise and to create a positive and lasting impact on the environment and on the lives of the people we serve.

Focusing on people, making a difference

In this period of tremendous change, technological advancement, and sustainability awareness, China Bank's focus remains on people, and we are doing everything we can to be worthy of our stakeholders' trust. We are boosting our capabilities and delivering purpose-built solutions to elevate customer experience and meet evolving market needs. We are empowering our employees with the tools and support they need to reach their full potential and deliver exceptional service. We are progressively embedding sustainability into our operations, conducting business in a way that lets our customers and all of society to prosper today and into the future.

We further enhanced our digital platform in 2022 to make banking and investing easier and safer for customers. Digital onboarding apps China Bank START and CBS Go were launched, enabling new-to-bank customers to open an account with China Bank or China Bank Savings without having to visit a branch.

For our UITF investors, China Bank Mobile App was improved with a Subscribe feature so they can easily add their existing China Bank UITFs, subscribe to new units, redeem their investments, check their portfolio, and act fast on opportunities right on their mobile phones. For our corporate customers, we rolled out the more powerful automated payroll processing solution, China Bank Payroll 2.0. Cloud-based and accessible via web or mobile app, China Bank Payroll 2.0 is a complete HR system that can help companies with the difficult task of payroll management by automating payroll processing and ensuring data accuracy and compliance.

Meanwhile, our stock brokerage arm China Bank Securities introduced ChinaBankSec Online, a digital stock trading platform for buying and selling stocks listed on the Philippine Stock Exchange. It equips new and experienced investors with everything they need to trade stocks with confidence.

We are committed to investing in our employees, from their careers to their well-being. In 2022, we partnered with the world's largest professional platform, LinkedIn, to up-skill China Bankers and provide them opportunities to further their careers and stay competitive in this digital age. We bought LinkedIn Learning licenses for all our employees so they can have unlimited access to the over 18,000 online courses and learning content across business, creative, and technical categories.

We also successfully concluded with our employee union a new five-year Collective Bargaining

Agreement (CBA), our 27th CBA in our 102-year history. The smooth negotiation and mutually satisfactory agreements show China Bank's harmonious employee-employer relationship and more importantly, how we value and take care of our people. The 2022-2027 CBA includes economic and non-economic provisions to protect covered employees' health, safety, rights, and livelihood.

We believe that our long-term success and resiliency go hand in hand with our economic, environmental, social, and governance initiatives and as such, we advanced our sustainability agenda further in 2022. Following the creation of a dedicated Environmental, Social and Governance (ESG) Department and the hiring of a Chief Sustainability Officer, a strategy schema was introduced to serve as our "compass" in our sustainability journey. We also created a Sustainability Oversight Committee to ensure the implementation of sustainability initiatives across the Bank's various functions and the embedding of sustainability principles in our governance structure. The Sustainability Oversight Committee will be supported by a Sustainability Working Group composed of various teams in delivering on specific sustainability-related projects. In addition, we engaged Moody's Analytics to provide recommendations to the Bank's sustainability-related governance structure, conduct an ESG assessment, and develop our Environmental & Social (E&S) Risk Management Framework. Further, China Bank joined the newly-created Climate Change Steering Committee formed by SM Investments Corporation (SMIC) to serve as the corporate umbrella for the SM Group's advocacy, learning, and support initiatives on climate resilience.

These efforts cement our commitment in progressively integrating sustainability in the way we do business. For all the uncertainty in the world, one thing is clear: there is only one planet Earth and there is no plan B. Rest assured that we will continue to leverage our strength and resources to positively impact the people and communities around us, to protect the environment, and to build a sustainable future for all.

Moving boldly, confidently ahead

The past three years have tested our resolve, but we are proud to have emerged from the pandemic stronger and in a better position to pursue our mission and to drive economic recovery. With the dedication of our employees and the support of our customers and shareholders, China Bank has made significant progress in our continuing journey.

Our best years are still ahead of us. With the lessons learned and a solid plan to achieve our ambitious targets, China Bank is ready to seize the opportunities that will arise and to create a positive and lasting impact on the environment and on the lives of the people we serve. It's going to be an exciting 2023 as our Chief Operating Officer Romeo D. Uyan, Jr. takes the helm as China Bank President and Chief Executive Officer on April 1, 2023. We are confident that he will continue to propel the Bank's growth in a sustainable manner through the uncertainties and economic cycles.

On behalf of the China Bank Board, thank you for your unwavering trust and support.

Sincerely,

Hans T. Sy
Chairman

Gilbert U. Dee
Vice Chairman

William C. Whang
President

Financial Highlights

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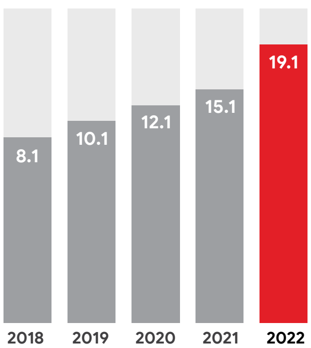
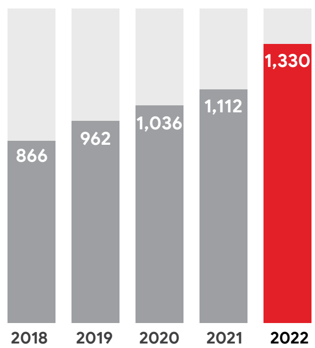
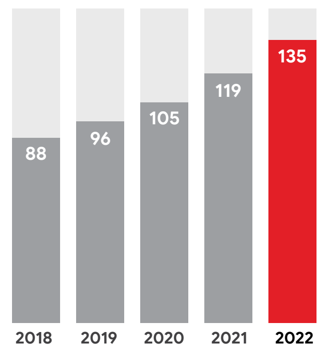
Net Income
In Billion Pesos



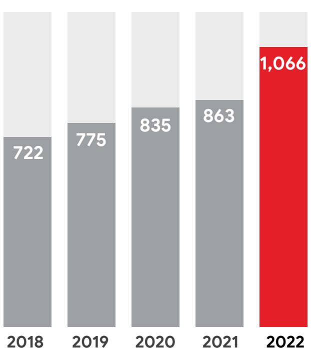
Total Resources
In Billion Pesos



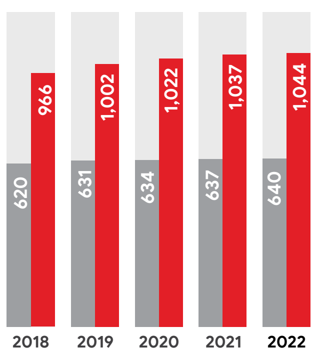
Stockholders' Equity
In Billion Pesos



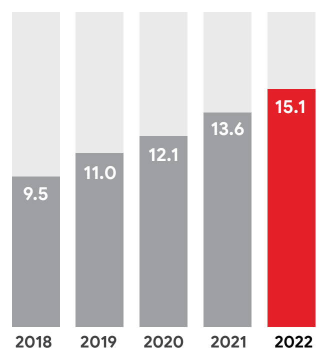
Total Deposits
In Billion Pesos



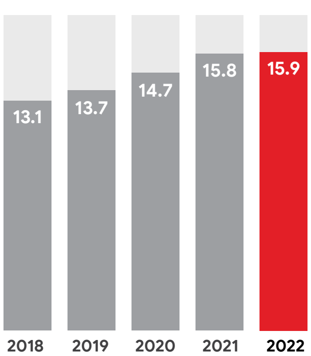
Distribution Network
ATMs Branches



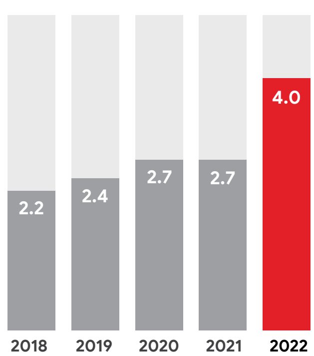
Return on Average Equity
In Percent



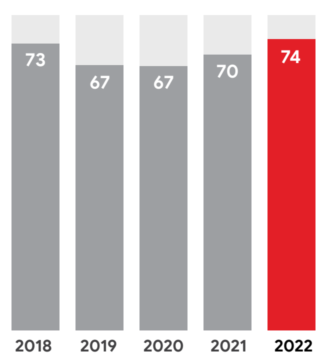
Total CAR
In Percent



Cash Dividends Paid
In Billion Pesos



Market Capitalization
In Billion Pesos



	CONSOLIDATED		PARENT COMPANY	
	2021	2022	2021	2022
For the Year (In Million Pesos)				
Gross Revenues	56,086	**67,274**	49,479	**59,212**
Gross Expenses	40,980	**48,139**	34,390	**40,104**
Net Interest Income	39,085	**45,590**	33,618	**38,833**
Non-Interest Income	9,590	**10,063**	9,331	**10,280**
Operating Income	48,675	**55,652**	42,950	**49,113**
Provision for Impairment & Credit Losses	8,877	**9,013**	7,680	**7,427**
Operating Expenses	22,335	**24,354**	18,114	**19,716**
Net Income Attributable to Equity Holders of the Parent Bank	15,088	**19,108**	15,088	**19,108**
Net Income	15,106	**19,136**		
At Year-End (In Million Pesos)				
Total Resources	1,112,320	**1,329,729**	1,027,185	**1,218,673**
Loan Portfolio (Net)	609,007	**699,595**	544,172	**613,197**
Investment Securities	279,375	**412,234**	269,468	**402,672**
Total Deposits	862,860	**1,065,915**	782,219	**959,419**
Stockholders' Equity	119,123	**134,579**	119,081	**134,510**
Distribution Network and Human Resource				
Number of Branches	637	**640**	477	**479**
Number of ATMs	1,037	**1,044**	870	**874**
Number of Employees	9,747	**10,237**	7,208	**7,478**
Key Performance Indicators (In %)				
Profitability				
Return on Average Equity	13.6	**15.1**	13.6	**15.1**
Return on Average Assets	1.5	**1.6**	1.6	**1.7**
Net Interest Margin	4.3	**4.2**	4.0	**3.9**
Cost-to-Income Ratio	46	**44**	42	**40**
Liquidity				
Liquid Assets to Total Assets	42	**44**	43	**46**
Loans (net) to Deposit Ratio	71	**66**	70	**64**
Asset Quality				
Gross Non-Performing Loans (NPL) Ratio	2.5	**2.3**	1.9	**2.0**
NPL Cover	116	**123**	137	**136**
Capitalization				
Common Equity Tier 1 Ratio (CET 1/Tier 1)	14.9	**15.1**	14.7	**15.1**
Total Capital Adequacy Ratio (CAR)	15.8	**15.9**	15.6	**15.9**
Shareholder Information				
Market Value				
Market Price Per Share (In Pesos)	26.00	**27.45**		
Market Capitalization (In Million Pesos)	69,973	**73,876**		
Valuation				
Earnings Per Share (In Pesos)	5.6	**7.1**		
Book Value Per Share (In Pesos)	44.2	**50.0**		
Price to Book Ratio (x)	0.6	**0.5**		
Price to Earnings Ratio (x)	4.6	**3.9**		
Dividends				
Cash Dividends Paid (In Million Pesos)	2,686	**4,037**		
Cash Dividend Per Share (In Pesos)	1.00	**1.50**		
Cash Payout Ratio (In %)	22	**27**		
Cash Dividend Yield (In %)	4.1	**5.6**		

Outlook and Objectives

Pandemic reopening pushed the Philippine economy back at pre-pandemic state

After two years of varying degrees of pandemic restrictions, the country fully returned to its pre-pandemic economic size in 2022. Gross domestic product (GDP) grew by 7.6%, above the high-end of the government's 6.5% - 7.5% target.

	ACTUAL 2022	OUTLOOK 2023
GDP (% growth)	**7.6**	**5.8**
Demand Side		
Household Consumption	8.3	6.0
Government Consumption	5.0	3.5
Gross Capital Formation	16.8	1.2
of which Construction	*12.7*	*6.0*
Exports	10.7	7.7
Imports	13.1	5.5
Supply Side		
Agriculture	0.5	1.5
Industry	6.7	4.3
of which Manufacturing	*4.5*	*5.0*
Services	9.2	7.2

Household consumption remained to be the driver of GDP. Pent-up demand from pandemic reopening more than offset the impact of inflation, as consumer spending dominated. This was also helped by a strong labor market with more and more Filipinos gaining jobs. On the other hand, public spending growth was much lower in 2022. Infrastructure outlays, although still positive, slowed down from 2021 as the government scaled down on its construction. On a positive note, after stagnating during the pandemic, private construction surged, restarting capital investment rebuilding. In 2023, we expect consumption to hold up as inflation slowly comes down. However, economic activities will still likely moderate as pent-up demand fades and high interest rates impact businesses.

On the supply side, services—laggard during the pandemic, jumped by 9.2% in 2022. Moving forward, the services sector still has some built up momentum given full face-to-face classes was just implemented last November and tourism is likely to rebound especially with the U-turn from China's zero-COVID policy. With China's reopening, we expect headwinds from an expected global slowdown this 2023 to be partially offset by Chinese demand.

Despite challenges for 2023, structural reforms are underway. The country is yet to realize the impact of foreign liberalization laws such as the amendments to the retail trade liberalization act, public services act, and renewable energy act. The corporate recovery and tax incentives for enterprises (CREATE) act will also reduce some of the costs of businesses, encouraging foreign direct investment. Reforms to ease doing business in the Philippines will be positive for the economy in the next few years. Encouraging public-private partnerships to address the country's infrastructure backlog will help spur development despite a tighter fiscal purse.

On the inflation front, moderate demand-pull inflation from pandemic reopening was met by an unforeseen supply shock from the war in Ukraine. This forced the BSP to implement harsh monetary tightening, raising its key policy rate by 350 bps in a span of one year. In 2023, the BSP is expected to keep its policy rates elevated still as inflation is expected to again breach the target of 2-4%.

The synchronous monetary tightening in 2022 by global central banks led to volatile financial markets. In the Philippines, we observed a brisk rise in interest rates and a steep decline in the value of the peso. We expect financial markets to be less volatile in 2023 as central banks pause and await the lagged effect of monetary tightening.

2023 will be a year of moderate growth, high interest rates, and declining inflation. External demand will likely weaken due to looming recessions in advanced economies. However, emerging countries like the Philippines will weather this storm due to resilient domestic demand and a strong labor market.

Towards a broader horizon

Guided by a bold vision to preserve a 102-year legacy as the bank of choice for its customers, China Bank aims to further strengthen its profitability and sustain market share in core business lines, intensify product innovation and cross-selling by way of optimizing resources from our distribution network, and reach untapped efficiencies as we continue to enable seamless and safer banking experiences through our digital banking platform.

At the heart of China Bank's ambition towards becoming a top-of-mind banking partner is century's worth of trust, so meticulously built with multiple generations of customers and stakeholders. We will leverage this track record as we bring the franchise—the signature China Bank touch—into new customer segments, and deepen our niche in core client segments, including those from the Filipino-Chinese community.

Cognizant of a challenging environment operating under elevated interest rates and inflationary headwinds, China Bank will continue to support the growth of corporate and SME customers in target industries, while advocating global best practices on ESG risk management through sustainable finance. On the retail front, we will further broaden access to housing, auto, credit cards, and personal loans across multiple touchpoints—our branches, sales offices, kiosks, self-service, and digital platforms—with the goal of increasing the share of consumer loans to total credit portfolio. Maintaining a sound asset quality will remain a top priority for management as well, even as the Bank continues to balance the returns and risks from a bigger loan portfolio.

We will continue to expand China Bank's reach to be more accessible to customers. In 2022, we launched a fully digital customer onboarding capability through the China Bank START and CBS Go mobile apps. We plan to supplement this feat in the upcoming years with an expanded suite of digital product offerings in our internet and mobile banking platform, armed with a granular understanding of our clients' needs through robotics and customer analytics. On top of this, we are looking at serving new markets by optimizing our branch network in terms of organization and systemic workflow and enhancing our human and digital capabilities to meet the demand for fast, secure, and convenient banking services of today's generation of customers and the next.

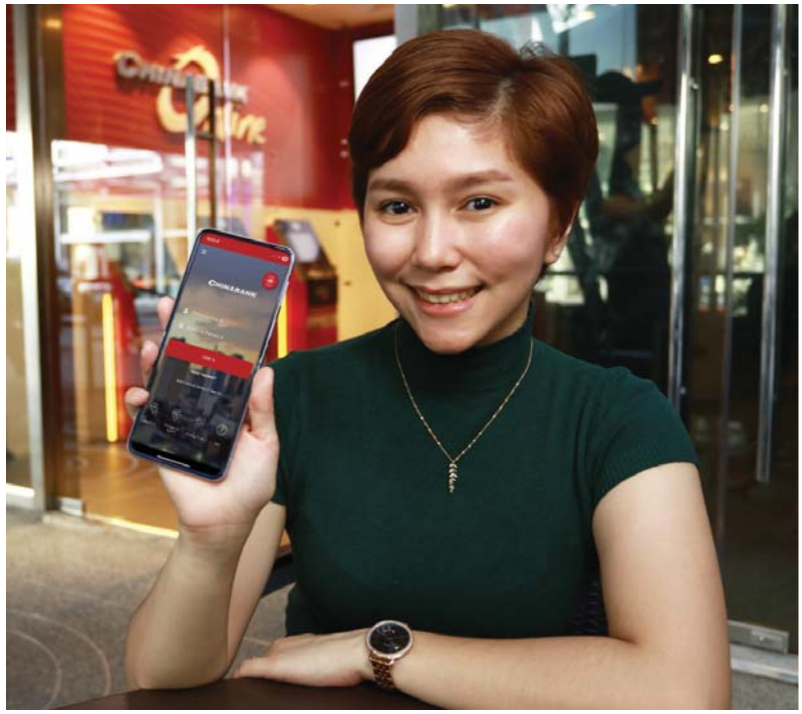
FOCUS AREA 1 — DEPOSITS	FOCUS AREA 2 — LOANS	FOCUS AREA 3 — FEE INCOME
Deliver robust growth in CASA deposits	Grow loans in target industries and segments and increase the wallet size of retail credit as we prudently manage risks from our portfolio; expand sustainable finance initiatives in sync with regulatory and global best practices	Diversify revenue streams and sustain momentum in core business lines that generate the best returns for the Bank's stakeholders

KEY ENABLERS: OUR DISTRIBUTION NETWORK, HUMAN RESOURCES, AND CHINA BANK DIGITAL PLATFORM

Optimized branch and self-service network	Proactive talent acquisition and up-skilling; deeper leadership bench	Effective and responsive

Operational Highlights

In 2022, economic activity further picked-up with the reversal of mobility restrictions, business and consumer confidence returned amid higher vaccination rates, and the Philippines was back to its pre-pandemic growth path. Despite the persistent challenges and uncertainties, the macro and operating environment was much improved in 2022 compared to 2021 and the normal flow of life and business has resumed.



Balancing the need to enable growth and economic progress on one hand and manage risks on the other, China Bank implemented policies and actions responsive to the needs of the time, underpinned by our greatest motivation—to serve our customers well. We continued to leverage our extensive distribution network, robust digital and human capabilities, and strong balance sheet to pursue growth opportunities, increase operating efficiencies, and do everything possible to meet our stakeholders' expectations and deliver sustainable outcomes in the post-COVID era.

All our branches are back to their pre-pandemic operating schedules; moreover, our employees are fully vaccinated and working 100% onsite. To improve business resilience, we implemented split operations, opening the China Bank MegaTower Extension Office in Mandaluyong City. Occupying three floors and with 770 work stations configured for social distancing, the facility also serves as our business continuity site. Should disaster strike, we could quickly shift operations from the head office to this fully-equipped extension office. As of end-2022, 80% of the work stations are actively being used on permanent and hot desking arrangements while the rest are being allocated by the business units for business continuity and expansion.

To broaden our reach of the underserved markets, we expanded our footprint with China Bank Savings branch lites or sales kiosks in the countryside. And to make banking more inclusive and convenient, we launched new digital solutions and enhanced existing ones for greater flexibillity, scalability, and security.

Keeping it personal, not transactional

China Bank is committed to earning the trust and loyalty of our clients and building lasting relationships with them. We focus on knowing who they are, what they need, and how we can help them lead successful financial lives, not on simply getting them to deposit or borrow more. We do our best to meet them on their own terms and to offer financial products, advice, and solutions suited to their needs and circumstances.

Our relationships with our 2.4 million customers continued to be strong in 2022. Total deposits expanded by 24% to ₱1.1 trillion, driven by the sustained growth across deposit products. The build-up in Current and Savings Account (CASA) deposits, a stable source of low-cost funding for our lending activities, was sustained, ending at ₱573 billion for a 54% CASA ratio.

We also started a lot of new customer relationships. The year saw a 12% increase in the number of new deposit accounts opened.

₱1.1T
Total Deposits

24%
Increase

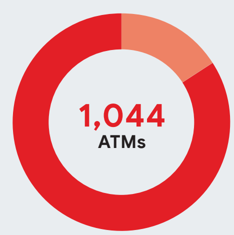
54%
CASA Ratio

China Bank's accessibility, apart from our reputation of reliability and excellent customer service, underpin our solid deposit franchise. We serve our customers at their preferred platform, re-imagining the customer journey and providing seamless on- and off-line experiences. At the end of 2022, our consolidated network reached 640 branches nationwide, complemented by 1,044 ATMs, 11 Cash Accept Machines, 24x7 digital channels, sales offices, and branch lite units.

BRANCHES

479 China Bank
161 CBS

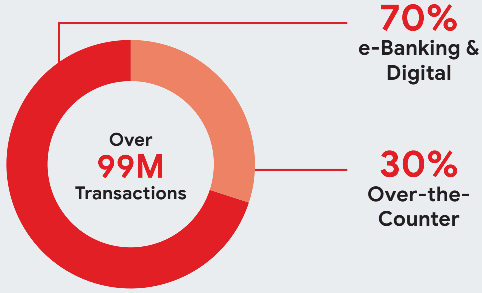
ATMs



874 China Bank
170 CBS

For services that are better served in person, we transformed our physical network from mere transaction points into relationship hubs where we provide our customers with personalized service and advice. At the same time, we continued to enhance our customer relationship management tools, enabling our teams to stay close to customers and communicate with them in meaningful ways, and ramped up our digital capabilities in line with the changing customer behavior. At China Bank, the shift to digital continued, accounting for 70% of total transactions in 2022 from 67% in 2021.

TRANSACTIONS



Moving forward, we will continue building strong customer relationships by delivering the exceptional service and solutions—both digital and in-person—our clients expect and deserve. To sustain CASA growth, we will intensify new-to-bank CASA acquisition with focus on business accounts and implement enhanced CASA expansion promos, among other strategies. We are also looking at optimizing our branch network by reviewing our organizational structure and systemic processes.

Welcome to our branch lite!

China Bank retail banking arm CBS China Bank Savings is on a mission to bring more Filipinos, particularly public school teachers in rural areas, into the formal banking system. This is in line with the CBS Build & Rise Initiative, a nationwide advocacy campaign which aims to champion financial inclusion, inspire the spirit of entrepreneurship, and spark consumer confidence that the country needs for rapid economic recovery and national resurgence. On top of 161-strong branches, CBS has a growing branch lite network of APD Lending Kiosks to serve the needs of the teaching and non-teaching staff of the Department of Education (DepEd). CBS opened 28 branch lite units in the countryside in 2022, bringing the number of APD Lending Kiosks to 44. At these branch lites or kiosks, CBS offers as much as ₱1 million in fixed-interest multi-purpose loans with terms of up to five years to qualified DepEd teachers and staff. In 2023, other CBS financial products, such as deposits, will also be available in these kiosks.

The Bangko Sentral ng Pilipinas defines a branch lite unit as a bank office that performs limited banking activities and records its transactions in the books of the head office or the branch to which it is annexed. While they are scaled-down offices, CBS' branch lites—which except for one, are all located in the provinces—are designed to be comfortable and welcoming spaces where customers can get friendly, personalized service like they would in a regular branch. CBS plans to open 15 additional branch lites in 2023.

A franchisee's success story

Kenneth N. Chua

A lot of Filipinos dream of owning a franchise of a popular quick service restaurant brand maybe as much as winning the lottery. Having a franchise of an established business with a solid customer base and the requisite operating systems already in place can be like hitting the jackpot; however, the stakes are higher—huge investment is required to put up a Jollibee Food Corporation (JFC) store.

While the steep cost of franchising was daunting for Kenneth N. Chua, then only in his early thirties when he decided to get into the franchise business with friends two decades ago, he boldly took a calculated risk, counting on the support of China Bank to make his dream a reality.

"Chowking was my very first business venture and China Bank was there to make my dream of being a franchisee come into fruition," recalled Mr. Chua who now operates several JFC brand outlets which he oversees with his wife Jessica.

While franchising is a safer bet for first-time business owners because it eliminates starting from scratch, running a franchise of a big brand is challenging and doesn't always lead to fast cash. On top of overhead expenses, a franchisee makes monthly payments for ads, promos, and royalty, based on a percentage of sales. The return on investment depends on a lot of factors, including how well the operations and finances are managed, so a franchisee needs a dependable banking partner.

"I've always felt the support of China Bank. They treat me as their valued partner all the time," he said, noting that he started banking with China Bank in 1988, before he thought of becoming a franchisee.

The reopening of the economy and the issuance of Executive Order 169 "Strengthening the Franchising Industry for the Protection of Micro, Small and Medium Enterprises" that seeks to promote entrepreneurship bode well for the Philippine franchising industry. Mr. Chua plans to continue growing his successful franchising venture with the help of his trusted banking partner.

"It has been my dream to expand my business, provide employment to those affected by retrenchment, and leave a legacy to my children. I believe that China Bank will be with me in realizing this goal. Together as partners, together as one."

Keeping it in the family

In 1982, spouses Uy Chi San and Lolita Uy started banking with China Bank at the same time that they established their small feeds and fertilizer retailing business, Manzihing Enterprises, in Daraga, Albay. Over time, the business grew and they opened branches in Naga, Camarines Sur, Daet, Camarines Norte, and Sorsogon. In 2014, the sole proprietorship business became Manzihing Corporation, engaged in the wholesale of agricultural products.

Mr. Uy passed in 2018, but Mrs. Uy, together with their six children, continues to make Manzihing Corporation a success. It is now the sole distributor of San Miguel BMEG Feeds and Atlas Fertilizer in the whole Bicol region. The Uy family also ventured into other businesses—real estate, leasing, hotel, restaurant, poultry and farm—providing jobs to over 400 locals and contributing to Bicol's revitalization.

Despite the persistent wooing of other banks, China Bank remains Manzihing Corporation's main bank. The Uy family considers China Bank as family, and remains loyal to the Bank all these years, with accounts in several China Bank branches in the Bicol region.

"Of all the banks that time, it was only China Bank who took the risk of granting us a collateral-free and clean loan worth half a million pesos. It was a huge gesture for us, especially when we were financially struggling with our business," Mrs. Uy recalled, noting that they will be forever grateful to the Bank for trusting and supporting them when they were just starting, as their businesses were growing, and when it truly matters. "What I like most about China Bank is the ease of doing business with them. We seldom encounter difficulties in reaching out to them when we need additional capital or some assistance from them," added Mrs. Uy.

The Uy family. From left: Emily, Nancy, Chi San, Johnson, Lolita, Jeckson, Daisy, and Ramon.

As the family corporation sets ambitious goals for the future, Mr. Ramon Tan Uy, eldest of the Uy siblings and general manager of Manzihing Corporation in Naga City, continues to put his trust in China Bank.

"We will continue to be loyal to China Bank," he said, speaking on behalf of the new generation of Uys. "China Bank will remain our primary bank, and no other bank can come close to them."

Making it simple but powerful

Responsiveness to our customers' evolving needs is essential to building long-term relationships. Thus, we are determined to remain agile and adaptive to an ever-changing environment. In 2022, we pursued our ongoing digital transformation with this in mind: customers want products and solutions that are simple but powerful.

The year saw the implementation of landmark automation projects to make our systems more efficient and secure, our processes more streamlined, our solutions more cutting-edge, and our customers happier. The projects included the revamp of the China Bank website, enhancement of China Bank Mobile App, the launch of China Bank START and CBS Go, and the development of China Bank Payroll 2.0.

Alongside the digital enhancements and new offerings, we continued to deploy more self-service devices—ATMs/Cash Recyclers, Cash-Accept Machines, and POS terminals—so customers can choose how they want to bank. The continuous build-up of our retail customer touch points led to a 24% jump in the number of transactions via China Bank's e-banking and digital platforms, with mobile banking accounting for the biggest share at 60%,

China Bank website

We revamped the China Bank website to make it simpler and more engaging, with enhanced content and topic-driven navigation for streamlined user experience.

China Bank Mobile App

China Bank Mobile App is now packed with more features:

UITF management	Suspend ATM card	Scan and pay	Maya cash-in
Customers with existing UITF investments can easily manage, grow, and redeem their investments.	Customers can conveniently suspend their ATM Cards should these be stolen or compromised.	As China Bank is one of the pilot banks for QRPH person-to-merchant digital payments, customers can "scan and pay" merchant QRs deployed by other issuers.	Customers can seamlessly top up their Maya e-wallet by linking their China Bank account

China Bank START and CBS GO

For new customers, we launched our digital onboarding apps China Bank START and CBS Go. These easy-to-use mobile phone apps make it convenient and affordable for new customers to bank with us. With just a few swipes and clicks on their smartphones, new-to-bank customers can open a China Bank or CBS savings account with no initial deposit. China Bank START and CBS Go are designed with the latest identity verification and security technologies and are available for free download on the App Store and Play Store.

China Bank Payroll 2.0

For our corporate customers, we upgraded our standalone payroll and timekeeping program and renamed it China Bank Payroll 2.0. The fully digital and cloud-based HR system has powerful features and capabilities, including a self-service online portal and real-time data processing for more efficient timekeeping, attendance tracking, and government report generation. It is also more affordable with its tiered pricing scheme.

and to 36% higher enrollments and 31% more active users in our online and mobile banking facilities.

36%
Increase in retail online and mobile banking enrollments

31%
Increase in retail active users

We also saw an uptick in the corporate segment as more businesses simplified and automated their liquidity, collection, and disbursement processes with China Bank's Cash Management Services (CMS). The number and value of CMS transactions rose by 16% and 29%, respectively. China Bank Online-Corporate accounted for 48% of CMS transactions in 2022.

16%
Increase in the number of CMS transactions

29%
Increase in the value of CMS transactions

Award-winning digital solutions

China Bank Easy Tax Filing & Payment Solution (Easy Tax) and China Bank Direct Debit Arrangement (DDA) were named Best Digital Business Banking Initiative for Business Customers at the 2022 ABF Retail Banking Awards of Hong Kong-based magazine Asian Banking and Finance.

Easy Tax also won the plum award in the Regtech category at the PAY360 Awards 2022 of UK-based The Payment Association, the largest community in payments. Easy Tax is the first and only automated tax filing and payment facility of its kind in the Philippines. It's an innovative solution that makes transactions of real estate companies with the Bureau of Internal Revenue faster, easier, and more secure.

Meanwhile, DDA is China Bank's total outsourcing solution for the payment collection of biller companies. Payments are collected via automatic debit from customers' accounts on a pre-defined period, and credited to the biller company's account.

China Bank offers a suite of powerful cash management solutions for businesses of all sizes. Enhancements are underway to further improve Easy Tax, including expanding the coverage of BIR Tax Forms to include Donor's Tax.

Debit POS that's A-OK

Tagum Cooperative CEO Juris D. Perez

In the Philippines and around the world, cooperatives are considered important to economic development. The biggest open-type cooperative in the country is Mindanao's Tagum Cooperative (TC), with over ₱12 billion in assets as of end-2022.

It was founded in 1967 as the Holy Name Society of Tagum Parish. It became a branded cooperative in 2020, achieving certification from the US-based World Council of Credit Unions. TC is under the National Confederation of Cooperatives, formerly known as National Association of Training Centers for Cooperatives or NATCCO.

"Open-type means we are a cooperative that's open to the community and everyone is welcome to join," said TC Chief Executive Officer Juris D. Perez. TC has over 150,000 members—mostly government employees, professionals, businessmen—and four business lines: Savings and Credit, Member Benefit and Assistance, Funecare, and Ancillary Services.

TC is a longtime China Bank client with accounts at 14 of the Bank's branches in Mindanao. TC started using the Bank's Debit POS facility in 2017, and more heavily since the pandemic, and saw dramatic improvement in the way the monthly payments or amortizations are collected from their members. China Bank Debit POS is a facility under the Collection Suite of the Bank's Cash Management Services (CMS). It enables businesses to conveniently collect payments via POS terminals installed in their offices.

"Tagum Cooperative's primary source of our cash inflow is loan collections. Majority of our loan collections are made through the ATM via POS. Collections via China Bank Debit POS facility are convenient, as these are cashless transactions, and very secure, as loan payments from the ATM accounts of members are directly deposited to TC's account. For easy reconciliation, we get settlement reports to ensure that the cash transfers from the members' ATM accounts to TC's settlement account are completely and accurately accounted for," said Ms. Perez.

Due to the volume of these transactions, TC uses multiple POS terminals by major commercial banks, but China Bank stands out for its personalized service and quick response to their concerns. "China Bank is our savior," said Ms. Perez, noting that when they had problems with the other bank's POS terminals at the height of the pandemic, China Bank was quick to act, providing TC with faster and more reliable POS units—Verifone VX520—and great customer service from the CMS Sales Team in the Mindanao Region. To date, 24 China Bank POS units are installed at TC's branches and more will be deployed as TC continues to expand its network.

"We're very happy with China Bank's service. Transactions are fast, opening deposit or investment accounts is hassle-free, and the documentary requirements are easy to comply with. We are hoping that China Bank will continue to prioritize Tagum Cooperative. We are partners," said Ms. Perez.

As the world becomes increasingly digital, China Bank will keep on improving and innovating for our customers, leveraging advanced data analytics and technology. We will continue to invest on innovation to future-proof our business, re-engineer our processes for greater efficiency, and deploy more self-service channels and enhance our straight through processing capability to deliver everyday banking solutions that are simple but powerful. We will also continue to be on the lookout for emerging technologies that can create better digital solutions for our customers and new business opportunities.

In 2023, our retail customers will enjoy greater convenience and security as we roll out the omni-channel China Bank Digital. We will also be expanding our ATM network with the latest model with bills-in/bills-out capability. Enhancements like instant ATM card issuance, credit card cash advance via ATM, and electronic PIN delivery via SMS or email will also be implemented within the year.

Meanwhile, our business customers will have greater flexibility in managing their cash flow with our improved Corporate Internet Banking Platform, China Bank SME Super App with Corporate eWallet, and China Bank 1Pay, an integrated bills payment facility via automatic debit arrangement and auto-charge.

Enabling success

Our customers' success is our business and we are here to enable them to live their best financial lives. We offer best-in-class loan, remittance, investment, and insurance products, personalized service, and sound financial advice to help our clients achieve their personal and business goals.

LOANS

With the improved economic conditions, there was a stronger demand for credit in 2022. Our total loan portfolio expanded by 15% to ₱718 billion.

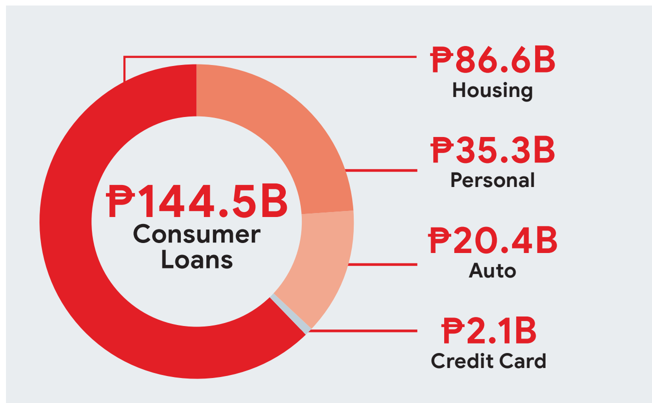
Corporate/business loans accounted for 80% of our total loans. Prioritizing loan growth on essential and bounce-back industries, loans to our business customers increased by 14% to ₱573 billion as we continued to support small to large companies and conglomerates—movers of the economy—to recover and thrive. New loans disbursed to our MSME, SME, and commercial customers reached ₱80.6 billion.

₱718B
Total Loans

15%
Increase

80%
Business Loans

Consumer lending was more vigorous in 2022, rising by 18% as consumer confidence returned and people pursued their dreams of owning a home or a vehicle, traveling, and generally improving certain aspects of their lives.



We recorded moderate growth in home and auto loans, at 2% and 6%, respectively. Increase was driven by our strong relationships with partner developers referring home loans and contract-to-sell (CTS), continued branch referral efforts, and improved processing and asset quality management.

Our credit card business, on the other hand, reached new growth milestones in 2022. With amplified efforts in branch engagement and acquisition programs, new cards booked increased 2.4x, bringing the total cards in force to 126,000. Portfolio action and customer-focused marketing initiatives such as Premium Dining Deals with the Metro

Powered by the sun, motivated by sustainability

The Nepomuceno family has a long history of contributing to the country's economic progress, especially in Pampanga. They established the Angeles Ice Plant in 1922, the Angeles Electric Corporation in 1923, and since then have been expanding into diverse industries, including soft drink manufacturing, real estate development and investment, construction, water distribution, education, power generation, and renewable energy.

The family became a pioneer in the local renewable energy space with the founding of Raslag Corp. in 2013. True to their roots, the term "Raslag" is derived from the Kapampangan word "aslag" – meaning "light", and the letter "r" representing renewables. Engr. Peter G. Nepomuceno, Chairman, President and CEO of Raslag Corp. and the patriarch of the Nepomuceno Group of Companies, founded Raslag with the vision of becoming a renewable energy leader that sustainably powers a growing economy. The firm currently operates solar power plants Raslag-1 with a capacity of 10 megawatts (MW), Raslag-2 with 13 MW, and Raslag-3 with 18 MW.

"We are now able to generate more solar energy for less land and for even less cost. This makes solar energy a particularly attractive option in the country, which is in line with Department of Energy targets," Engr. Nepomuceno said when Raslag-3 started operations in July 2022. In the pipeline are two more solar projects which will boost Raslag's generating capacity by six-fold in the next five years.

China Bank has been providing banking and financing services to the Nepomuceno Group and the Nepomuceno family since 2005.

"China Bank has been an invaluable partner of the Nepomuceno Group over the years, consistently delivering on its commitments through the execution of successful transactions and providing sound market advice. China Bank has been supportive of our ventures and has helped us grow our businesses," said Engr. Nepomuceno.

Raslag Corp. Chairman, President & CEO Peter G. Nepomuceno

China Bank Capital Corporation was tapped as the Sole Issue Manager, Sole Underwriter and Sole Bookrunner for Raslag Corp.'s ₱805 million initial public offering (IPO) in June 2022. The issuance was met with a strong demand and allowed Raslag to achieve a market valuation of ₱3.0 billion at the IPO price. Proceeds from the IPO will support the development and construction of two more solar farms, Raslag-4 and Raslag-5, its two largest projects to date with a combined capacity of around 95 MW, along with the development of other pipeline solar projects.

"The listing of Raslag helps us to raise funds to accelerate our growth plans. For this, we are grateful to China Bank Capital for helping deliver a successful fundraise that offers significant value for all our shareholders," said Engr. Nepomuceno.

Raslag's debut on the Philippine stock market is the first IPO to be solely led and underwritten by China Bank Capital and the only renewable energy IPO to be solely managed by an investment bank in 2022.

Manila's top restaurants, Cash Installment offers, Balance Transfer campaigns, and exclusive promos drove net billings and receivables to exceed pre-pandemic levels by 64% and by 54%, respectively. Despite having a much bigger cardholder base, the quality of acquired accounts and our proactive collections strategies resulted in a credit card industry-leading past due rate.

Meanwhile, our savings bank arm CBS also provides collateral-free loans that can be used for a variety of purposes like home repairs, tuition fee, loan re-payment, or to start a small business.

CBS helps with the funding needs of government employees—teaching and non-teaching personnel of the Department of Education, autonomous schools, state universities and colleges, and other segments covered by an automatic payroll deduction (APD) Memorandum of Agreement. CBS also provides salary loans and personal loans for private individuals.

In 2022, CBS' personal loan portfolio grew by 50% to ₱35 billion. New loan disbursements surged dramatically, by 125% for APD loans and by 20% for personal and salary loans.

While high interest rates and high inflation could dampen credit demand in 2023, we are optimistic about the sustained growth of our lending business. Large corporations are expected to remain resilient. The revitalization of the economy and the country's growing middle class could help prop up demand for consumer loans. We intend to capture a bigger market share with faster loan approvals with the completion of our credit automation projects. We will also continue to expand our credit card offerings, complemented by robust marketing programs and targeted promotions. To maintain asset quality, we will continue to ensure adequate controls and quality interest income-earning base balanced with good repayment ability accounts.

REMITTANCE

As the top countries of destination began to open their borders in 2022, deployment of overseas Filipino workers increased, although not yet back to pre-pandemic levels. To better serve these modern-day heroes and their families, we continued to expand our remittance tie-ups and enhance our remittance service.

We partnered with Qatar National Bank (QNB) to facilitate direct remittance from Qatar to the Philippines via RippleNet. QNB is the largest financial institution in the Middle East and Africa while RippleNet is a globally recognized financial platform for fast cross-border transactions using blockchain technology. Knowing that digitalization, not just presence, is crucial in providing more convenient, fast, secure, and affordable remittance services, we began the development of a Digital Adaptive Remittance System to replace our current remittance system. We also removed the barriers to opening a bank account to encourage more OFW families to save. Through the China Bank START app, they can easily open an OKS Account using their mobile phone, with no initial deposit. And to make it exciting to send money through China Bank, we launched two promotions and rewarded lucky customers with cash prizes.

We processed nearly 2 million remittance transactions worth a total of US$1.6 billion during the year. We expect this to grow in 2023 as we continue to expand our international and domestic presence and to develop solutions for emerging cross-border payments, such as the requirements of online merchants and micropayments for social media content providers. Meanwhile, the number of accountholders increased by 2% for the Peso-denominated OKS Account and 19% for the US Dollar variant. As we sustain our promotional campaigns, we anticipate stronger growth and more OFW families saving for their future.

INVESTMENT

Financial preparedness was proven to be equally important as physical health and safety when the pandemic struck. People since then have been more mindful of having the right access to personal finance, such as insurance and investments. We offer a wide range of investment options, user-friendly tools, and sound advice to help our customers become confident and informed investors and succeed in their financial journeys.

Our Trust business remained steady, with ₱222 billion in assets under management (AUM) and over 27,000 trust accounts. We continued to focus on being the right partner for unit investment trust funds (UITF), investment management and estate planning services, setting up and acting as trustee of retirement funds for employees' benefit, traditional trust services involving escrow services, and loan agency arrangements for corporate clients such as facility agency and collateral/security agency. As part of our ongoing investor education program, we conducted a series of webinars to provide existing and potential customers with timely and relevant insights and updates on the economy and the financial markets so they can have more informed choices. To make it more convenient for existing UITF customers to manage

ASSETS UNDER MANAGEMENT

₱222B
Trust and Asset Management Group

₱130B
Wealth Management Group

and grow their portfolio, we enhanced our China Bank Mobile with UITF management features.

Our Wealth Management business performed strongly in 2022, registering 20% growth in AUM to ₱130 billion. With our highly personalized approach, we helped our affluent and high net worth clients in managing and growing their wealth and assessing their priorities in light of the year's events. We seamlessly blended our human and digital capabilities to onboard more wealth banking clients, deepen existing relationships, and deliver exceptional customer experiences. We conducted an online event to provide tips and insights for our wealth clients on how to be resilient during volatile times. New treasury products and primary issuances were also made available to our clients.

We give our customers easy access to a wide array of investment opportunities—UITFs, fixed-income securities, and equities—and tailored advice to assist them in making the right investment decisions most suited to their financial objectives, time horizon, and risk profile. Through our full-service stock brokerage arm, China Bank Securities, we help investors build and diversify their investment portfolios with stocks.

Despite a volatile year for the equities market, with rising inflation, increasing interest rates, and weaker peso weighing on investor sentiment and causing risk aversion, our stock brokerage business grew even stronger in 2022. The number of trading accounts surged by 145% while trade transaction volume doubled. The hefty increase was driven in part by the launch of ChinaBankSec Online, a digital stock trading platform for buying and selling stocks listed at the Philippine Stock Exchange. Online trading accounts outnumbered traditional accounts which, in 2022, accounted for only 42% of total accounts. With the robust growth, China Bank Securities rose to the 28th spot from number 41 in the local bourse's ranking of its 124 member-brokers.

Best Managed Funds of the Year

The Chartered Financial Analyst (CFA) Society of the Philippines named China Bank Dollar Fund and China Bank Intermediate Fixed-Income Fund as the Best Managed Fund in their respective categories at the 2022 Best Managed Fund of the Year Awards, the global standard of excellence in the investment industry. The two China Bank UITFs have been proven to provide the best risk-based returns on a consistent basis over a five-year period. China Bank Dollar Fund remained unbeatable in the Dollar Long-Term Bond (FVPL) category, winning Best Managed Fund for the sixth time since 2016, and China Bank Intermediate Fixed-Income Fund won the plum award for the first time in the Peso Medium-Term Bond (FVPL) category.

China Bank Dollar Fund is invested in a portfolio of dollar-denominated securities consisting principally of high-grade government/corporate bonds and bank deposits of varying tenors. It aims to outperform its benchmark, the Bloomberg EM USD Sovereign-Philippine Total Return Index. Meanwhile, China Bank Intermediate Fixed-Income Fund is invested in a portfolio of peso-denominated high-grade marketable fixed-income securities like deposits, tradable money market instruments, government securities and corporate bonds/notes, and preferred shares of stock classified as debt securities. The Fund benchmarks its performance against the Bloomberg Philippine Sovereign Bond Index 1 to 3 Year (BPHIL13 Index).

Investing in the financial markets offers many potential advantages regardless of the macroeconomic conditions. With the high interest rate environment in 2023, a multi-asset approach can help curb market risks and ensure a better return on investment. We will continue to guide our customers make the most of their hard-earned money, beefing up our team of top-notch relationship managers, forecasting tools, and digital capabilities to help new and savvy investors navigate market volatilities and build their wealth.

INSURANCE

In a world of uncertainty, we are committed to protecting our customers from unforeseen emergencies or crisis. Through our subsidiary Chinabank Insurance Brokers, Inc. (CIBI) and bancassurance affiliate Manulife China Bank Life Assurance Corp. (MCBL), we offer a full range of non-life and life insurance products and services to help our customers prepare for, respond to, and recover from some of the most challenging times in their lives.

CIBI provides direct insurance broking to protect our customers' personal and business assets, leveraging a team of insurance specialists and a wide network of leading insurance providers to find the right policy for our clients and get them the best deal. In 2022, CIBI posted a 15% increase in net commissions. Efforts on deepening relationships with existing clients while generating repeat and new business, coupled with the continuing process improvements, pushed gross premiums and the number of policies to increase 13% and 6%, respectively. CIBI sealed a co-broking arrangement for Luzon International Premier Airport Development, the operations and maintenance provider of the new Clark International Airport, the property insurance coverage of Manulife Philippines', and the cyber insurance coverage of the whole China Bank group.

Meanwhile, MCBL, which takes great care of our customers' needs for life, health, and wealth products, ramped up product and fund development and launched these innovative insurance product solutions and funds: MCBL Future Boost, Enhanced Critical Illness, Secure Pinoy for Group Life / Student Care, Global Multi-Asset Fund and Global Health Fund. The new offerings, combined with excellent customer service and sustained marketing and cross-selling across our branch network, resulted in a 9% increase in policies in force and a 16% expansion in the number of insured lives. First year commissions (FYC) rose by 19% for the regular pay business. Affected by the rising interest rates, single pay business FYC, however, contracted by 30%.

Insurance plays a pivotal role in our customers' financial security; thus, we will continue improving our life and non-life businesses to provide more value to customers, meet their rising expectations, and to ensure these businesses remain strong and capable risk takers amid the escalating risk mitigation and capital requirements. As the economy grows and as people become more conscious of the benefits of insurance after the pandemic, the need for insurance increases. We will do everything we can to be our customers' right partner in securing all that matters to them.

Future Boost	Enhanced Critical Illness	Secure Pinoy for Group Life Student Life Care	Global Multi Asset Fund	Global Health Fund
A regular pay product that has flexible plan features to address the clients need according to their life stage.	A more comprehensive critical illness coverage for over 60 critical illnesses.	A group policy to address the basic insurance needs of companies to protect their clients and employees, and of educational institutions to protect their students	International funds that invest in companies with high and steady distribution of income and potential for capital growth.	

Deepening the capital markets

Through our investment banking arm China Bank Capital, we offer a full suite of investment banking solutions that enable clients to achieve their corporate objectives and strategic goals, help boost investors' income and wealth, and drive the Philippines' economic development.

In 2022, China Bank Capital led equity and debt capital market transactions that raised ₱1.2 trillion for the public and private sectors. We remained the top local debt house* as we participated in ₱312 billion of the ₱339 billion issued during the year, including some of the biggest fixed income transactions to hit the market to-date:

- San Miguel Corp.'s ₱60 billion Fixed Rate Bonds
- SMC Global Power Holdings Corp.'s ₱40 billion Fixed Rate Bonds - named Best Transition Bond in 2022 by The Asset
- Ayala Land, Inc.'s ₱33 billion Fixed Rate Bonds
- SM Prime Holdings, Inc.'s ₱30 billion Fixed Rate Bonds
- Development Bank of the Philippines' ₱12 billion Fixed Rate Bonds
- Vista Land & Lifescapes, Inc.'s ₱11.5 billion Corporate Notes Facility
- Cebu Landmasters, Inc.'s ₱5 billion Fixed Rate Bonds – named Best New Bond (Philippines) in 2022 by The Asset

** Bloomberg's Peso-denominated corporate bond league table (excluding self-led issuances and non-local banks).*

For initial public offerings (IPO), despite the very challenging equity market, we were the most active investment house with five issuances, including:

- Raslag Corp.'s ₱805 million IPO – named Best Small-Cap Equity Deal of the Year in 2022 by Alpha Southeast Asia
- VistaREIT, Inc.'s ₱4.8 billion IPO
- Premiere Island Power REIT Corporation's ₱2.4 billion IPO

Our strength in raising debt for top corporations has been recognized domestically and abroad. China Bank Capital was named the Philippines' Best Bond Adviser-Domestic by The Asset for the 7th year in a row; and the Top Corporate Issue Arranger / Manager (Investment House Category) by the PDS Group.

In 2023, we will continue to help deepen the Philippine capital markets to boost the flow of money to corporate and public projects that benefit society. By using our expertise and resources, ramping up our marketing and education efforts, and working closely with issuers and policy makers, we aim to increase demand for capital by supporting the participation of new and repeat issuers and to expand the supply of capital by encouraging more institutional and retail clients to be more active and participate in the equity and fixed income markets.

Solidly built

Cebu Landmasters, Inc. Chairman, President & CEO Jose R. Soberano III

Just three years after leaving his VP post in an Ayala subsidiary, Jose R. Soberano III founded Cebu Landmasters, Inc. (CLI) in 2003 and imbued it with traditional family values, a genuine passion for real estate, and unrelenting faith. Together with his wife Marose - EVP & Treasurer, his son Franco - SEVP & COO, his daughter Joanna Marie - SVP & Marketing Director, Grant Cheng - EVP & CFO, and other trusted professionals, the Cebuano real estate veteran turned CLI into the leading developer in Visayas and Mindanao, with more than 100 projects in different stages of development in 16 key cities.

"CLI's growth has been closely tied with serving the strong underserved demand for middle-class housing in VisMin. We will continue to lean on that strength as we build out sustainable and vibrant townships in the region," said Mr. Soberano during the listing of CLI's maiden ₱5-billion fixed rate bonds in October 2022. China Bank Capital was the joint issue manager, joint lead underwriter, and joint bookrunner for the transaction which was hailed as the Best New Bond (Philippines) at The Asset Triple A Country Awards for Sustainable Finance 2022.

"China Bank Capital has proven instrumental in our successful return to the capital markets since our IPO. This landmark transaction further accelerates the growth of our portfolio of community-focused real estate developments. We appreciate the work done by China Bank Capital and we look forward to having them onboard for our future deals."

Publicly listed in 2017, CLI provides a full range of high-end, mid-market, economic and socialized housing products, mostly located in VisMin. China Bank has supported CLI's various banking and financing needs, including a ₱5-billion and an ₱8-billion corporate notes facilities in 2018 and 2020, respectively, to fund the company's steady expansion.

"China Bank has consistently played a vital role in our goal of expanding our landbank and portfolio by providing us the necessary capital for our projects. With China Bank's continuous support and efforts, we were recognized as the leading residential developer in VisMin."

With fresh funds from the successful ₱5-billion bond offering, part of the approved shelf registration of a ₱15 billion debt securities program, CLI is set to expand in its core markets in the Visayas and Mindanao.

"As new airports and other major infrastructure come onstream to unlock VisMin's vast potentials, CLI's developments and estates will serve as catalysts for sustained growth and development," Mr. Soberano said.

A diversification story

Under the leadership and guidance of former Senate President Manuel B. Villar, Jr., the Villar Group of Companies has grown and expanded into various businesses that cater to the needs of the Filipino people. With an initial mission to provide its customers the most basic of needs – a home, the Group's business has diversified from real estate development to complimentary offerings such as utilities and various retail concepts.

From its humble beginnings as a developer of low-cost standardized housing under the "Camella Homes" brand, the Villar Group, through its real estate holding company Vista Land & Lifescapes, Inc., has since expanded to 149 cities and municipalities nationwide, building over 500,000 homes catering to the affordable, upper mid-cost and high-end segments. Aside from residential property development, the largest homebuilder in the country is likewise involved in commercial property development through retail malls and BPO commercial centers. To further support the development of its real estate business, the group launched the initial public offering of VistaREIT, Inc. ("VREIT"), the flagship office and mall REIT of Vista Land and its subsidiaries. With the assistance of China Bank Capital as Issue Coordinator, Joint Lead Underwriter and Bookrunner, VREIT was able to raise over ₱4.8 billion from the sale of secondary shares. VREIT was listed on the Main Board of the PSE in June 2022. China Bank Capital also acted as Mandated Lead Arranger and Bookrunner for Vista Land's Corporate Notes Facility in December.

Continuing the family's legacy of providing basic necessities to Filipinos, eldest son Manuel Paolo A. Villar established Prime Asset Ventures, Inc. ("PAVI"), with investments in power & infrastructure, waterworks, integrated resorts, entertainment, and ICT & broadcasting. In December 2022, Premiere Island Power REIT Corporation ("PREIT"), the power and infrastructure REIT platform of the PAVI group, conducted a ₱2.4 billion IPO and was listed on the Main Board of the PSE. Proceeds of the IPO will be used for solar photovoltaic farm projects. China Bank Capital acted as Sole Issue Manager, Underwriter, and Bookrunner for the PREIT IPO.

Vista Land & Lifescapes Chairman Manuel Villar, Jr. and Pres & CEO Paolo Villar

Sustainability at China Bank

SUSTAINABILITY STRATEGY

2-22

China Bank's Sustainability Strategy is to support its vision and mission through responsible **Value Creation** activities that **Contribute** to the environment and society, while being **Resilient**.

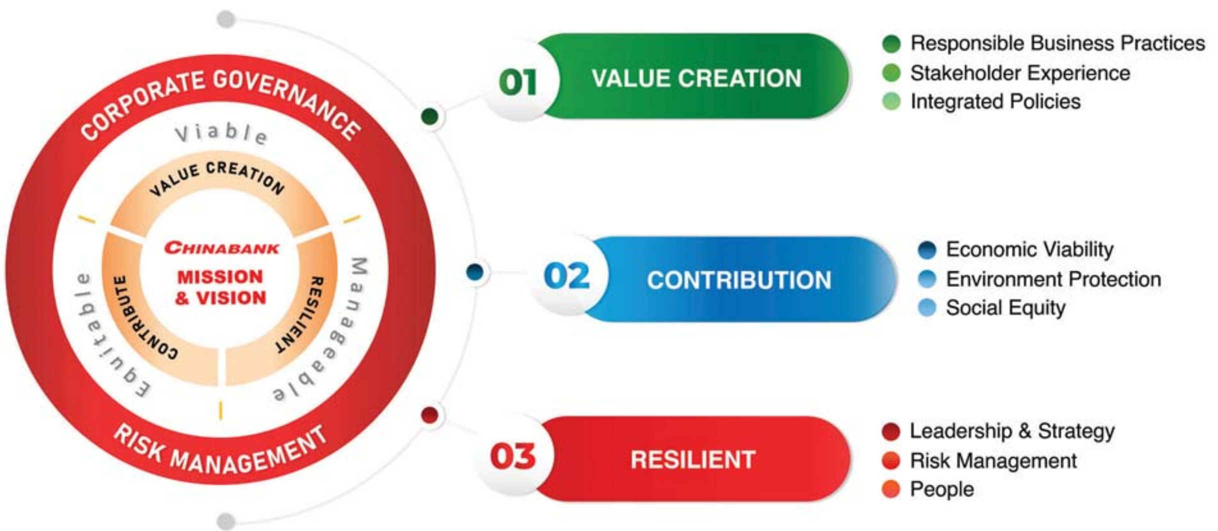
In doing so, we operate under conditions that are **Viable** to the company and the community. We will ensure that our contributions are **Equitable** to the environment and society, and that risks are **Manageable**.

It shall be governed by its **Corporate Governance** and **Risk Management** framework.

OUR APPROACH

2-23

Recognizing China Bank's vital role in advancing sustainable development—not just by being responsible in managing the impact of our operations, but also in making responsible decisions in lending, investing, and the services we offer—we have been progressively integrating sustainability principles on three fronts: through value creation, through our contribution, and by being resilient.



Sustainability Governance

2-14, 2-24

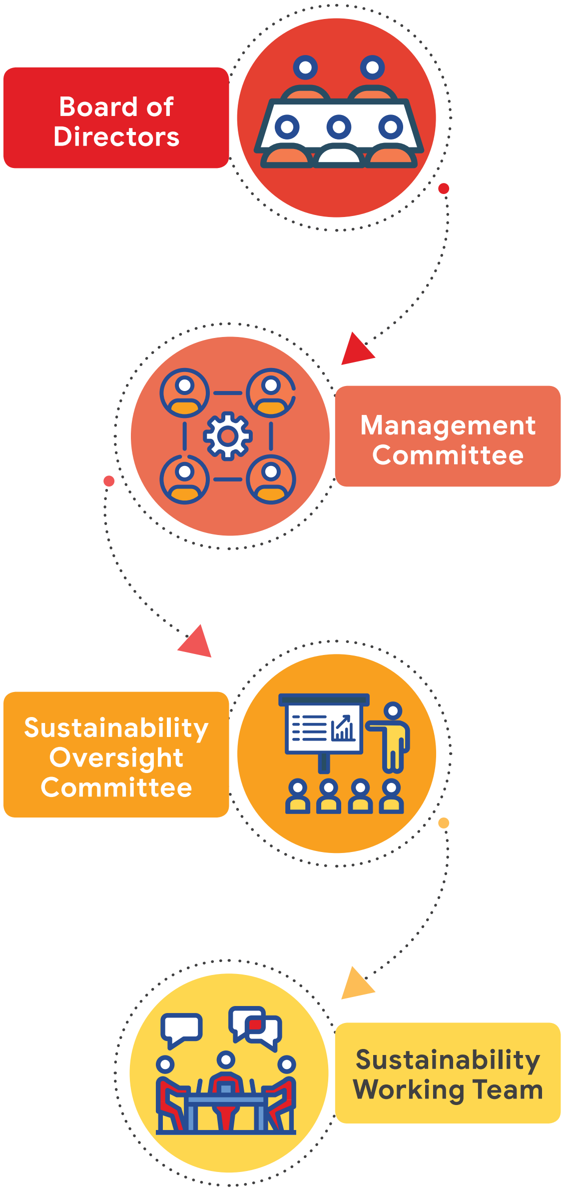
The Board of Directors has the overall oversight responsibility in ensuring that sustainability is institutionalized into China Bank's strategy and objectives.

The Management Committee is tasked to ensure that the Bank's operations and the performance of our personnel are in line with the set objectives on sustainability. The Management Committee is supported by the newly-established Sustainability Oversight Committee in the implementation of its sustainability-related activities.

The Sustainability Oversight Committee aims to:

- ensure that oversight and management of sustainability-related issues are embedded within the Bank's governance structure and,
- ensure that the Board and Management would have visibility of sustainability-related issues and set the appropriate strategy and its implementation.

To support the Sustainability Oversight Committee's activities, the Sustainability Working Team, led by the ESG Department, coordinates with the other units of the Bank in the implementation of actions and initiatives on capacity building, materiality assessment, and other activities under the Sustainability Transition Plan.



Stakeholder Engagement

2-25, 2-26, 2-29

We are committed to serve our stakeholders and to live up to their expectations. Using various engagement channels, we communicate, interact, and touch base with our key stakeholder groups to understand and address their concerns and to foster stronger relationships.

Our Stakeholders	Key Engagement Channels	Their Concerns	Our Response
Customers	• Daily customer contact via branches, customer service hotline, e-mail, SMS, viber, and social media • Customer Satisfaction Survey • Bank-scheduled virtual interactions via Economic Briefing and Wealth Management Forum	While restrictions on mobility eased to almost pre-pandemic levels, our customers remained concerned about banking access, security, and responsive service.	When the government eased restrictions, our branches returned to their normal operating hours while remaining mindful of health protocols. We continued to expand our reach, opening more branches and deploying additional ATMs, and sustained our customer engagement efforts to provide clients with helpful advice and insights on cybersecurity, investing and financial planning, and the economy. We also enhanced the security features and functionalities of our digital channels and launched new mobile apps to make account opening easier.
Employees	• Regular Management Advisory • Internal Customer Satisfaction Survey • Performance Appraisals • Online and face-to-face interactions and meetings • Retail Banking Business National Convention • Work-life Integration Programs • Townhall meetings	Our employees continued to be concerned about their health and safety and continuous improvement through training. They also expressed concern for the rising inflation which impacted their spending power.	We continued to provide logistical support to employees, including service vehicles, COVID booster shots in partnership with the SM Group and LGUs, and dedicated COVID testing centers. We continued to hold virtual meetings, events, and trainings and beefed up our training program by providing LinkedIn Learning licenses to all our employees. The year also saw the signing a new five-year CBA, which includes economic and non-economic provisions to protect covered employees' health, safety, rights, and livelihood.
Shareholders	• Annual Stockholders' Meeting • Group Strategy Update • Participation in the SM Group's quarterly investor briefings	While restrictions on mobility eased to almost pre-pandemic levels, our customers remained concerned about banking access, security, and responsive service.	We kept our shareholders apprised of our financial performance with timely and transparent disclosures, and continued to improve our governance practices to ensure the Bank remains fundamentally sound and resilient. We paid P4.04 billion in cash dividends in 2022, equivalent to P1.00/share regular dividend plus P0.50/share special dividend.
Non-Government Organizations (NGOs)	• Partnerships and collaborations for a cause	The top concern of NGOs was to get support (financial and non-financial) for their projects and advocacies.	China Bank has been involved in a range of philanthropies, partnering with various NGOs to support worthy causes.
Regulators	• Regular Audits and Reports • Regular Bangko Sentral ng Pilipinas (BSP) examination • Regular correspondences through letters and e-mails	With the stringent regulatory environment to ensure the stability of the financial system as we recover from the pandemic, the regulators' primary concern continued to be compliance with the rules and regulations.	We endeavor to maintain a mutually beneficial relationship with our regulators by proactively collaborating with them to ensure that regulatory issuances are accurately interpreted/ applied, timely communicated, and properly implemented across all levels in the organization.
Suppliers	• Online meetings • E-mail correspondences • Accreditation and bidding process	While restrictions on mobility eased to almost pre-pandemic levels, some problems remained and our suppliers were still mainly concerned with meeting delivery due dates.	We continued to be understanding of the issues faced by our suppliers, allowing some leeway to the extent practicable.

Materiality Assessment

3-1, 3-2

We conduct a Materiality Assessment based on the following key objectives:

- To identify and prioritize which economic, environmental, social or governance topic/issue has an impact to and is impacted by the Bank
- To spot trends and anticipate emerging issues
- To focus efforts on allocating resources better

- **Identify the Stakeholders**
- **Conduct the Survey**
- **Collect and Analyze the Data**
- **Prioritize the issues and Secure Approval**
- **Address the Issues**

For the 2022 materiality assessment, our respondents were China Bank officers, selected based on the broad representation of their business/support function, area and scope in the organization, expertise, and seniority. Discussions were conducted to ensure understanding of the purpose, process, and in validating the results.

In determining the potential economic, environmental, social or governance topics, we considered various international sustainability principles such as the GRI Standards and the Sustainability Accounting Standards Board (SASB). We also designed the materiality assessment to incorporate topics for a more generic company rather than focused on banking to have a broader scope and to avoid excluding potential topics. Thus, we came up with a total of 36 material topics—six for Economic, eight for Environment, fifteen for Social, and seven for Governance.

The respondents assigned a score for each topic based on the following:

SCORE LEVEL	DESCRIPTION
4	Extremely Important
3	Very Important
2	Somewhat Important
1	Not so Important

BASIS OF OUR MATERIALITY SCORECARD

- **by scale,** or how grave is the impact;
- **by scope,** or how widespread is the impact; and
- **by likelihood,** or what are the chance the impact could happen.

Upon receiving the responses, the ESG Department consolidated them using an in-house developed data tool. Results show that China Bank's top ten material topics are as follows:

1	Health and Safety
2	Business Ethics
3	Corporate Governance
4	Talent Attraction and Retention
5	Anti-Corruption and Anti-Bribery
6	Digitalization
7	Labor Standards
8	Training and Education
9	Innovation
10	Economic Performance

Sustainability Transition Plan

In the past two years, the Bangko Sentral ng Pilipinas (BSP) has issued sustainable finance regulations to foster wider adoption of sustainability principles in the domestic financial system: Circular No. 1085 on the Sustainable Finance Framework in 2020, Circular No. 1128 on the Environmental and Social Risk Management System (ESRMS) in 2021, and Circular No. 1149 on the Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks in 2022.

We believe that the BSP's transformational policies pave the way for banks to play key roles in building a more sustainable and resilient Philippine economy. Thus, we are committed to do our part to help accelerate the low-carbon transition of our country's finance sector. We established our ESG Department in 2021 with a mandate to lead the collaboration across China Bank in addressing sustainability considerations in our lending, investment, risk management, compliance, disclosure, and corporate social responsibility activities. In 2022, we engaged Moody's Analytics as our external advisor in setting up the ESRMS conducive to meeting the expectations of the BSP in its Circulars. The engagement includes capacity building, ESG assessment on its existing policies and procedures, profiling of its portfolios and the establishment of its ESRMS, among others.

Key Accomplishments in 2022

1. **Environment Risk Hazard Modeling Exercise** – conducted an initial assessment on the potential exposures of our branches to various events such as earthquake, volcanic eruptions, or flooding using HazardHunterPH.
2. **Materiality Assessment for Internal Stakeholders** – conducted materiality assessment to identify topics/ issues that have a significant impact to our own internal stakeholders (i.e. officers of the Bank) and to our business.
3. **ESG Portfolio Profiler*** – conducted an initial assessment of our non-retail loan portfolio to identify ESG risk profile, Physical and Transition Risk Scores, and gather its Scope 1 and 2 GHG Emissions.
4. **ESG Assessment on China Bank*** – conducted an ESG Assessment of our existing policies/frameworks, with the recommendations being addressed by the responsible units.
5. **Capacity Building*** – conducted a series of ESG-related trainings for our Board of Directors, Management Committee, and selected officers from various units
6. **Sustainability Awareness** – released bi-monthly infographics on various sustainability-related topics and required all China Bank employees to complete the sustainability module on LinkedIn Learning to increase employees' awareness on sustainability.

*Part of engagement with Moody's Analytics

Sustainability Performance

Value Creation Model

Input

FINANCIAL CAPITAL
Sound financial and earnings foundation

- **₱1,329.73 billion** assets
- **15.92%** capital adequacy
- **₱19.14 billion** net income

MANUFACTURED CAPITAL
Vast and secure physical and digital infrastructure

- **640** branches
- **1,044** ATMs
- **24/7** online and mobile banking facilities

HUMAN CAPITAL
Diverse and highly qualified personnel

- **10,283** permanent and fixed term employees
- **67%** women; **33%** men

INTELLECTUAL CAPITAL
Culture of continuous learning and improvement

- **₱39.97 million** spent on employee training

SOCIAL AND RELATIONSHIP CAPITAL
Strong brand reputation and customer relations

- **102** years of trusted banking service and advice
- **98%** customer satisfaction
- **99%** issue resolution
- Sustained cyber resilience

NATURAL CAPITAL
Efficient resource management

- **25,706 MWh** electricity consumption
- **435,045 cubic meters** water consumption

Activity

SUSTAINABILITY STRATEGY

BUSINESS OPERATIONS

- Relationship Banking
- Financial Markets
- Savings Bank and Bancassurance

Outcome

Shared Growth

Our continued strong financial performance in 2022 enabled us to distribute higher economic value through taxes paid to the government, dividends and interest paid to shareholders and accountholders, salaries and benefits paid to employees, and contribution to our communities

PAGES 40 to 41 — CONTRIBUTION TO THE SDGs
PAGE 42 — DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Engaged Workforce

We continued to make China Bank a great place to work, investing in the necessary resources to attract, develop, retain, and protect employees who share our vision and mission of wealth and value creation for our stakeholders

PAGES 43 to 48 — HUMAN RESOURCES
PAGES 49 to 50 — HEALTH & SAFETY

Satisfied Customers

Our strong commitment to financial inclusion, consumer protection, data privacy and cybersecurity continued to enhance our reputation as a trusted banking partner

PAGES 51 to 54 — FINANCIAL INCLUSION
PAGES 55 to 56 — CONSUMER PROTECTION
PAGES 57 to 59 — DATA PRIVACY AND CYBER SECURITY

Small Environmental Impact

As a financial institution, China Bank is more dependent on human and intellectual capital than natural capital. Nevertheless, we continue minimizing our environmental footprint to help protect the planet

PAGE 60 — ENVIRONMENTAL FOOTPRINT

SDG Contribution

Contribution to the SDGs

3-3, 203-1, 203-2

We take to heart our responsibility to help deliver on the United Nations Sustainable Development Goals (SDGs). We identified nine strategically relevant UN SDGs for China Bank that resonate deeply with our vision and mission. We believe that these are the key areas where we can make the most positive contribution.

1 NO POVERTY

Target 1.4

By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

CONTRIBUTION

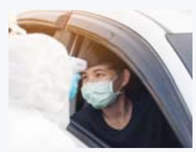
- Provided support to 2,851 MSMEs
- Provided ₱18.67 billion in loans to MSMEs
- Paid ₱7.84 billion in government taxes

3 GOOD HEALTH AND WELL-BEING

Target 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

CONTRIBUTION



- Provided ₱1.25 billion in loans to the healthcare sector
- 153,050 lives insured
- ₱359.12 million in life insurance claims paid

4 QUALITY EDUCATION

Target 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Target 4.7

By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and nonviolence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

CONTRIBUTION

- 19,316 participants benefitted from the various Financial Literacy Programs of China Bank and CBS
- Provided ₱1.58 billion in loans to the educational sector to build, maintain and upgrade schools

5 GENDER EQUALITY

Target 5.5

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

CONTRIBUTION

- 67% of employees are female
- 2 female Independent Directors are in the Board

7 AFFORDABLE AND CLEAN ENERGY

Target 7.1

By 2030, ensure universal access to affordable, reliable and modern energy services.

Target 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix.

CONTRIBUTION

- Loans for energy access ₱18.43 billion
- Provided ₱17.75 billion in loans to renewable energy

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Target 8.10

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

CONTRIBUTION

- 640 branches
- 1,044 ATMs
- 10,283 permanent and fixed term employees
- ₱8.13 billion in salary and benefits paid to employees
- 17.16 million in safe man-hours recorded

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Target 9.3

Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

CONTRIBUTION

- Provided ₱573 billion in business loans to corporate, SME, and middle market segments

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Target 12.6

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

CONTRIBUTION

- China Bank has been publishing a combined annual and sustainability report for the last five years

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Target 16.6

Develop effective, accountable and transparent institutions at all levels.

CONTRIBUTION

- Five-Golden Arrow awardee for corporate governance excellence

Direct Economic Value Generated and Distributed

3-3, 201-1

The wealth we create through our business operations is distributed to create value for our stakeholders.

In 2022, we only retained 31% of the wealth we produced, distributing 69% of it to our shareholders, customers, employees, suppliers, as well as for economic and social development.

ECONOMIC VALUE TABLE (in million PHP)

METRICS	2020	2021	2022
Economic Value Generated	38,410	41,903	**49,255**
Economic Value Distributed	29,024	29,483	**34,157**
Operating Costs	8,163	11,371	**11,515**
Employee Wages and Benefits	7,522	7,498	**8,133**
Payments to Providers of Capital	6,111	4,790	**6,653**
Payments to Governments	7,226	5,816	**7,844**
Community Investments	2	7	**12**
Economic Value Retained	9,386	12,240	**15,098**

We also arrange financing for companies that are into transition and renewable energy. In 2022, China Bank Capital raised over ₱43 billion in sustainability-related financing.

1. **Raslag Corp.'s PHP 805 Million Initial Public Offering (IPO)** – a Kapampangan renewable energy developer, which prides itself on being one of the pioneers of solar energy development in the region. At the time of the IPO, the Company had two operating solar power projects – RASLAG-1 and RASLAG-2 – with a combined capacity of 23.19 Megawatt-peak (MWp). Proceeds of the IPO will be used to develop the Company's next solar power projects.
2. **SMC Global Power Holdings Corp.'s (SMCGP) PHP 40.0 Billion Fixed Rate Bonds due 2025, 2028, and 2032** – as San Miguel Corporation's power holding company, SMCGP and its subsidiaries are primarily engaged in the generation, supply and sale of electric power and accounts for a significant portion of the installed capacity in the Philippines. A large part of the bond proceeds would be used by the company to shift to cleaner fuel sources such as LNG and solar technologies as well as the development of battery energy storage systems.
3. **Premiere Island Power REIT Corporation's PHP 2.4 Billion IPO** – a holding company and envisioned to be the real estate investment trust (REIT) platform for the power and infrastructure assets of its ultimate parent, Prime Asset Ventures, Inc. (PAVI). Proceeds of the offer will mainly be used to expand its portfolio into renewable power generation, primarily through PAVI's subsidiary PAVI Green, which is committed to contributing 1,000MW of renewable power in three to five years.

Human Resources

3-3, 2-7, 2-8

We strive to be among the best employers in the Philippines, fostering a culture of integrity, accountability, collaboration, continuous development, and meritocracy to attract, motivate, and retain the best people to best serve our customers.

In 2022, the total workforce of the China Bank Group reached 10,283, of which 10,237 were permanent and 46 were fixed-term employees.

TOTAL	2021	2022
Number of Employees	9,747	**10,283**
NCR		**6,233**
Luzon		**2,323**
Visayas		**1,051**
Mindanao		**676**

BY GENDER	2021	2022
Male	3,214	**3,398**
NCR		**1,930**
Luzon		**859**
Visayas		**333**
Mindanao		**276**
Female	6,533	**6,885**
NCR		**4,303**
Luzon		**1,464**
Visayas		**718**
Mindanao		**400**

BY LEVEL	2021	2022
Rank-and-File	5,930	**6,335**
NCR		**3,736**
Luzon		**1,474**
Visayas		**685**
Mindanao		**440**
Junior-Middle Management	3,441	**3,531**
NCR		**2,127**
Luzon		**822**
Visayas		**354**
Mindanao		**228**
Senior Management	376	**417**
NCR		**370**
Luzon		**27**
Visayas		**12**
Mindanao		**8**

BY AGE GROUP	2021	2022
Below 30 years old	4,602	**4,865**
NCR		**3,035**
Luzon		**993**
Visayas		**494**
Mindanao		**343**
Between 30-50 years old	4,370	**4,539**
NCR		**2,644**
Luzon		**1,126**
Visayas		**483**
Mindanao		**286**
Above 50 years old	775	**879**
NCR		**554**
Luzon		**204**
Visayas		**74**
Mindanao		**47**

Finding the Right Talents

3-3, 401-1

Our people are our most valuable asset and we go to great lengths to find, develop, and keep them. During the pandemic, our recruitment initiatives became more extensive and digitized. Traditional channels such as campus recruitment, career fairs, and internal referral programs were expanded and improved to capture the best talents, leveraging technology to reach more potential candidates.

- **Internal Recruitment Drive (IRD)**
  We engage our existing employees to take part in our recruitment efforts and be rewarded for their referrals. In 2022, IRD continued to be the number one source of new officer and staff hires, accounting for 40% of the total new hires for the year.
- **Online Pre-Employment Assessment**
  In 2022, we launched the Online Pre-Employment Assessment, enabling candidates for officer and rank-and-file positions to conveniently complete our basic mental ability tests, as well as personality and behavioral assessments online.
- **Onsite Recruitment**
  We strengthened our recruitment efforts with a program to hire qualified candidates onsite. In 2022, we conducted 60 onsite recruitment events in major malls and hotels to fill staff vacancies in Metro Manila. With the help of these events, along with other means, we were able to decrease our staff vacancies by 66%, as of December 31, 2022.

TOTAL	2021	2022
New Hires	1,030	**2,481**
NCR		**1,598**
Luzon		**447**
Visayas		**237**
Mindanao		**199**

BY GENDER	2021	2022
Male	383	**760**
NCR		**431**
Luzon		**168**
Visayas		**81**
Mindanao		**80**
Female	647	**1,721**
NCR		**1,167**
Luzon		**279**
Visayas		**156**
Mindanao		**119**

BY AGE GROUP	2021	2022
Below 30 years old	744	**1,978**
NCR		**1,290**
Luzon		**355**
Visayas		**191**
Mindanao		**142**
Between 30-50 years old	253	**458**
NCR		**277**
Luzon		**82**
Visayas		**44**
Mindanao		**55**
Above 50 years old	33	**45**
NCR		**31**
Luzon		**10**
Visayas		**2**
Mindanao		**2**

Promoting Diversity and Equal Opportunity

405-1, 406-1

Our diverse workforce with their broad range of skills, experience, and background enables us to respond to challenges and opportunities and meet our customers' needs in a fast-changing world. Women are well represented at all levels and we take appropriate steps to support future female leaders.

	MALE 2021	MALE 2022	FEMALE 2021	FEMALE 2022
By Level				
Rank-and-File	1,783	**1,898**	4,147	**4,437**
NCR		**1,043**		**2,693**
Luzon		**508**		**966**
Visayas		**194**		**491**
Mindanao		**153**		**287**
Junior Management	357	**348**	610	**525**
NCR		**126**		**310**
Luzon		**118**		**114**
Visayas		**51**		**73**
Mindanao		**53**		**28**
Middle Management	919	**977**	1,555	**1,681**
NCR		**605**		**1,086**
Luzon		**224**		**366**
Visayas		**82**		**148**
Mindanao		**66**		**81**
Senior Management	155	**175**	221	**242**
NCR		**156**		**214**
Luzon		**9**		**18**
Visayas		**6**		**6**
Mindanao		**4**		**4**

	MALE 2021	MALE 2022	FEMALE 2021	FEMALE 2022
No. of Employees in IT Positions	155	**149**	139	**130**
No. of Employees in Engineering Positions	11	**10**	5	**7**
STEM-related Functions	166	**159**	144	**137**
No. of Employees in Sales Positions	670	**919**	968	**1,546**
NCR		**404**		**915**
Luzon		**282**		**364**
Visayas		**130**		**171**
Mindanao		**103**		**96**

Providing Fair and Competitive Compensation

201-3, 401-2, 401-3

Our employee remuneration policy is anchored on the principle of fair, transparent, and performance-based reward. We provide fair and competitive salary and benefits to China Bank Group employees commensurate with their experience, responsibilities, job grade/corporate rank and position title. For senior positions, we also benchmark against the executive compensation for the same positions in comparable organizations (similar size, organizational structure, business risk, and management complexity).

Maintaining Strong Employee Relationship Through CBA

2-30

We recognize that labor unions provide a necessary complement to legislated employee benefits and protections. China Bank and CBS each have a union. In 2022, China Bank and the China Banking Corporation Employees' Association signed a new five-year collective bargaining agreement (CBA) for 2022 to 2027. Meanwhile, our thrift bank's CBA, entered in 2019, will expire in 2024. In 2022, 49% of our total workforce was covered by CBA.

	2021	2022
Percent of workforce covered by CBA	53.7%	**49.4%**

Developing Talents

2-4, 404-1, 404-2

We advocate continuous learning and up-skilling to develop our employees to their full potential. Both online and in-person, our employees have access to a wide range of leadership, marketing, personal development, technical, and other training programs and courses through the China Bank Academy, our e-learning platform named Learning EDGE, and our partnership with LinkedIn Learning. As needed, we also sponsor employees' external training. In 2022, we recorded a total of 292,734 training hours, which translated to 28.47 training hours per employee. Of the total training hours, 73% went to female, while 27% went to male employees. The total investment for training and education in 2022 amounted to ₱39.97 million, or ₱3,887 per employee.

China Bank employees have unlimited access to thousands of LinkedIn Learning's courses and learning content across business, creative, and technical categories, some of which are eligible for certification and professional credits. The Bank named the platform Learning EDGE (Empowered talents Driving Growth and Excellence), now the centralized, always available e-learning platform, complementing the Bank's in-house training and development programs through China Bank Academy. Employees can customize their learning pathways using the assessment tool on Learning EDGE to find curated learning content for their specific job functions, or to discover new growth opportunities for their roles.

TRAINING HOURS	2021	2022
Total Training Hours	180,270	**292,734**
NCR		**87,716**
Luzon		**147,449**
Visayas		**38,228**
Mindanao		**19,341**

BY GENDER	2021	2022
Male	52,815	**79,395**
NCR		**26,755**
Luzon		**34,726**
Visayas		**11,151**
Mindanao		**6,763**
Female	127,455	**213,339**
NCR		**61,465**
Luzon		**112,219**
Visayas		**27,077**
Mindanao		**12,578**
TOTAL	180,270	**292,734**

BY LEVEL	2021	2022
Rank-and-File	92,347	**226,126**
NCR		**63,358**
Luzon		**118,486**
Visayas		**29,423**
Mindanao		**14,859**
Junior Management	81,229	**14,468**
NCR		**4,718**
Luzon		**5,758**
Visayas		**2,864**
Mindanao		**1,127**
Middle Management	6,366	**46,947**
NCR		**15,577**
Luzon		**22,316**
Visayas		**5,682**
Mindanao		**3,372**
Senior Management	328	**5,193**
NCR		**4,031**
Luzon		**881**
Visayas		**259**
Mindanao		**23**
TOTAL	180,270	**292,734**

INVESTMENTS ON TRAINING	2021 Restatement	2022
Total Amount Spent on Training (PHP)	23,691,488	**39,974,448**
Amount Spent on Training per Employee (PHP/employee)	2,431	**3,887**

Recognizing and Rewarding Hard Work

404-3

We also support employee development and advancement through continuous conversations and feedback, annual key result area setting and performance appraisal, and promotion. We ensure that our employees are aware of their specific deliverables and that their performance is objectively evaluated. In addition, to strengthen our current bench and future talent pipeline, we conduct periodic talent reviews and succession planning, guided by our Performance Management System and Succession Management Program, to identify potential successors for our senior leadership positions. In 2022, a total of 1,797 employees were promoted, 20% higher than in 2021.

NUMBER OF PROMOTED EMPLOYEES

	2021	2022
Male	551	**597**
Female	950	**1,200**

PROMOTION BY GENDER IN 2022

	MALE	FEMALE
Rank and File	**262**	**582**
Officers	**335**	**618**

Managing Employee Turnover

2-25, 401-1

We endeavor to drive employee loyalty through our sound recruitment and employment practices, competitive compensation and benefits structure, and positive culture of continuous development. However, we recorded a higher turnover rate of 19.6% when we implemented 100% onsite work in 2022.

TOTAL	2021	2022
Separated Employees	1,108	**1,990**
NCR		**1,320**
Luzon		**352**
Visayas		**191**
Mindanao		**127**
Turnover Rate	11.31%	**19.6%**

BY SEPARATION RATE	2021	2022
Voluntary	1,008	**1,899**
NCR		**1,261**
Luzon		**335**
Visayas		**182**
Mindanao		**121**
Involuntary	100	**91**
NCR		**59**
Luzon		**17**
Visayas		**9**
Mindanao		**6**

BY AGE	2021	2022
Below 30 years old	679	**1,335**
NCR		**886**
Luzon		**239**
Visayas		**131**
Mindanao		**79**
Between 30-50 years old	335	**548**
NCR		**368**
Luzon		**90**
Visayas		**46**
Mindanao		**44**
Above 50 years old	94	**107**
NCR		**66**
Luzon		**23**
Visayas		**14**
Mindanao		**4**

BY GENDER	2021	2022
Male	344	**587**
NCR		**378**
Luzon		**119**
Visayas		**47**
Mindanao		**43**
Female	764	**1,403**
NCR		**942**
Luzon		**233**
Visayas		**144**
Mindanao		**84**

Health and Safety

3-3, 403-1, 403-2, 403-6, 403-7, 403-8

Our employees' overall wellbeing is important to us. We provide a healthy and safe working environment at all our offices and branches in line with industry best practices and occupational safety and health (OSH) standards.

In compliance with RA 11058 (An Act Strengthening Compliance with Occupational Safety and Health Standards), we conduct periodic reviews of our OSH policies and procedures to ensure alignment with current regulations and industry standards and practices. Some of our existing OSH policies include:

1. **Drug-free Workplace Policy**
2. **Tuberculosis Prevention and Control in the Workplace Policy**
3. **Hepatitis B Prevention and Control in the Workplace Policy**
4. **HIV and AIDS Prevention and Control in the Workplace Policy**
5. **Alcohol-free Workplace Policy**
6. **Smoke-free Workplace Policy**
7. **Anti-sexual Harassment Policy**
8. **Breastfeeding Policy**
9. **Mental Health Policy**
10. **Healthy Lifestyle in the Workplace Policy**

In addition, we have emergency procedures and evacuation plans in case of disasters and calamities. We have a Corporate Safety and Health Committee, the overall governance body responsible for implementing the Bank's OSH policies and programs, supported by our Emergency Response Team and Fire Brigade Team that act as internal first responders during emergency situations.

Spreading Health and Safety Awareness

To ensure consistency and compliance within the whole organization, we conducted a series of virtual orientations on Occupational Safety and Health standards and other Department of Labor & Employment compliance-related matters in 2002. We recorded a 95% participation rate of our branch personnel— Region Heads, Area Heads, Branch Heads, Branch Operations Heads and other main OSH drivers in the branches—in the virtual orientations.

Ensuring Covid-19 Protection

As part of adapting our workplace health and safety protocols to the current context and situation, we strongly encouraged our employees to be vaccinated, including getting the booster shot. We expanded our COVID-19 Vaccination Program to provide booster vaccination to eligible employees and their immediate family members. Aside from coordinating with the SM Group and various LGUs, we also tapped the Philippine Red Cross' Bakuna Bus for easy access to COVID-19 vaccines. As of December 31, 2022, 93% of our existing workforce has been fully vaccinated with primary series. Of the total population, 11% received 2 booster shots and 70% received 1 booster shot. A total of 530 employees received Covid vaccine shots through the Red Cross' Bakuna Bus.

Promoting Health and Wellness

403-6

In 2022, we sustained our health and wellness programs aimed at preventing accidents, managing stress, and minimizing cases of work-related ill health. These included:

- Work-Life Integration Programs (ex. Online Yoga, Painting, Essential Oil Making)
- The Mind Hub - #MentalHealthMatters Series
- Taking Care of our Mental Health Webinar
- Celebration of World Mental Health Day
- Seminars for health diet
- Physical fitness program
- Annual Physical exam & executive check-up
- Annual preventive vaccines

SICK LEAVE UTILIZATION RATE

GENDER	2021	2022
Male	69%	**81%**
Female	77%	**90%**
Total	74%	**87%**

FATALITIES AND LOST-TIME INJURIES – EMPLOYEES

	2021	2022
No. of Lost-time Injuries	336	**356**
Employee total hours worked	14,141,535	**17,155,246**
Company Lost Time Injury Frequency Rate (LTIFR) - Employees	0.00238%	**0.00208%**

Financial Inclusion

3-3, 413-1

We refer to financial inclusion as our way of ensuring that China Bank's financial products and services are accessible to more people and are delivered sustainably. We enable equal access to economic opportunities, especially for the unbanked or underserved, by empowering Filipinos with the access, tools, and support to join the formal financial system, take part in e-commerce, improve their financial health, and secure their future.

In 2022, we embarked on several initiatives to contribute to the National Strategy for Financial Inclusion of the Bangko Sentral ng Pilipinas (BSP).

Lowering the Barriers to Account Opening

A basic indicator of financial inclusion is account ownership. Results of the BSP's 2021 Financial Inclusion Survey (FSI) revealed that 56% of the country's adult population owned a financial account, a big improvement from only 29% before the pandemic. However, the main barriers to account ownership like the lack of documents and/or funds to open an account remain a challenge.

To make it easy and affordable for more Filipinos to open a bank account, we launched our online account opening mobile app China Bank START in July. Our retail banking arm also launched their own version in November, CBS Go. These user-friendly but highly secure apps enable a new customer to conveniently open a savings account with China Bank or CBS with just one government-issued ID and even without an initial deposit—accounts opened through these apps can be funded within 90 days.

China Bank START and CBS Go help bring our services closer to more customers, even in areas where they may be no China Bank or CBS branch. In 2022, a total of 2,116 new accounts were opened though these apps.

Enabling Fast and Secure Digital Payments

While cash is still the dominant payment mode, the BSP's 2021 FSI survey also showed that the shift to cashless payments has begun. For online purchases, cashless payments jumped to 18% from 1% in 2019. For in-store purchases, payments through payment terminals and mobile app increased to 13% and 9%, respectively, from zero before the pandemic.

We promote digital payments to drive financial inclusion. China Bank is an active participant of the National Retail Payment System and among the first banks to be part of PesoNet, InstaPay, QRPH person-to-person (QRPH P2P), and QRPH person-to-merchant (QRPH P2M). We also provide POS devices to partner merchants in remote areas.

In 2022, our PesoNet and Instapay transactions jumped by 96% and 13%, respectively. Meanwhile, transactions increased by 54% for QRPH P2P, and by 978% for QRPH P2M.

PESONet

96%

Increase in PesoNet transactions

instaPay

13%

Increase in InstaPay transactions

In most provinces in the country, cash is the preferred payment mode. We offer our POS Cashout Service in remote areas where deploying and servicing an ATM is difficult. Through our POS Cashout Service, customers can withdraw from their debit or ATM accounts via a POS terminal.

In the aftermath of Typhoon Paeng in October 2022 which devastated Maguindanao and Cotabato, our POS Cashout Service helped affected families with their cash needs. The POS terminal at Upi One Six Eight in Upi, Maguindanao, enabled ATM cardholders of China Bank and other banks to access their funds to buy food, water, and medicine. And because the province lacked ATM and cashout facilities, people from the outskirts and nearby communities also travelled to Upi to withdraw money via our POS terminal.

Making Stock Investing Easy

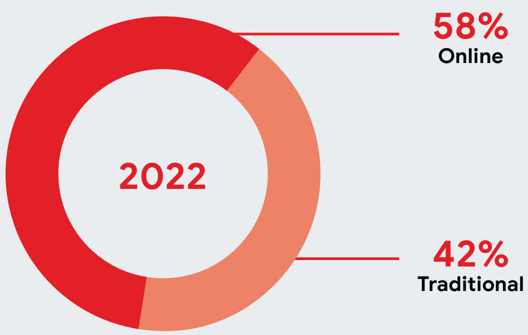
Technology has made investing more accessible to investors. According to the Philippine Stock Exchange's latest Stock Market Investor Profile Report, the number of stock market accounts increased by 24% to nearly 1.2 million in 2021. Online stock trading accounts spurred interest in local stock market trading not only among the affluent, but also in lower-income and mostly younger Filipinos.

To encourage more retail investors to invest in the stock market, our stock brokerage arm China Bank Securities launched its own digital stock trading platform, ChinaBankSec Online. Accessible on various platforms and devices, ChinaBankSec Online makes buying and selling PSE-listed stocks convenient. It is also packed with features and helpful tools to help investors make more informed decisions.

Opening an online trading account is fast and easy with ChinaBankSec Online's video call identity verification option. No initial deposit is required for China Bank depositors who designate their existing China Bank account as the settlement account.

In 2022, the number of China Bank Securities' trading accounts increased by 145%, with online trading accounts making up for 58% of the total accounts.

CHINA BANK SECURITIES TRADING ACCOUNTS



Making Insurance Affordable

Insurance provides people with a safety net for coping with unexpected shocks. However, insurance ownership is highly skewed to the A, B, and upper C socio-economic class, according to the BSP's 2021 FSI survey. To make insurance inclusive and enable lower income families and individuals to benefit from life insurance coverage, our bancassurance joint venture Manulife China Bank Life Assurance Corporation (MCBL) offered Secure Pinoy, an affordable term insurance plan that provides life protection, or accident and medical reimbursement, for as low as ₱1 a day* or ₱500 a year.

Exclusive to CBS China Bank Savings customers, Secure Pinoy is available in four annual premium plans: ₱500, ₱1,000, ₱2,500, or ₱5,000. For the ₱500 entry-level plan, customers can get ₱35,000 worth of life insurance coverage for one year, or ₱200,000 coverage for death due to an accident plus ₱10,000 coverage for accidental medical reimbursement. Secure Pinoy policyholders can also extend their coverage to their family members.

In 2022, 123 CBS customers have secured their future with Secure Pinoy.

Developing a Culture of Saving

Many OFWs still struggle financially and some even return home after years abroad with little or no savings. This happens because not everyone has a good grasp of money management. To help address this, we conduct Pre-Departure Orientation Seminars (PDOS) for workers bound for abroad. We provide practical tips and advice on setting financial goals, managing debt, and establishing a savings discipline to help them transform from carefree spenders to conscious savers.

Over 19,316 OFWs benefitted from the PDOS we conducted in 2022. We also recorded an increase in the number of accountholders of our savings account for OFWs, OKS account—by 2% for the peso variant and by 19% for the dollar variant.

Investing in Our Communities

3-3, 413-1

We value our commitment in sustaining the trust of our stakeholders as part of our Corporate Social Responsibility (CSR) policy. These commitments are anchored to the Bank's mission, vision, and core values through continuously supporting environmental and social development via community investments.

In 2022, we continued our educational grants for deserving children of China Bank employees under the Dee C. Chuan (for college) and the Gilbert U. Dee (for high school) scholarship funds. We also strengthened our education advocacy through our savings bank subsidiary. CBS made a P6 million endowment for public education to the Department of Education (DepEd). Part of the endowment was the donation of 36 laptops to DepEd in support to the promotion of digital literacy. The laptops were distributed to DepEd's Regional focal point persons tasked with leading the implementation of digital education programs and activities. CBS also turned over P5.8 million in prizes and giveaways during the National Teachers Day 2022 celebration in Bangued, Abra. CBS donated a brand-new Toyota Innova SUV, 30 Honda motorcycles, 26 Dell laptops and other giveaways to 3,700 teacher delegates and guests.

Consumer Protection

3-3

Consumer protection is a fundamental responsibility for China Bank. We are committed to protecting and upholding consumers' rights, including their right to information about our products and services, their right to data privacy and transaction security, their right to fair treatment, and their right to redress.

The Board is responsible for approving and overseeing the implementation of our Consumer Protection Risk Management System and Consumer Assistance Mechanism (CAM), while Management is in charge of its proper implementation, ensuring the effective management of day-to-day consumer protection activities, and strict compliance with internal policies and applicable laws and regulations. The Bank's Consumer Protection Framework is anchored on the following pillars:

- **Board and Management Responsibility**
- **Consumer Protection Risk Management System**
- **Institutional Culture**
- **Disclosure and Transparency**
- **Effective and Robust Complaints Handling**

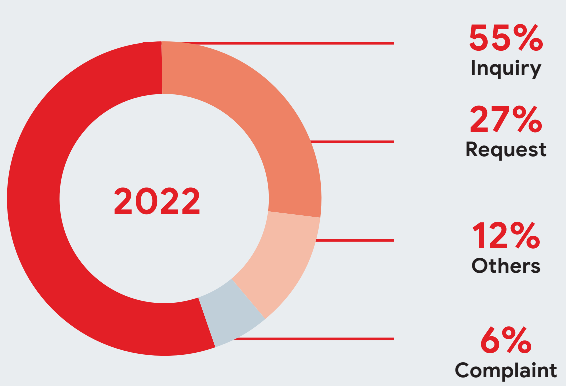
Our Customer Contact Center (CCC) team handles all our customer assistance channels and reports consolidated complaints to the Risk Oversight committee via Risk Management Group (RMG). Meanwhile, our Service Standards & Quality Department (SSQ), together with client-facing units, ensures that important client feedback are captured and communicated to the Bank's product and/or service owners.

Managing Customer Interactions

CCC ensures the resolution of client concerns within the standard turnaround time (TAT) of the BSP. The team, led by the Chief Consumer Assistance Officer (CCAO), monitors and manages customer feedback and complaints based on set guidelines, reports consolidated complaints to the Risk Oversight Committee through the Risk Management Group, and submits quarterly reports to the Supervisory Data Center of the BSP.

In 2022, CCC handled 265,798 client calls, emails, social media, YouTube and Viber messages. Majority or 55% of these interactions were inquiries; while only 6% were complaints, 96% of which were resolved within set standards.

CLIENT INTERACTIONS BY CALL TYPE



Measuring Customer Satisfaction

We conduct year-round customer satisfaction surveys to know how well we are serving our customers and to see where we can improve.

- **Branch Customer Feedback**
  We collected over 28,000 valid customer feedback forms in 2022 from our branches nationwide which yielded an improved overall satisfaction rating of 97%.

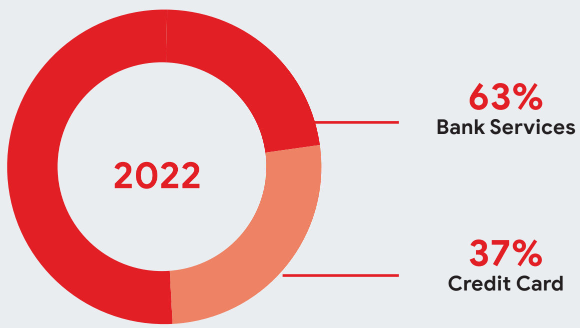
ATTRIBUTES	2021	2022
Overall Satisfaction	95%	97%
Queue Time	95%	96%
Account Opening	96%	97%
Deposit/Withdrawal	95%	97%
Branch Premises	96%	96%
ATM Services	96%	97%
Security Guards	96%	97%

- **Inbound Calls Customer Satisfaction Survey**
  We recorded nearly 8,000 responses via inbound calls in 2022 which revealed an Overall Satisfaction (OSAT) score of 98% and an Issue Resolution (IR) score of 99%.

97%
OSAT- Branch Customer Satisfaction Survey

98%
OSAT - Inbound Calls Customer Satisfaction Survey

INBOUND CALLS CUSTOMER SATISFACTION SURVEY



Assisting Customers

Our existing and potential customers can easily reach us and get assistance through various channels aside from our branches nationwide, which are listed on page 126.

For reports on fraudulent activities or unethical behavior, customers can call the Customer Contact Center hotline (see page 156) or use our Whistleblowing channel (see page 75).

For general information on China Bank, including products and services and corporate developments, customers can visit www.chinabank.ph.

Data Privacy and Cyber Security

3-3, 418-1

Protecting our customers' and China Bank's data and securing our information technology (IT) systems are of paramount importance in this increasingly digital world; thus, we make every effort to ensure that data is acquired with consent and handled with care and responsibility, and our IT infrastructure is sufficiently protected from any unauthorized access.

The growing reliance on technology calls for greater cyber resilience: having a robust cyber defense to prevent cyberattacks and cutting-edge detection and recovery capabilities to ensure uninterrupted operation even during or after an attack. We are continuously strengthening China Bank's cyber security program, reinforcing it with cyber threat intelligence to identify and prepare for both existing and emerging threats, to ensure our cyber resilience now and in the future.

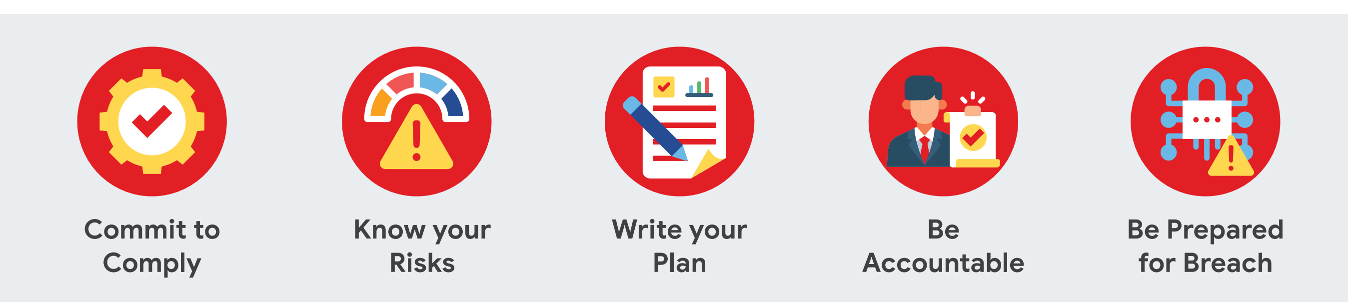
Keeping Up With Data Privacy Laws

We are committed to data protection to earn and maintain our stakeholders' trust. Our data privacy efforts are guided by the principles of transparency, legitimate purpose, and proportionality. We also take into account the five pillars of compliance with current data privacy regulations:

Our compliance with the Data Privacy Act of 2012, its implementing rules and regulations, policies, and related issuances from the National Privacy Commission is underpinned by organizational, physical, procedural, and technical security measures to secure personal information and sensitive personal information ("personal data").

To ensure that we meet our stakeholders' expectations on data privacy and security, we regularly review and assess the controls currently in place and replicate those controls in the cloud in support of the cloud first approach of our IT team. We also use cloud-based security technologies that provide flexible and scalable security controls and continuously develop security automation and orchestration to streamline our security assessment and response capabilities.

In 2022, we updated the Data Privacy Notice in our website to inform existing and potential clients of the changes on what, how and why their personal data is being collected from them. We also launched the Data Privacy Consent gathering project via our website to capture the consent of our existing clients who have not yet



provided their data privacy consent. We extended this initiative, utilizing various channels to gather data privacy consent of clients, including various bank forms which we started to update to have a standard data privacy clause.

Managing Customer Data

Customer data is used in different ways, which includes performing Know-Your-Customer (KYC) examination, evaluating and/ or processing loan or investment applications, evaluating creditworthiness, among others. For customers' guidance and information, China Bank's Data Privacy Notice and Implementation is disclosed in our corporate website.

We request for customer consent for any data sharing and data retention activities prior to using the personal information. A customer can notify us in writing if consent to process and/ or share personal data is declined. In 2022, a total of five data privacy breaches were reported to the Data Privacy Office, none of which fell under the mandatory reporting of breaches to the National Privacy Commission because of the controls we have in place.

Reinforcing Cyber Security

Our Cyber Security Program is aligned with government and industry best security practices to provide a safe and secure banking environment for our customers. Our IT Team (China Bank Properties & Computer Center, Inc.), led by the Chief Technology Officer (CTO), work hand in hand with the Information Security Office (ISO) and the Risk Management Group (RMG) in managing and implementing the Bank's IT security strategy. Cyber security risks are among the risks regularly discussed in the Board's Risk Oversight Committee. To strengthen our strong cyber security foundation and defense, security assessment and penetration testing of our IT systems are regularly conducted by both our in-house cyber security team and independent parties. We also enjoin our stakeholders in the fight against cyber attacks through our cyber security campaign on our website and social media channels. In 2022, we continued to communicate with our customers on keeping their personal information safe and spotting and avoiding cyber scams and threats.

Aside from a robust IT system and cyber security program, we take pride in our highly capable IT Team. China Bank's cyber threat analysts emerged as champions of INPHILTRATE 2022, a cyber security competition organized by Cisco Philippines. China Bank beat 32 other local teams in simulation games of real-world cyber threats. INPHILTRATE presented participants with security challenges in the guise of capture-the-flag-missions, where teams took turns playing both offensive and defensive cyber security roles. The competitors' anti-hacking skills were put to the test in tough challenges that included cyber reconnaissance, open-source threat intelligence, threat hunting, malware analysis, and forensics, among others.

Regular security assessment and penetration testing of our IT systems are being conducted by both our in-house cyber security team and independent parties to ensure control effectiveness.

In 2022, we started and/or completed the following cyber security initiatives:

- SOC training for cloud security
- Review of security controls in place on-premises
- Verification that information captured on-premises are also captured in cloud infrastructure
- Ongoing review services and systems on cloud
- Engagement of 3rd party to conduct independent assessment of the Bank's vulnerabilities
- Establishment of a threat intelligence program and collaboration with industry peers to identify and protect against ongoing and emerging threats
- Setup a 24x7 Security Operations Center to continuously monitor and respond to cyber attacks targeting the Bank

Environmental Footprint

3-3

We keep our environmental footprint as small as possible by being conscious of our energy and water consumption and reducing wastage in every way we can.

While the nature of financial sector is not an intensive user, we recognize the need to be prudent on the use of all natural resources and as such, we keep track on our usage to ensure it remains minimal.

Managing Fuel Consumption

302-1, 2-4

China Bank's direct emission or Scope 1 mostly comes from the fuel consumption of generator sets during power interruptions and the fuel used by armored vehicles in servicing our branches. To compute for the Scope 1 emissions, we calculated following the operational control approach of the Greenhouse Gas Protocol. Under the operational control approach, a company accounts for 100% of emissions from operations over which it or one of its subsidiaries has operational control. We multiplied our fuel consumption with the emission factor for Gasoline and Diesel.

	2020 Data Disclosed in 2021 Report	2020 Re-statement	2021 Data Disclosed in 2021 report	2021 Re-statement	2022
Scope 1 (in MT CO_2e)	10,371	718	19,064	2,148	**2,944**
% Difference from originally disclosed figure*		(93%)		(89%)	

* The restatement of information was needed after finding that certain data was not included and there were mistakes on the conversion factor used previously, resulting to the difference.

Managing Electricity Consumption and Indirect Emission

305-1, 305-2

In calculating Scope 2, China Bank based it on emissions coming from assets not owned or directly controlled by the bank, but more linked with its activities, such as purchased and consumed electricity and fuel consumption from third party sources. In accordance with the accounting method for Scope 2 of the GHG Protocol Corporate Accounting and Reporting Standard, which refers to the indirect emissions created by electricity generation to the end consumers of a given grid, we applied the "location-based" method since the physics of energy production and distribution functions the same way in almost all grids, with electricity demand causing the need for energy generation and distribution. We used the latest available Simple Operating Margin Emission Factors from the Department of Energy's (DOE) National Grid Emission Factors for Luzon-Visayas and for Mindanao.

	2020	2021	2022
Electricity Consumption (in MWh)	22,306	22,449	**25,114**
Scope 2 (in MT CO_2e)	15,959	16,797	**17,993**

Managing Water Consumption

303-5

We also monitor the water usage in our branches and corporate offices by gathering the data via water meter readings from the facilities and consolidated them for reporting purposes.

	2020	2021	2022
Water Consumption (in cubic meters)	282,134	306,333	**435,045**

Environment & Social Risk Management Framework

We are strengthening our Risk Management Framework by establishing a capacity to identify, assess, monitor, report and manage Environment & Social (E&S) risk.

We consider E&S risk as the potential negative consequence of the financial, legal, and/or reputational effect of environmental and social issues to the Bank. These risks may arise from the changes in the environment or society that may be due to natural or man-made causes, such as environmental pollution, hazards to human health, safety and security, impacts on communities and threats to a region's biodiversity and cultural heritage that may be affected or can affect a transaction with the Bank. In particular, we place more emphasis on managing climate risks.

Climate risk refers to the risk assessed based on a formal analysis of the consequences, likelihood, and responses to the impacts of climate change and how societal constraints shape adaptation options. It is further broken down into two segments: Physical Risk and Transition Risk.

Recognizing the potential impact of climate change on China Bank's credit, market, liquidity and operational risks, we are gathering and assessing the physical and transition risks of our loan portfolio and use hazard mapping to assess our branch network's exposure to potential damages due to climate change.

Physical Risk

refers to risks arising from the impacts of climate change and climate-related hazards, including risks to facilities and infrastructure, impact on operations, water and raw materials availability and supply chain disruptions

Transition Risk

refers to risks associated with transition to a low carbon economy, including extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change

Corporate Governance

Good corporate governance is a cornerstone of China Bank's success and sustainability. Our governance practices are anchored on the principles of fairness, accountability, integrity, and transparency.

Our Approach

We are committed to being more than a bank but a truly reliable and dependable partner to our stakeholders. We work hard to deliver sustainable value, firm in the belief that good corporate governance is vital in the pursuit of our vision and mission. Led by a Board that is determined to uphold high governance standards, we conduct our business ethically, responsibly, and in accordance with applicable laws to fulfill our commitments and grow the Bank in a meaningful, sustainable way for generations to come.

Significant Developments in 2022

2-9, 2-12

In 2022, 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, including the following:

- Conducted a virtual Annual Stockholders' Meeting, allowing stockholders to exercise their voting rights through secured electronic registration and voting facilities, in light of the pandemic.
- Updated the Corporate Governance Manual to keep it aligned with recent rules, regulations, and global practices.
- Crafted the policies on interlocking positions to serve as basis for the annual assessment of concerned directors and officers, in compliance with BSP requirements.
- Enhanced the Board Committee Charters and Board Self-Assessment Forms.
- Conducted the annual assessment for the Board, Board-level committees, Independent Directors, Compliance Division, External Auditor, and the President.
- Independent validation of the Board performance evaluation by an external / third-party entity, to ensure its objectivity.
- Accomplishment of the Conflict of Interest and RPT Disclosure Form by the newly/re-elected directors.

- Conducted an online corporate governance training for the Bank's directors and key officers, facilitated by the Institute of Corporate Directors.

- Engaged Moody's Analytics as external advisor in setting up the Bank's Environmental and Social Risk Management System (ESRMS) in line with the BSP requirements.

Code of Ethics

Our Codes of Ethics for directors and employees are anchored on our core values of integrity, high performance standards, commitment to quality, customer service focus, concern for people, efficiency, resourcefulness, and initiative in our business activities and stakeholder interactions. The Codes set the guidelines on professional and ethical business conduct and articulate our firm stance against illegal or irregular activities.

All new directors and employees are given a copy of the corresponding Code, required to acknowledge receipt thereof, and undergo the New Employees' Orientation Course wherein the Code is comprehensively discussed. Everyone is required to uphold the tenets set within.

Corporate Governance Manual

We have a clearly defined governance framework anchored on fairness, accountability, integrity, and transparency. Our Corporate Governance Manual institutionalizes the principles of good corporate governance and promotes a culture of "beyond-compliance" approach, built on an effective leadership, established controls and a set of core values. It contains our governance structure, policies and standards, duties and responsibilities of the Board and individual directors, compliance system, internal controls, and guidelines on protection of the rights of various stakeholders, among others. It is continuously updated to be aligned with the current laws, regulations, and best practices. The Chief Compliance and Governance Officer is responsible for driving and actively monitoring compliance with the Manual.

As of 2022, the Bank has fully complied with all material provisions of the Corporate Governance Manual.

Governance Structure

2-9, 2-12

Leading the way of good corporate governance is the Board of Directors, guiding the overall corporate direction and fostering a culture of accountability. Management handles operational activities and leads the execution of strategies, relative to the Bank's business objectives.

Governance Principles

Fairness

We treat our shareholders fairly and equitably – whether minority or majority, local or foreign. We balance our profit motive, ensuring that the investment of all shareholders is protected.

Accountability

We are accountable and responsible for our actions and performance and commit to uphold the law, behave ethically, and protect the resources entrusted in our care.

Integrity

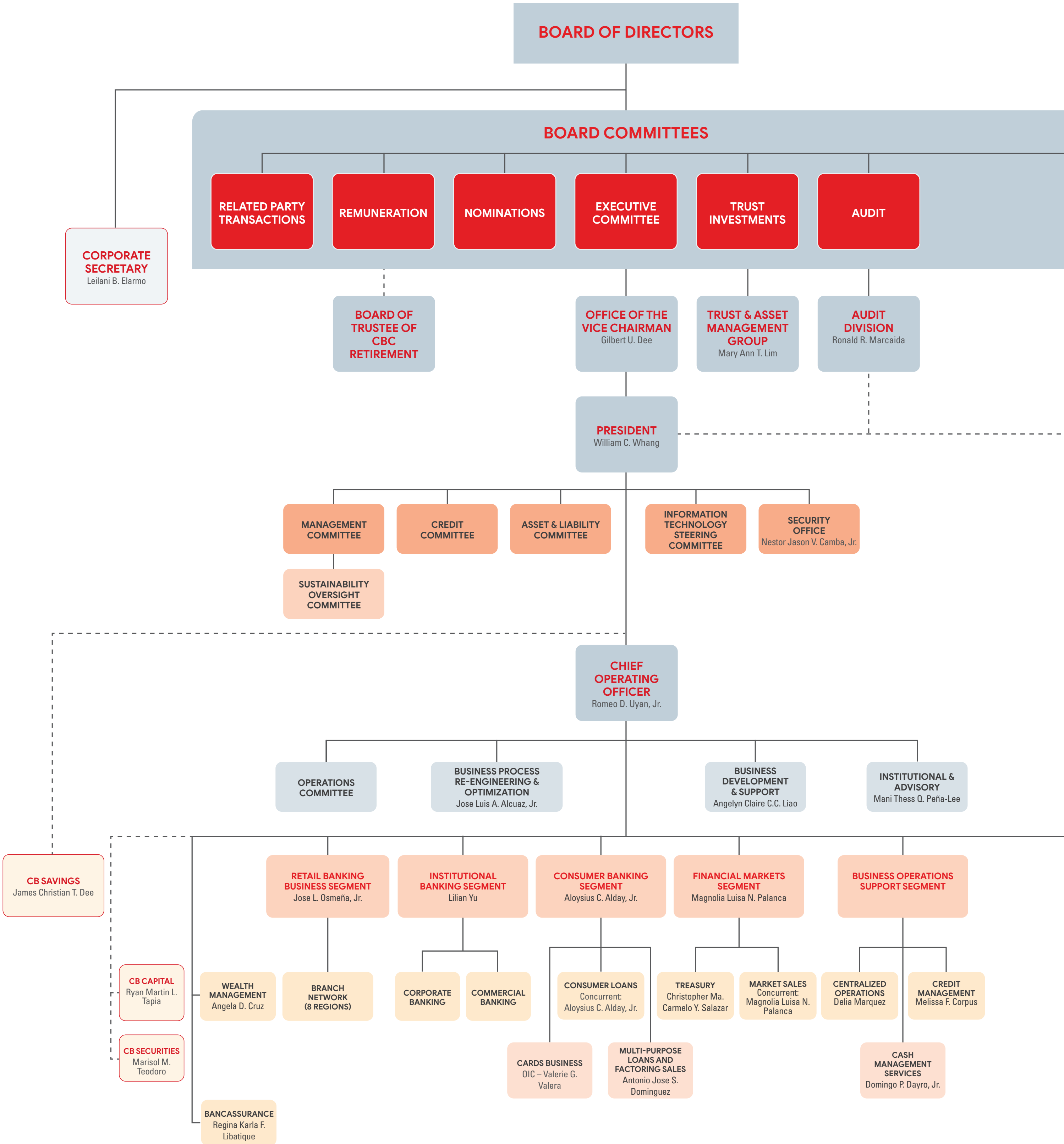
We adhere to a moral code of honesty and professionalism in our thoughts, words, and actions.

Transparency

We are truthful and forthcoming, ensuring the accurate and timely disclosure of and easy access to all material matters, such as the financial situation, performance, ownership, and governance of the corporation.

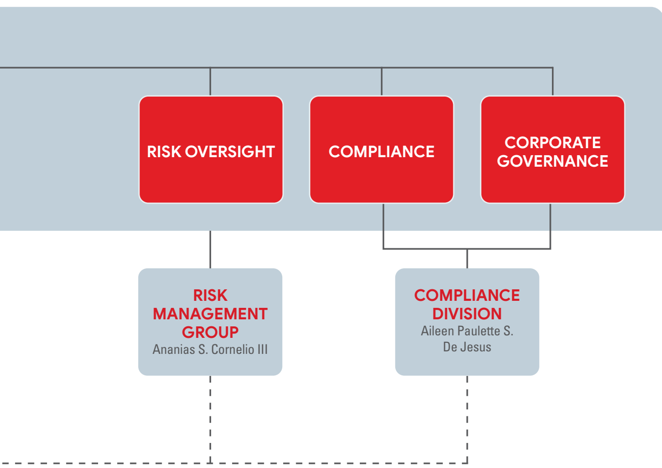
Organizational Chart

As of March 31, 2023



Separation of Roles

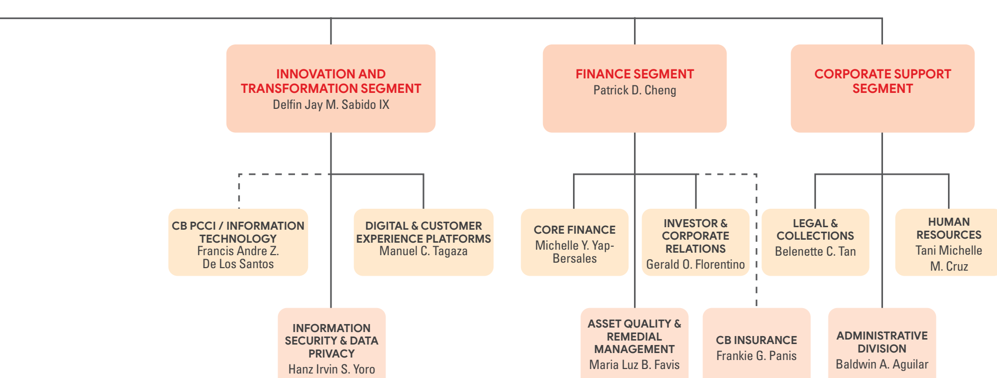
Even though working in close coordination, the roles of the Chairman and President are kept distinct from one another. Their responsibilities are delineated to ensure appropriate balance of power, increased accountability, and enhanced capacity for independent decision-making by the Board. The Chairman is responsible for the leadership of the Board, facilitating effective discussions among the directors, while the President leads Management in handling day-to-day operations to execute business strategies with the goal of achieving corporate objectives approved by the Board.



Board of Directors

Functioning as the principal steward of the Bank, the Board of Directors sets the tone of governance and guides the overall corporate direction. To achieve this, the Board, among others:

- defines the corporate culture and values
- approves the business objectives and strategies, and oversees its implementation
- appoints key members of senior management and heads of control units
- approves the director and management succession plan
- oversees the development and implementation of the various frameworks on corporate governance, enterprise risk management, business continuity, and consumer protection
- sets and oversees the environmental, social, and governance initiatives



The Board is composed of twelve directors and an advisor, with relevant industry experience and expertise. Of the twelve, two are executive directors and the rest are non-executive directors. To ensure there is exercise of independent judgment and proper oversight on corporate affairs, we have four independent (non-executive) directors, including the Lead Independent Director. They are free from any business, family or any other relationship with the Bank, which could affect their judgment.

The profile of the members of the Board are on pages 88 to 93.

LEAD INDEPENDENT DIRECTOR	INDEPENDENT DIRECTOR	EXECUTIVE DIRECTOR	NON-EXECUTIVE DIRECTOR
• Has sufficient authority to lead the Board in cases where Management has clear conflict of interest • Serves as an intermediary between the Chairman and the other directors when necessary • Also a non-executive director • Convenes and chairs meeting of the independent directors and/or non-executive directors without the presence of the executive directors	• Holds no interests or relationships with China Bank, the controlling shareholders, or the Management that would influence his decisions or interfere with his exercise of independent judgment, among others • Also a non-executive director • Provides objective judgment independent of management • Oversees management performance, including prevention of conflict of interest and to balance competing demands of the corporation	• Has executive responsibility of day-to-day operations of a part or the whole of the organization	• Has no executive responsibility and does not perform any work related to the operations of the corporation • Provides objective judgment independent of management • Challenges and monitors management's delivery of strategy within the risk and governance structure agreed by the Board • Has oversight responsibility for the Bank's internal control and effectiveness of the risk management system

Nomination and Election

2-10

We have a rigorous and transparent procedure for the nomination and election of directors, to ensure diversity in Board composition. Directors are selected from a pool of qualified candidates, with due consideration of their experience in banking/finance, technical expertise, integrity and track record, among others. Through the collaborative efforts of the Nominations and Corporate Governance committees, only qualified and fit and proper candidates are considered to be a member of the Board.

Nomination Process

- Shareholders of record nominate candidates by submitting the nomination form to any member of the Nominations Committee, the Corporate Governance Committee, or the Corporate Secretary within the prescribed date
- The Nominations Committee reviews and evaluates the qualifications of the candidates in line with the fit and proper standards as prescribed in the Manual of Regulations for Banks (MORB)
- The full Board confirms the candidates' nomination
- The shareholders elect the directors during the Annual Stockholders' Meeting
- The Monetary Board confirms the election of the directors

BOARD OF DIRECTORS

Name	Designation	Directorship	Age	Year First Elected	No. of Years as Director
Hans T. Sy	Chairman	Non-executive	67	1986	37
Gilbert U. Dee	Vice Chairman	Executive	87	1969	54
William C. Whang	Director & President	Executive	64	2017	6
Peter S. Dee	Director	Non-executive	81	1977	46
Joaquin T. Dee	Director	Non-executive	87	1984	39
Herbert T. Sy	Director	Non-executive	66	1993	30
Harley T. Sy	Director	Non-executive	63	2001	22
Jose T. Sio	Director	Non-executive	83	2007	16
Margarita L. San Juan	Lead Independent Director	Non-executive	69	2017	6
Philip S. L. Tsai	Independent Director	Non-executive	72	2018	5
Claire Ann T. Yap	Independent Director	Non-executive	67	2020	3
Genaro V. Lapez	Independent Director	Non-executive	65	2021	2
Ricardo R. Chua	Advisor	N/A	71	N/A	N/A

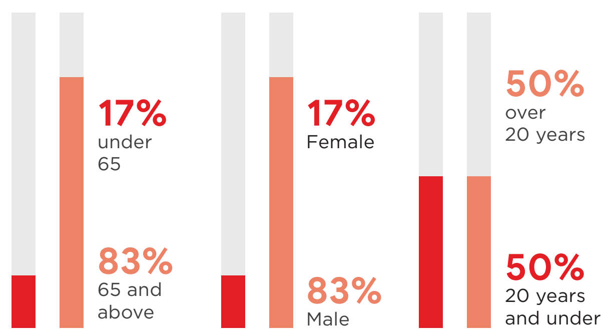
In case of a vacancy, our By-Laws provide the procedures to be observed in accordance with the Revised Corporation Code of the Philippines. We use professional search firms or other external sources to find a suitable replacement (see Retirement and Succession on page 70. For incumbent directors, the Nominations Committee evaluates the results of the Board self-assessment, including their attendance and participation in Board meetings.

Board Diversity

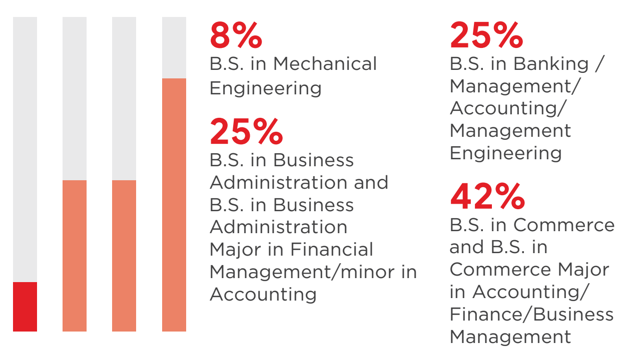
We believe that a diverse board composition contributes to board effectiveness. In place is a Board Diversity Policy, requiring among others, for the Board to be composed of directors with a collective working knowledge, educational background, and expertise that is relevant to the Bank's business landscape and operations. In addition, there should be an appropriate mix of skills, experiences, and competence. The Policy is reinforced by the Board's commitment to ensure that its members, for the duration of their term, remain qualified for their positions, both individually and collectively. For enhanced diversity, two female Independent Directors sit in our Board.

BOARD DEMOGRAPHICS

AGE | GENDER | TENURE



BOARD EDUCATION/EXPERIENCE/SKILLS



100%
SKILLED AND EXPERIENCED

Our directors have a collective working knowledge in banking/operations, management, finance, marketing/sales, investment, risk management, accounting, credit, anti-money laundering, internal control and sustainability & resiliency.

Orientation and Continuing Education
2-17

As stewards of China Bank, members of the Board must be well-equipped for their role and adaptive to changing market dynamics and regulatory developments. We have an Orientation and Continuing Education program to enhance our directors' knowledge and skills, and keep them abreast with the new laws, regulations, and industry developments. Newly elected directors undergo an orientation program from an SEC-accredited training provider and they also receive an orientation kit containing the Specific Duties and Responsibilities of Directors, Corporate Governance Manual and applicable Board Committee Charters, among others.

All of our directors attend the mandatory annual governance training facilitated by an SEC-accredited institution to continually update and expand their knowledge of governance practices and market developments to ensure they are updated with the latest regulations and industry best practices. With the assistance of Compliance Division, directors also participate in various small-scale learning opportunities, trainings, webinars, etc., whenever available and/or applicable.

On August 3, 2022, we conducted the Annual China Bank Group-wide Corporate Governance training for our directors and key bank and subsidiary officers, organized by Compliance Division and facilitated by the Institute of Corporate Directors. The topics discussed were Cybersecurity Governance: Challenges and Solutions; Managing Finances in the Digital Age: FinTech; and Anti-Money Laundering Updates.

Our directors also attended trainings on Technology Governance and AMLA Compliance in the Age of the Digital World, among others.

Board Remuneration
2-19

As stipulated in the Bank's amended By-Laws, our directors receive a per diem of up to ten thousand pesos (P10,000) for attendance at each meeting / session of the Board of Directors or of any Committee. In accordance with Article VIII of the By-Laws, a portion of the net earnings shall be given to the members of the Board. Executive directors get performance-related compensation based on their performance, banking experience, position, and rank, while non-executive directors do not receive any performance-based compensation.

In 2022, each member of the Board of Directors received the following amount as compensation:

Hans T. Sy	₱6,415,000
Gilbert U. Dee	6,350,000
William C. Whang	6,405,000
Peter S. Dee	6,485,000
Joaquin T. Dee	6,555,000
Herbert T. Sy	6,170,000
Harley T. Sy	6,315,000
Jose T. Sio	6,240,000
Margarita L. San Juan	6,515,000
Philip S.L. Tsai	6,470,000
Claire Ann T. Yap	6,535,000
Genaro V. Lapez	4,445,000

Performance Evaluation
2-18

Aligned with the requirement for an annual performance assessment, the Board, all Board-level Committees, individual Directors, and the President accomplish a self-evaluation to assess their individual effectiveness and collective performance, as well as to identify areas for improvement. The Compliance Division summarizes the results of the evaluation and reports it to the Board through the Corporate Governance Committee. A 5-point scale rating system is used for the self-assessment. The lowest is 0, equivalent to "Poor", and the highest is 5, equivalent to "Excellent".

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

The self-assessments focus on the following key aspects:

A. For the Board as a whole:

- Structure (size and composition; skills, expertise and competencies)
- Organization and functioning (conduct of meetings, quality of reporting, training areas, reporting by committees)
- Dynamics and internal culture (formal and informal engagement)

B. For the Board Committees:

- Leadership, size and composition (including skills)
- Responsibilities
- Quality of reporting and timelines

C. For the Individual Directors

- Upholding the guiding principles and best practices stipulated in the Code of Ethics for Directors
- Practicing due diligence in carrying out duties as director
- Willingness to speak at the meetings
- Receptiveness to other views
- Constructively challenging fellow directors and proposals and management of senior management
- Applying a strategic mindset to board
- Attendance at Board and Committee meetings

D. For the President

- Leadership
- Cooperation and collaboration with the Board
- Execution of strategies
- External relations

The 2022 evaluation revealed that:

- The Directors are generally satisfied with the progress the Board has made to enhance its effectiveness.
- The size and level of independence within the Board and Committees are deemed appropriate.
- The committee leadership is deemed effective and operates on a high level of competency.
- There is strong commitment among the Directors and the President to fulfill their obligations
- There is a high degree of confidence that the Directors and the President are competent to serve their roles to a high standard.

Independent Board Evaluation

In 2022, the Good Governance Advocates and Practitioners of the Philippines (GGAPP) was engaged to perform an independent validation in compliance with the BSP and SEC Code of Corporate Governance. The results of the Bank's Board Self-Assessment are looked into for an in-depth analysis of the Board's performance, based on the available information, adopting its internal scoring criteria (by percentage). This practice is done every three years.

Based on the results, the Board upholds independent and effective oversight and performs its duties and responsibilities in accordance with the prevailing best corporate governance best practices. With the exceptional leadership of the Chairman and fully-functioning committees, the body is deemed aptly positioned to continuously provide strategic direction to the Bank.

Retirement and Succession

We recognize that the wisdom of our senior directors is vital to the overall management of the Bank; thus, we have no statutory maximum age for our directors. A Board member may remain for as long he/she continues to be physically and mentally fit for the position and able to discharge his/her duties in accordance with the regulatory requirements. Our By-laws provides the rules on succession, replacement or vacancy in the Board due to retirement or any other reason. Vacancies in the Board may be filled up through appointment or election of the remaining directors, if still constituting a quorum; otherwise, the stockholders shall fill such vacancy in a regular or special meeting called for such purpose. For Independent Directors, Bank policies and practices are aligned with SEC and BSP rules on term limit.

Corporate Secretary

Our Corporate Secretary holds a senior and strategic-level position that is vital in safekeeping the Bank's official records and for the administrative side of the Board and Committee meetings. The Board of Directors has full and unrestricted access to the services of the Corporate Secretary, who is also a corporate governance gatekeeper responsible for overseeing sound board practices. The Corporate Secretary also serves as the Board liaison, who works with, and deals fairly and objectively with the Board, Management, stockholders, and other stakeholders.

Board Committees

2-9, 2-11, 2-12, 2-13

To carry out its mandate of good corporate governance, stewardship, and fiduciary obligations more effectively, the Board has delegated authority to various Board Committees which oversee certain roles and responsibilities based on their respective Charters:

- Executive Committee has the powers of the Board, when the latter is not in session, in the management of our corporate affairs to the fullest extent permitted under the By-Laws, the applicable laws and the Committee's Charter. The Committee also decides on credit applications or transactions, as endorsed by the Credit Committee (if they exceed the latter's credit authority), as well as other matters brought to its attention.

- Corporate Governance Committee ensures that our Corporate Governance framework is regularly reviewed, updated, and properly implemented. It assists the Board by ensuring compliance with laws, rules, principles, and best practices on corporate governance, including the continuing education program for the directors and conduct of the Board assessment.

- Audit Committee primarily oversees audit matters – 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 ensures that an annual review is performed on 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 and provides oversight over Management's activities in maintaining an adequate internal control framework, managing credit, market, liquidity, operational, legal and other risks. It likewise ensures that internal and external auditors remain independent and are given unrestricted access to records, properties and personnel, to perform their respective audit functions. It is also responsible for the recommendation on the appointment of the Chief Audit Executive and the external auditor, and their removal. 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.

- **Compliance Committee** monitors compliance with 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.

- **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.

- **Nominations Committee** reviews and evaluates the qualifications of all persons nominated to the Board. Jointly with the CG Committee, it oversees the nomination process and evaluates the qualifications of persons nominated to Department and Division Head positions, as well as all promotions to Officer positions. It also reviews the qualifications of Board candidates, to ensure that their qualities and/or skills are sufficient to lead and/or assist the Bank in accomplishing its vision and corporate goals, and identify if the quality of the directors nominated is aligned with the Bank's strategic directions.

- **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.

- **Related Party Transactions Committee** reviews all material related party transactions (RPTs) to ensure 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 RPTs are properly identified, measured, monitored, controlled and reported.

- **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.

Additional details on the Committees and their charters can be accessed through the Bank's website at www.chinabank.ph.

Board and Committee Meetings

The Board of Directors advocates comprehensive and effective discussions during meetings of the Board and its committees. Regular Board meetings are held at least once a month, set to be every first Wednesday, to review the Bank's financial performance, to approve strategies, policies, and business plans, as well as to consider other proposals and action plans which require the Board's approval. Special Board meetings may also be arranged to deliberate and assess other business issues and related matters that also require Board approval.

Board and committee meetings are conducted in accordance with the Bank's By-Laws. Majority of the Board constitutes quorum and a majority of the quorum is generally what is required for Board decisions. The directors are committed to their duty by studying the materials to prepare for the meetings. When exigencies prevent a director from physically attending a Board or committee meeting, he/she could join through remote communication such as videoconferencing, teleconferencing or other alternative platforms/media that allow them reasonable opportunity to participate.

To ensure sound and objective decision making, Board papers are provided to the directors five days before the meeting. The directors also have access to senior management, external consultants and advisors, and the Corporate Secretary.

BOARD OF DIRECTORS

Total Number of Meetings: 16, including the organizational meeting

Name	Attendance	%
Hans T. Sy	16	100
Gilbert U. Dee	16	100
William C. Whang	16	100
Peter S. Dee	16	100
Joaquin T. Dee	16	100
Herbert T. Sy	14	88
Harley T. Sy	16	100
Jose T. Sio	16	100
Margarita L. San Juan	16	100
Philip S.L. Tsai	16	100
Claire Ann T. Yap	16	100
Genaro V. Lapez	16	100

EXECUTIVE COMMITTEE

Total No. of Meetings: 41*

Name of Director	Attendance	%
Hans T. Sy (Chairman)	38	93
Gilbert U. Dee	41	100
Peter S. Dee	38	93
Joaquin T. Dee	41	100
William C. Whang	40	98

** 1 joint meeting with the Risk Oversight Committee*

RISK OVERSIGHT COMMITTEE

Total No. of Meetings: 13*

Name of Director	Attendance	%
Philip S.L. Tsai (Chairman)	13	100
Margarita L. San Juan	13	100
Claire Ann T. Yap	13	100

**1 joint meeting with the Executive Committee*

AUDIT COMMITTEE

Total No. of Meetings: 15

Name of Director	Attendance	%
Claire Ann T. Yap (Chairman)	15	100
Joaquin T. Dee	15	100
Philip S.L. Tsai	15	100

COMPLIANCE COMMITTEE

Total No. of Meetings: 12*

Name of Director	Attendance	%
Margarita L. San Juan (Chairman)	12	100
Harley T. Sy	12	100
Philip S.L. Tsai [a]	8	100
Joaquin T. Dee [b]	4	100

**12 joint meetings with the Corporate Governance Committee*

[a] Member from May 5, 2022; attended 8 out of 8 meetings of the joint Compliance and Corporate Governance Committees meetings

[b] Member up to May 4, 2022; attended 4 out of 4 meetings of the joint Compliance and Corporate Governance Committees meetings

NOMINATIONS COMMITTEE

Total No. of Meetings: 19*

Name of Director	Attendance	%
Margarita L. San Juan (Chairman)	18	95
Claire Ann T. Yap	19	100
Genaro V. Lapez	19	100

**19 joint meetings with the Corporate Governance Committee*

CORPORATE GOVERNANCE COMMITTEE

Name of Director	Attendance	%
Margarita L. San Juan (Chairman)	31	97
Claire Ann T. Yap	32	100
Genaro V. Lapez	31	97

**12 joint meetings with the Compliance Committee*
19 joint meetings with the Nominations Committee
1 joint meeting with the Remuneration Committee

REMUNERATION COMMITTEE

Total No. of Meetings: 3*

Name of Director	Attendance	%
Genaro V. Lapez (Chairman)	3	100
Herbert T. Sy	3	100
Philip S.L. Tsai	3	100

**1 joint meeting with the Corporate Governance Committee*

RELATED PARTY TRANSACTION COMMITTEE

Total No. of Meetings: 12

Name of Director	Attendance	%
Genaro V. Lapez (Chairman)	12	100
Margarita L. San Juan	12	100
Philip S.L. Tsai	12	100

TRUST INVESTMENT COMMITTEE

Total No. of Meetings: 11

Name of Director	Attendance	%
Peter S. Dee (Chairman)	11	100
Harley T. Sy	11	100
Jose T. Sio	11	100
William C. Whang	11	100
Mary Ann T. Lim*	11	100

** Trust Officer and Head of Trust and Asset Management Group*

Governance Policies

2-6, 2-15, 2-16, 2-19, 2-23, 205-1

The Bank is committed to uphold good governance. In place are various policies that support this commitment. These policies are posted in the Bank's intranet facility as well as in our corporate website, for guidance of our employees and other stakeholders.

- Insider Trading: The policy prohibits China Bank directors, officers, and employees who have knowledge of material facts or changes in the affairs of the Bank which have not yet been publicly disclosed, including any information likely to affect the share price of the Bank's stock, from directly or indirectly engaging in financial transactions. Any transactions by the Directors and principal officers involving the Bank's shares are required to be disclosed within three business days from the date of the transaction.

- Conflict of Interest: In accordance with the Bank's Code of Ethics, conflict of interest (COI) 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 always 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.

  To strengthen prevention measures for COI, our directors are mandated to accomplish the COI and the Related Party Transaction (RPT) disclosure form after their election and after gaining knowledge of an actual or potential COI situation.

- **Related Party Transactions**: The policy requires the thorough review of all transactions with related parties as having been conducted in the ordinary course of business, at arm's length basis, at fair market prices, and upon terms not less favourable to the Bank versus terms offered to others. The RPT Framework serves as a guide for the China Bank Group in dealing with related parties. All material RPTs are reviewed and vetted by the RPT Committee before they are endorsed to the Board for approval and are ratified by the stockholders during the Annual Stockholders' Meeting. To prevent conflict of interest, no director is allowed to participate in the discussion, deliberation, and approval of a transaction where he is a related party. Specific materiality thresholds on a per transaction basis have been established. The Bank's RPT policy is kept relevant and aligned with recent regulatory issuances.

Below is a summary of material RPTs and outstanding loan balances in 2022. Details have been disclosed through the submission of required periodic reports to the BSP and/or SEC.

RELATED PARTY	TOTAL AMOUNT[1]	TOTAL OUTSTANDING BALANCE[2]
China Bank Group	₱64.5B $20.0M	₱467.6M
SM Group	₱183.2B $ 86.0M	₱3.6B
Other Related Parties	₱9.0B $6.4M	₱429.7M

[1] Covers all transactions

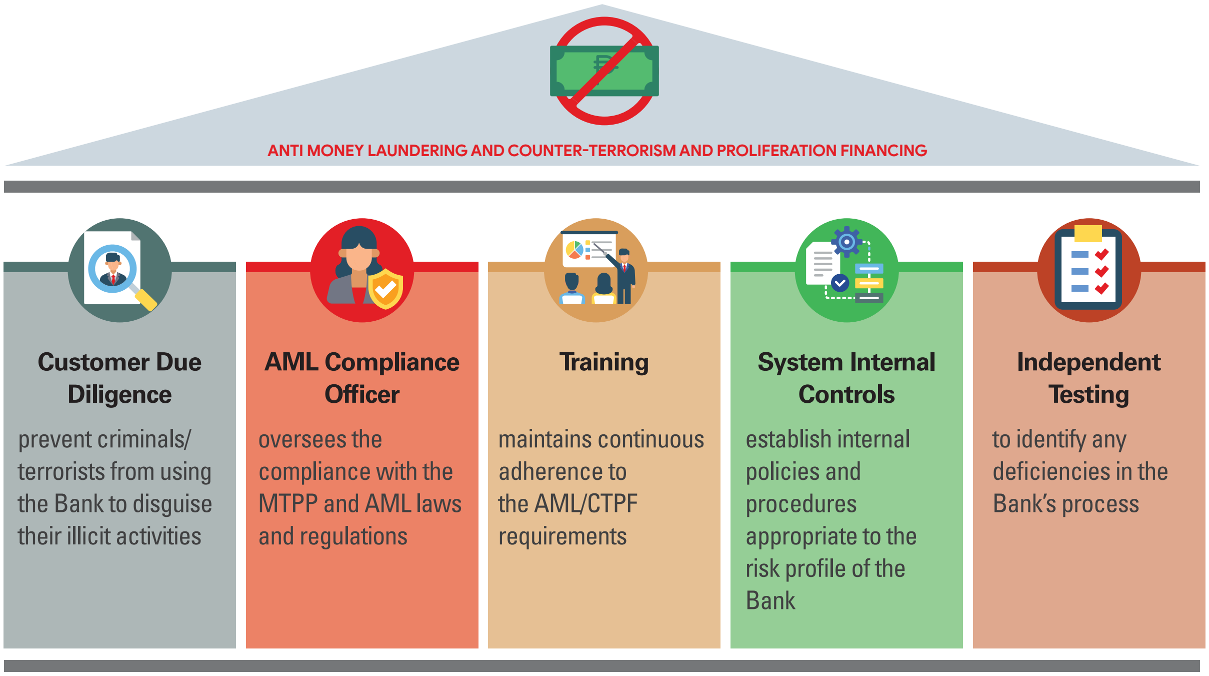
[2] For loan transactions approved in 2022 (with availments)

- **Anti-Bribery and Anti-Corruption**: The Bank does not tolerate any form of bribery and corruption. As established in the Code of Ethics, directors, officers, and employees are prohibited from offering, promising, or giving a financial or other advantage to any person or party, including public officials, with the intention of inducing or rewarding improper performance of their duties or to facilitate Bank transactions. They are likewise prohibited from accepting any financial or other advantage as a reward for participating in any act prejudicial to the Bank or any of its stakeholders.

  In 2022, a total of 6,709 employees attended the training on Code of Ethics and other related courses/sessions, in which anti-bribery and anti-corruption were also discussed.

- **Anti-Money Laundering Governance**: As we seek to provide a more secured banking landscape for our customer, we want to ensure bank wide compliance with the Anti-Money Laundering and Counter-Terrorism and Proliferation Financing (AML/CTPF) laws, rules and regulations. The Bank has adopted a Money Laundering and Terrorist Financing Prevention Program (MTPP), approved by the Board of Directors. It is designed in accordance with the Bank's corporate structure and risk profile and is reviewed and updated regularly to incorporate recent regulatory issuances. The MTPP provides guidelines to combat money laundering and terrorism and proliferation financing activities, and promotes high ethical and professional standards, to keep the Bank from being utilized as a channel for such. The Compliance Division oversees the Bank's compliance with the MTPP and AML laws and regulations, and manages the AML System to ensure the effective monitoring of transactions and the timely and accurate reporting of covered and suspicious transactions to the Anti-Money Laundering Council (AMLC).

  The MTPP is disseminated to all officers and staff of the Bank who are obligated by law and by the Bank's policies to implement the program. Mandatory AML trainings and seminars are also conducted to update the Bank's directors, officers and staff of the latest AML/CTPF requirements and to continuously inform them of their obligations under the AMLA. The Bank has also adopted an AML e-Learning platform to efficiently expand the reach of AML training nationwide. A total of 4,699 employees completed the mandatory AML e-learning course in 2022.



- Whistleblowing: Without fear of any retaliation, Bank employees, customers, shareholders, and any third-party service providers may report questionable or illegal activity, unethical conduct, fraud or any other malpractice by mail, phone or e-mail. The identity of the whistleblower is kept confidential and all reports are acted upon based on their merits. If determined sufficient in form and substance, the disclosure is referred to the appropriate unit/s for further investigation. If the report is found to be baseless, the whistleblower is informed of the status. Although the Chief Compliance and Governance Officer (CCGO) is the primary driver in the implementation of the Whistleblowing Policy, the policy allows reporting of any disclosure to the Chief Audit Executive, Chief Risk Officer, and the HRG Head.

  Whistleblowing disclosures may be reported directly to Human Resources Group, Audit Division, Risk Management Group or the CCGO:

  Chief Compliance and Governance Officer
  Tel. No.: 8885-5731
  Mobile No.: 0947-9960573
  Fax No.: 8864-5007
  Email: whistle_chib@yahoo.com.ph

  A whistleblower disclosure form is also available at www.chinabank.ph.

- **Creditors:** The policy focuses on honoring agreements with and respecting the rights of China Bank's creditors—depositors and bondholders—including complying with post-issuance regulatory requirements like continuing disclosures and tax compliance.

- **Suppliers and Contractors**: The Bank advocates fair market practices and is committed to dealing only with suppliers and contractors who have proven integrity and good track record. They must also undergo and pass our accreditation process before any contract is awarded to them. China Bank evaluates their reputation, capability, reliability, and actual performance and takes into consideration standards of objectivity, impartiality, and equal opportunity. Vendor bids are evaluated based on quality, price, service, and overall value to the business, ensuring that we prevent any favoritism or conflicts of interest. The Bank also has an outsourcing policy in place.

- **Senior Management Appointment and Succession**: The Bank is prudent and exercises due diligence in selecting members of Senior Management. The Succession Management Program is an active process of the China Bank Group to identify and ready the successors to ensure that the Bank would have high-caliber leaders. A formal process is followed to ensure that a candidate chosen for a Senior Management role is fit and proper for said key position, taking into account his/her experience in finance / banking or related field, and integrity, among other requirements. The process involves a talent profile review by Senior Management led by the President through an interview, aside from the Human Resources Group conducting the reference background check. Furthermore, the talent profile is also reviewed by the Nominations and/or Corporate Governance Committees as applicable. If found suitable, the candidate is endorsed to the Executive Committee / Board of Directors for final appointment approval.

- **Executive Compensation**: The Bank's remuneration policy is anchored on the principle of fair, transparent, and performance-based reward to encourage employees' long-term commitment, to support the Bank's long-term outlook and plans, and to address the challenge of attracting and retaining the best talents. Remuneration for senior officers varies according to rank, function, and performance. Regular salary reviews are conducted to ensure market competitiveness of total remuneration.

  In 2022, the Bank paid a total of ₱136.1 million to the five most senior executives*: Vice Chairman Gilbert U. Dee, President William C. Whang, Chief Operating Officer Romeo D. Uyan, Jr., Chief Finance Officer Patrick D. Cheng, and RBB Segment Head Rosemarie C. Gan.

YEAR	SALARY	BONUSES & OTHER COMPENSATION	TOTAL
2022	₱65,233,046	₱70,881,725	₱136,114,771
2021	₱59,808,878	₱57,874,732	₱117,683,610

* Due to the competitiveness and high demand for talent in the banking industry, individually disclosing the remuneration of the top five officers, as per corporate governance best practices, would be disadvantageous to the Bank.

- **Dividends**: It is the Bank's unwavering commitment to provide shareholders with an equitable share of profits. Cash dividends are declared 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 more detail in the dividend policy statement contained in the Corporate Governance Manual. Dividend payouts, as part of our capital management policy and process, are reviewed and calibrated annually, taking into account the economic and business environment, the Bank's risk profile and appetite, and trends in capital markets and regulatory environment to achieve the following objectives:
  1. Delivering to stockholders satisfactory returns and enhanced shareholder value
  2. Healthy capital adequacy ratios to comply with regulatory capital requirements and maintain strong credit rating
  3. Capital buffer to support business growth and pursue business opportunities

	2022	2021	2020	2019	2018
Stock Dividend	–	–	–	–	–
Cash Dividend	10.0% (regular)	10.0%	10.0%	8.8%	8.3%
	5.0% (special)	–	–	–	–

- Disclosure and Transparency: The Bank is committed to providing stakeholders with timely and accurate information to facilitate understanding of the Bank's true financial condition, operations and corporate governance practices. As a publicly-listed company, China Bank ensures that all material information about its financial condition and operations are disclosed in accordance with applicable rules and regulations. In addition to compliance with reporting requirements, such as the publication of quarterly financial statements in national newspapers and publication of a comprehensive annual report for the Bank's annual stockholders meeting, the Bank promptly discloses major and market-sensitive information, including but not limited to 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 an investor's investment decision. The Bank also electronically files its disclosures through Electronic Disclosure Generation Technology (EDGE) which are then made available publicly on the PSE's website. The Bank's corporate website is likewise regularly updated to include the latest news and information about the Bank. In addition, the Investor and Corporate Relations Group conducts/ participates in investor briefings with analysts and members of the media.

Internal Controls

Our internal controls framework covers financial, operational, information technology controls, as well as compliance, audit, and risk management policies and systems. Effective control is the foundation of safe and sound banking as it safeguards the Bank's resources, ensures accurate and reliable financial data, promotes proper implementation of our policies to comply with laws and regulations, and contributes to operational efficiency.

We have adopted the three-lines-of-defense governance framework. In the frontline are the business lines and management, Risk and Compliance are at the second line, and the Audit function constitutes the third line.

Compliance

Compliance risk management forms part of the Bank's overall and fundamental business activities and is upheld in all levels of the organization. The Board is responsible for ensuring that appropriate policies are in place to manage and mitigate compliance risks, while Management is responsible for implementing these policies and undertakes to timely address critical issues to preserve the franchise value of the Bank.

Compliance System

Vital to the implementation of a Group-wide culture of compliance is our Compliance Division which designs and manages the implementation of the Bank's compliance program across the Group. The Division assists the Board with its governance function to protect not only the Bank's franchise value, but also the interests of our various stakeholders. It has six departments covering various areas: Regulatory Compliance, Anti-Money Laundering, Corporate Governance, IT Compliance, Subsidiaries Compliance, and SEC Compliance.

Driving and managing the China Bank group-wide compliance is the Bank's Chief Compliance and Governance Officer (CCGO) who functionally reports to the Compliance and the Corporate Governance Committees of the Board, and administratively to the Bank's President. As the second-line of defense in the overall control structure, the compliance function is independent from business operations.

The Compliance Division endeavors to drive a strong compliance culture within the Group, thru a dynamically-responsive compliance program and corresponding activities such as the preparation and enhancement of policies and procedures, risk assessment of the institution, conduct of independent testing, and promotion of compliance awareness. The Division also ensures that employees at all levels are kept informed of changes in the laws and regulations through regular trainings and dissemination of the latest and important advisories and regulatory issuances. The Compliance function and program are subject to independent review by the Internal Audit Division.

Risk Management

We believe that risks are part of doing business, and that effective risk management, rather than outright risk avoidance, is crucial to success. This mindset has enabled us to maintain highly profitable and stable operations while undertaking only well-calculated risks for commensurate returns. The Board is accountable for risk oversight, but everyone in the Bank is responsible for risk management. The Board sets the tone for a sound risk culture, Management handles the implementation of the Enterprise Risk Management Framework and day-to-day risk management to ensure alignment with the established risk appetite and limits, and employees at all levels share the responsibility of managing risks. Through trainings and communication, effective risk management is reinforced as a group-wide discipline.

Risk Governance System

Our Risk Management Framework ensures that the Board direction on strategy and risks are well articulated in the risk policies and that risk appetites, limits, and measures are identified and monitored. We subscribe to a Three Lines of Defense approach to effectively manage group-wide risks. The first line of defense is risk management by the business lines, wherein business unit engages in risk-taking within the established range of risk appetite, and promptly implements risk control at the on-site level when a risk arises. The second line of defense is Compliance and Risk Management. Compliance Division is in charge of the compliance risk management system to identify and mitigate risk that may erode the franchise value of the Bank, while the Risk Management Group (RMG) acts as a restraint function for the risk taking of the first line of defense, and supervises and provides guidance regarding the risk governance system. RMG reports on the status of risk management to the Board of Directors through the Risk Oversight Committee. The third line of defense is the Audit Division which validates the effectiveness and appropriateness of the group-wide risk governance system and processes from an independent standpoint.

Risk Management Group

The Risk Management Group (RMG), headed by the Chief Risk Officer (CRO), performs overall risk management, identifies and evaluates group-wide risks, creates a risk management process, formulates recovery strategies, and sets risk limits in accordance with the Board-approved risk management policies. RMG applies the principles of sound governance to the identification, assessment, monitoring, and mitigation of risks. Risk identification and assessment are embedded in our work processes and critical business systems to ensure that decision-making is based on valid data. RMG distinguishes the different types of risk and takes an integrated approach, guided by supporting frameworks and policies which are regularly reviewed and enhanced, to effectively manage the Bank's financial, nonfinancial, and emerging risks.

Credit Risk

During the normal course of lending and credit underwriting, the Bank is exposed to credit risk which is the risk of financial loss where a customer or counterparty fails to meet their financial obligations to China Bank. The 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 measure credit risk for large corporates and medium-sized entities through the Internal Credit Risk Rating System (ICRRS). For smaller businesses, retail and individual loan accounts, we use the Borrower Credit Score (BCS) for credit scoring. There is a separate application scorecard for auto loans and housing loans. For credit cards, we use the Transunion Bureau score in conjunction with other credit acceptance criteria. We also have a rating system for Philippine universal, commercial, thrift, rural, and cooperative banks. In addition, we use a Sovereign Risk Rating Model to assess the strength of the country rated with reference to its economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events.

The performance of our rating models and scorecards are regularly monitored. Over the years, we have partnered with third party consultants such as Moody's Analytics and Teradata for model validation, model recalibration, and knowledge transfer projects. Internally, periodic review of the performance of the models are conducted by running statistical metrics to ensure that they continue to be a reliable tool in our credit evaluation process.

The ICRRS validation and recalibration engagement with Moody's Analytics and the parallel run of candidate models culminated in the approval of the recalibrated ICRRS model by the Board in 2019. For the past two years, the focus of our model-related activities was on the review of the housing and auto loan scorecards. This is in addition to the development and approval for implementation of the scorecard for Contract to Sell (CTS) without recourse loans. For 2023, we will focus on the remodeling of the Housing Loans scorecard and the recalibration of the BCS.

Market and Liquidity Risk

Operating in a market that is dynamic and often unpredictable, China Bank is exposed to market risk—the risk of changes in market factors, such as foreign exchange, interest rates and equity prices negatively impacting earnings. This includes interest rate risk in the banking book which is the risk to interest income from a mismatch between the duration of assets and liabilities. The Bank is also exposed to liquidity risk, which is the current and future risk arising from a company's inability to meet its financial obligations when they come due. The objective of our market risk policies is to obtain the best balance of risk and return while meeting our stakeholders' requirements. On the other hand, 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. Market risk, interest rate risk, and liquidity risk exposures are managed through a risk management framework comprising of limits, triggers, monitoring, and reporting process that are in accordance with the risk appetite of the Board. Market risk exposures are measured and monitored through reports from our Market Risk Management System. 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. Meanwhile, liquidity and interest rate risk exposures are measured and monitored through the Maximum Cumulative Outflow (MCO) and Earnings-at-Risk (EaR) reports from our Asset and Liability Management (ALM) system. Based on the latest annual validation of Internal Audit, our internal risk measurement models –VaR, EaR, and MCO – remain appropriate and adequate.

Operational Risk

In the course of conducting our daily business activities, operational risk may arise which can result from breakdowns in internal procedures, people, and systems. We believe that operating soundly and innovating nimbly are vital to sustaining the faith and credit of our stakeholders. Our Operational Risk Management Framework provides guidelines that operational workflows sustain the Bank's growth and profit objectives. Our framework advocates a culture of risk recognition, risk control and risk management. It includes policies, processes, procedures, and various tools, which includes Risk Assessment, Control Self-Assessment, Loss Incident Reporting System and reporting of Key Risk Indicators to manage operational risks.

Business Continuity Management (BCM)

Adequate advanced planning and preparation is essential to maintaining business functions or quickly resuming after a crisis or disaster. In place is a robust BCM to ensure the availability of crucial infrastructure, functions, and systems to minimize the effects of potentially disruptive events. We continually strengthen the ability of our operations to recover from significant business disruptions that may include natural calamities, pandemics, and disasters through the development, review, and testing of our resilience plans.

Information Technology (IT) Risk

Technology has become an essential part of business operations by streamlining systems, increasing efficiency, and enhancing customer convenience. As a business that is heavily reliant on technology, IT risk—any threat that can stem from equipment failure to targeted cyber attacks—is a core concern. Our IT risk infrastructure centers on ensuring the soundness of our IT operations, the strength of our IT Security in the face of increasing cyber threat landscape, and the orderliness of implementation of IT projects in line with China Bank's ongoing digital transformation. The China Bank Board delegates to the IT Steering Committee (ITSC) the responsibility of implementing our IT strategies and monitoring IT performance. Our ITSC includes the participation of three directors who oversee the Bank's IT function as well as members of management who oversee business execution and business support functions. Governance functions participate in ITSC meetings in advisory capacity. The ITSC aggregates IT concerns from all over the enterprise to ensure concerted implementation of the Group's IT Strategy. The allied subsidiary and affiliate enterprises ensure their respective Boards, Senior Managements, and Risk functions remain aware of all businesses they raise before the ITSC.

Trust Risk

With the extensive development of the financial markets, we continue to place great importance on managing all the risks specific to our Trust business, including legal, strategic, and reputational risks. Trust risk is managed in accordance with the Guidelines in Strengthening Corporate Governance and Risk Management Practices on Trust, Other Fiduciary Business, and Investment Management Activities (BSP Circular 766), as well as the Bank's internal Trust Risk Management Guidelines.

Integrated Stress Test

RMG has an Integrated Stress Testing (IST) framework to evaluate the Bank's overall vulnerabilities on specific events or crisis and gauge the ability to withstand stress events, in addition to the silo stress tests. The IST covers all the major risk areas of the Bank and complements the Pillar I Plus Approach which is the basis for the Internal Capital Adequacy Assessment Process (ICAAP) capital charge under normal condition.

Internal Audit

Internal audit is essential in maintaining the Bank's overall strength and stability as it provides independent assurance and contributes to the effectiveness and efficiency of governance, risk management, and control processes. The results of assurance reviews are translated into value-added recommendations to strengthen controls, mitigate risks, and improve operations. Internal audit also provides valuable insights which help our Board and Management make sound decisions that enhance and protect organizational value.

The Audit Division handles the internal audit function, under the leadership of the Chief Audit Executive, and maintains a high standard of independence and objectivity in carrying out its audit responsibilities effectively. Internal audit activities are free from any internal or external interference or obstruction. The Audit Division's authority to perform its mandate emanates from the Board-approved Charter, which also serves as a blueprint for accomplishing its mission and objectives.

In 2022, our Audit Division resumed onsite reviews of China Bank branches, units, and subsidiaries, maximizing all available resources to expand audit coverage. The Audit Management System and Data Analytics were utilized during audit engagements to increase audit effectiveness and efficiency. Audit Division will continue to leverage modern technology and to innovate and adapt to enhance its services and reduce operational cost. Also in 2022, the internal audit function of our retail bank arm CBS was fully integrated with the parent Bank to benefit from economies of scale and enable the seamless sharing and adoption of best internal audit practices.

- External audit: Sycip Gorres Velayo & Company (SGV), China Bank's external auditor for over 20 years, is responsible for providing reasonable assurance that the Bank's financial statements are presented accurately and in conformity with the Philippine Financial Reporting Standards (PFRS). In compliance with regulations, the signing partners are rotated every five years of engagement which was increased to seven years effective August 2019. None of the Bank's external auditors have resigned during the two most recent fiscal years (2022 and 2021) or any interim period. SGV is again recommended for appointment at the scheduled annual stockholders' meeting.

- Audit and audit-related Fees: 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 ₱20 billion in 2021. The 2022 and 2021 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 independent vulnerability assessment and penetration testing in 2022, review and advisory services in 2021 and independent validation of votes in the annual stockholders' meeting in both 2022 and 2021. Payments 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.

YEAR	AUDIT AND AUDIT-RELATED FEES	ALL OTHER FEES
2022	₱9,498,720	₱ 974,400
2021	₱11,415,712	₱3,616,173

Stock information

China Bank common shares are listed and traded on the Philippine Stock Exchange under the symbol "CHIB". The Bank's common shares were valued at ₱27.45 per share as of December 29, 2022 (last trading day), and at ₱32.05 per share as of March 1, 2023 (latest practicable trading date).

The Bank has an authorized capital stock of ₱33 billion divided into 3.3 billion shares with a par value of ₱10.00 per share. As of February 28, 2023, there were approximately 1,859 holders of 2,691,288,212 common shares.

EQUITY OWNERSHIP BY NATIONALITY

Nationality	Number of Stockholders	Number Shares	Percentage
Filipino	1,782	1,969,771,242	73.191
Non-Filipino (PCD)	1	715,078,294	26.570
Chinese	49	3,485,501	0.130
American	18	2,403,317	0.089
Australian	2	4,513	0.000
British	2	97,631	0.004
Canadian	2	363,117	0.013
Spanish	1	107	0.000
Taiwanese	2	84,490	0.003
TOTAL	**1,859**	**2,691,288,212**	**100.000**

TOP 20 HOLDERS OF CHINA BANK COMMON SHARES

	Name of Stockholder	Number of Shares	Percentage
1.	PCD Nominee Corporation (Non-Fil.)	715,078,294	26.570
2.	PCD Nominee Corporation (Filipino)	571,266,303	21.227
3.	SM Investments Corporation	463,922,761	17.238
4.	Sysmart Corporation	416,402,026	15.472
5.	JJACCIS Development Corporation	62,320,926	2.316
6.	CBC Employees Retirement Plan	53,278,951	1.980
7.	Joaquin T. Dee &/or Family	40,787,322	1.516
8.	GDSK Development Corporation	31,458,583	1.169
9.	Suntree Holdings Corporation	24,138,332	0.897
10.	Syntrix Holdings, Inc.	23,266,173	0.864
11.	Hydee Management & Resource Corp.	14,334,603	0.533
12.	The First Resources Mgt. & 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	0.210
15.	Robert Y. Dee, Jr.	5,569,499	0.207
16.	La Filipina Uy Gongco Corporation	5,444,600	0.202
17.	Ansaldo, Godinez & Co., Inc.	4,664,350	0.173
18.	Michael John G. Dee	3,963,468	0.147
19.	Cheng Siok Tuan	3,864,332	0.144
20.	Rosario Chua Siu Choe	3,631,816	0.135
	TOTAL	**2,460,960,493**	**91.442**

RECORD AND BENEFICIAL OWNERS HOLDING 5% OR MORE VOTING SECURITIES

102-5

Title of Class	Name, Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Common	PCD Nominee Corporation* 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders/clients	Non-Filipino	715,078,294	26.56
Common	PCD Nominee Corporation* 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders/clients	Filipino	571,266,303	21.23
Common	SM Investments Corporation 10th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sy Family PCD Nominee Corporation Stockholders	Filipino	463,922,761	17.24
Common	Sysmart Corporation 10th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sy Family Sycamore Pacific Corporation Stockholders	Filipino	416,402,026	15.47

**Based on the list provided by the Philippine Depository & Trust Corporation to the Bank's transfer agent, Stock Transfer Service, Inc., as of December 31, 2022, The Hongkong and Shanghai Banking Corporation Limited (396,732,386 shares or 14.74%) and BDO Securities Corporation (193,683,220 shares or 7.20%) hold 5% or more of the Bank's securities under the names of various beneficial owners. The beneficial owners, such as the clients of PCD Nominee Corporation, have the power to decide how their shares are to be voted.*

STOCKHOLDINGS OF BANK DIRECTORS

Director	Position	Citizenship	Number & Nature of Ownership - Direct (D)/ Indirect (I)	Percentage
Hans T. Sy	Chairman of the Board	Filipino	1,545,137 (D) 3,753,725 (I)	0.057 0.139
Gilbert U.Dee	Vice Chairman	Filipino	838,006 (D)	0.031
William C. Whang	Director and President	Filipino	21,318 (D)	0.001
Peter S. Dee	Director	Filipino	301,305 (D)	0.011
Joaquin T. Dee	Director	Filipino	44,365,883 (D) 7,371,029 (I)	1.648 0.274
Herbert T. Sy	Director	Filipino	735,431 (D)	0.027
Harley T. Sy	Director	Filipino	897,254 (D)	0.033
Jose T. Sio	Director	Filipino	3,517 (D)	0.000
Margarita L. San Juan	Lead Independent Director	Filipino	95,238 (D)	0.004
Philip S. L. Tsai	Independent Director	Filipino	2,000 (D)	0.000
Claire Ann T. Yap	Independent Director	Filipino	100 (D)	0.000
Genaro V. Lapez	Independent Director	Filipino	100 (D)	0.000
TOTAL			**59,930,043**	**2.225**

All the tables are as of February 28, 2023

TRADING IN COMPANY SHARES BY BANK DIRECTORS

Director	Shareholdings as of January 1, 2022	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2022
Hans T. Sy	4,383,462	–	915,400	5,298,862
Gilbert U. Dee	12,838,006	12,000,000	–	838,006
William C. Whang	18,318	–	3,000	21,318
Peter S. Dee	301,305	–	–	301,305
Joaquin T. Dee	51,736,912	–	–	51,736,912
Herbert T. Sy	735,431	–	–	735,431
Harley T. Sy	897,254	–	–	897,254
Jose T. Sio	3,517	–	–	3,517
Margarita L. San Juan	95,238	–	–	95,238
Philip S. L. Tsai	2,000	–	–	2,000
Claire Ann T. Yap	100	–	–	100
Genaro V. Lapez	100	–	–	100

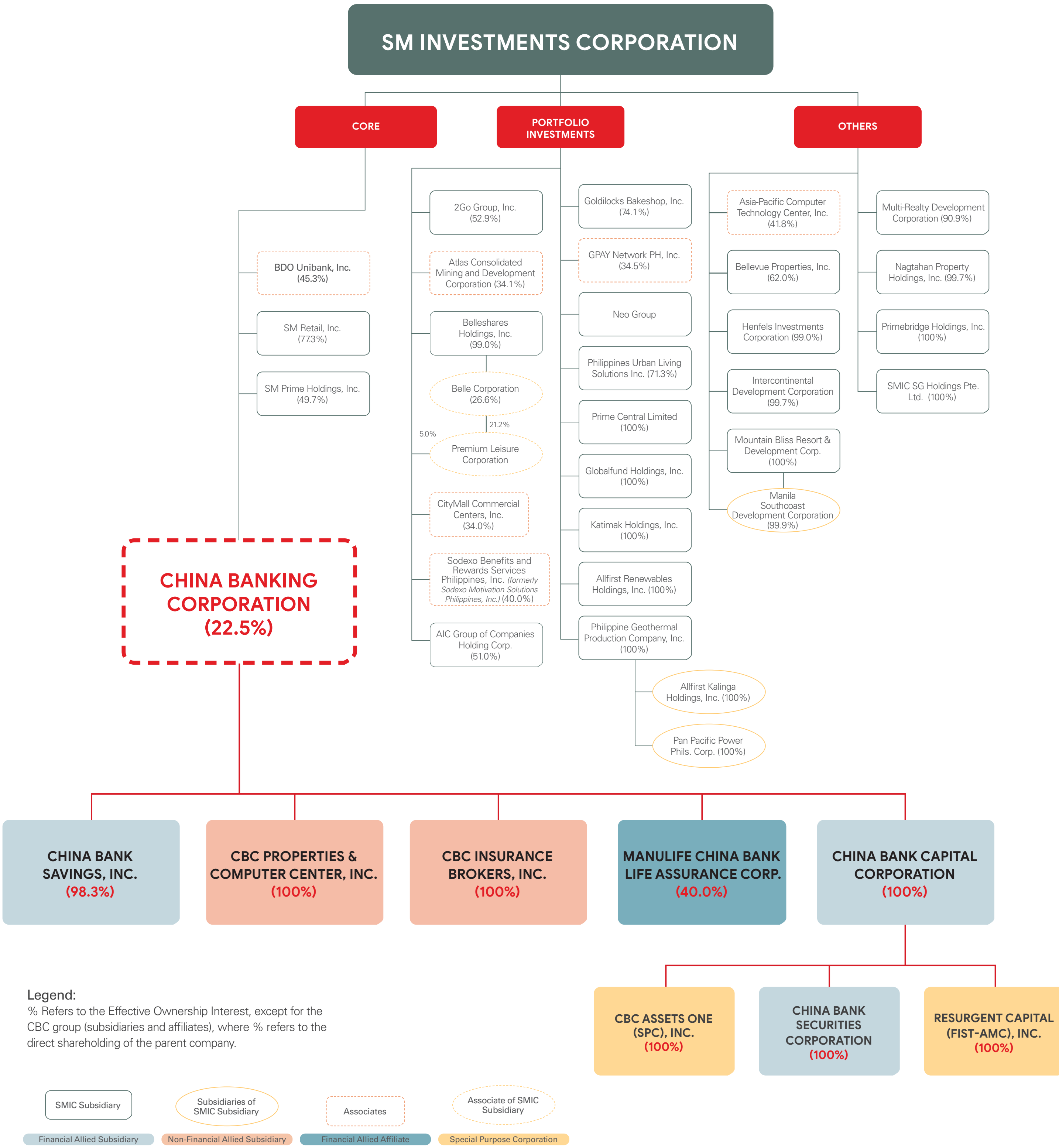
TRADING IN COMPANY SHARES BY BANK PRINCIPAL OFFICERS*

Officer	Shareholdings as of January 1, 2022	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2022
Romeo D. Uyan, Jr.	500	_	_	500
Patrick D. Cheng	618,256	_	2,000	620,256
Jose L. Osmeña, Jr.	10,000	_	_	10,000
Magnolia Luisa N. Palanca	100	_	_	100
Lilian Yu	400	_	_	400
Ananias S. Cornelio III	700	_	10,000	10,700
Angela D. Cruz	1,641,476	_	_	1,641,476
Christopher Ma. Carmelo Y. Salazar	100	_	_	100
Clara C. Sy	2,977,104	_	_	2,977,104
Cristina P. Arceo	1,200	_	_	1,200
Gerard T. Dee	279,464	_	12,000,000	12,279,464
James Christian T. Dee	2,911,081	_	_	2,911,081
Antonio Jose S. Dominguez	100	_	_	100
Madelyn V. Fontanilla	1,400	_	_	1,400
Jerry Ron T. Hao	300	_	_	300
Delia Marquez	26,700	_	_	26,700
Elizabeth C. Say	6,633	_	_	6,633
Belenette C. Tan	7,708	_	_	7,708
Stephen Y. Tan	4,046	_	_	4,046
Layne Y. Arpon	11,832	_	_	11,832
Amelia Caridad C. Castelo	100	_	_	100
Marie Carolina L. Chua[b]	_	_	38,343	38,343
Melissa F. Corpus	1,500	_	_	1,500
Rhodin Evan O. Escolar[b]	_	_	400	400
Maria Luz B. Favis	1,300	_	_	1,300
Mary Ann T. Lim	200	_	_	200
Mandrake P. Medina	1,200	_	_	1,200
Marisol M. Teodoro	23,923	_	_	23,923
Maria Rosanna Catherina L. Testa	7,340	_	_	7,340
Michelle Y. Yap Bersales [a]	_	_	700	700

**First Vice President and up, in addition to the Vice Chairman and President*
[a] Promotion to First Vice President I effective May 6, 2022
[b] Promotion to First Vice President I effective July 16, 2022

Conglomerate Map

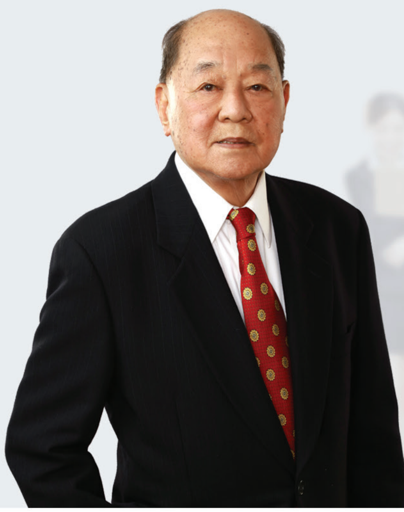
As of December 31, 2022



Board of Directors

Hans T. Sy
Chairman

Gilbert U. Dee
Vice Chairman



William C. Whang
President*
**until March 31, 2023*

Romeo D. Uyan, Jr.
Chief Operating Officer*
**President and CEO effective April 1, 2023*

Peter S. Dee
Non-Executive Director

Joaquin T. Dee
Non-Executive Director

Harley T. Sy
Non-Executive Director

Herbert T. Sy
Non-Executive Director

Jose T. Sio
Non-Executive Director

Margarita L. San Juan
Lead Independent Director

Philip S.L. Tsai
Independent Director

Claire Ann T. Yap
Independent Director

Genaro V. Lapez
Independent Director

Ricardo R. Chua
Advisor to the Board

Board of Directors

Hans T. Sy, 67, Filipino, is the Chairman of the Board since May 5, 2011 and has been a member of the China Bank Board since May 21, 1986. He previously held the position of Vice Chairman from 1989 to 2011. He is currently Director and Chairman of the Executive Committee of 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 also serves as the Chairman of the Board of Trustees of National University, Inc. (NUI) and holds other key positions in several companies under the SM Group. He was given the Outstanding Filipino Award at the 2022 TOFIL awards for his contribution to nation-building and resiliency through sustainability and disaster risk reduction. Chairman Sy 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 most recent of which are on Risks and Opportunities in Sustainable Finance conducted by Moody's Analytics in October 2022, and Anti-Money Laundering (AML) updates and Advanced Corporate Governance training conducted by the Institute of Corporate Directors (ICD) in August 2022.

Gilbert U. Dee, 87, Filipino, is the Vice Chairman of the Board since May 5, 2011 and has been a member of the Board since March 6, 1969. He was the Chairman of the Board from 1989 to 2011. He is also the Chairman in the boards of Union Motor Corporation and China Bank subsidiary CBC Properties and Computer Center, Inc. (CBC PCCI), which are not listed on the PSE. He previously served as director in Philippine Pacific Capital Corporation, Philex Mining Corporation, and CBC Finance Corporation. Vice Chairman Dee received his Bachelor of Science degree in Banking from De La Salle University. He also holds a Master's in Business Administration (MBA) degree in Finance from the University of Southern California. Among the trainings in banking and other related fields he has participated in over the years are ICD's Annual Corporate Governance training and AML updates in August 2022, and Technology Governance for Directors: Sink, Float or Swim in the Waves of E-Commerce in January 2022.

William C. Whang, 64, Filipino, Director and President of China Bank since November 1, 2017 and until his retirement on March 31, 2023. He previously held several key leadership positions in the Bank from 2011 to 2017: as Chief Operating Officer, Head of Lending Business Segment, and Head of Institutional Banking Group. He concurrently sits as Chairman of the Board of China Bank subsidiary, China Bank Securities Corporation (CBSC), and as member in the boards of other subsidiaries such as China Bank Savings, Inc. (CBSI), Chinabank Insurance Brokers, Inc. (CIBI), CBC PCCI, and China Bank Capital Corporation (CBCC). He also holds directorship positions representing China Bank in other entities such as Bancnet, Inc., Bankers' Association of the Philippines (BAP), and Manulife China Bank Life Assurance Corporation (MCBL). Besides China Bank, he does not hold any directorship position in other PSE-listed companies. He has over 40 years of banking experience, previously holding key positions both in local and international financial institutions. Under his leadership, China Bank was recognized as the 2021 Best Bank in the Philippines by The Asset and recently edged as the Top 4 private universal bank in the country as of the second quarter of 2022. On January 20, 2023, China Bank received the coveted Five-Golden Arrow Recognition, the highest corporate governance award given by the Institute of Corporate Directors to the country's top publicly listed companies based on the 2021 ASEAN Corporate Governance Scorecard (ACGS) assessment results. President Whang holds a Bachelor of Science degree in Commerce, Major in Business Management, from De La Salle University. He attended various trainings on corporate governance, AML, branch-based marketing, quality service management, sales management, principle-centered leadership, cybersecurity governance: challenges and solutions, and managing finances in the digital age, among others.

On December 7, 2022, the Board of Directors approved the succession plan for the position of President and Chief Executive Officer (CEO) of the Bank, and accepted President Whang's retirement notice, effective at the close of business on March 31, 2023.

Romeo D. Uyan, Jr., 60, Filipino, is the Senior Executive Vice President and Chief Operating Officer of China Bank until March 31, 2023, and was appointed President and CEO effective April 1, 2023. The Monetary Board issued its confirmation of his election and appointment on January 26, 2023.

Mr. Uyan has been with the Bank since 2014, initially hired to set up the Bank's investment banking arm, CBCC, and was appointed as its President in December 2015. He was then appointed as the Bank's Treasurer in July 2016 and Chief Operating Officer in November 2017. Mr. Uyan is a seasoned investment banker with over two decades of experience in trading and financial structuring working with top multinational investment houses in the Asia Pacific region. He previously served as Managing Director and Co-Head of Asia Special Situations and Leveraged Capital Markets at UBS AG - Singapore Branch, and Managing Director and Head of Asia Credit Products in Barclays Capital, where he was also a member of the Asia Pacific Executive Committee and Global Emerging Markets Committee. At present, he concurrently sits in the Boards of the following Bank subsidiaries: CBCC and CBSC as Vice Chairman and Resurgent Capital (FISTC-AMC) Inc. as Chairman. He also serves as the alternate Bank representative for BAP and the Philippine Payments Management Inc. Mr. Uyan earned 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, U.S.A. Mr. Uyan participated in numerous trainings in banking, securities and futures products, fraud awareness, environmental and social risk, FATCA awareness and responsibility, AML, and corporate governance.

Peter S. Dee, 81, Filipino, has been a member of the China Bank Board since April 14, 1977. He previously served as President and Chief Executive Officer of the Bank from 1985 to 2014. Currently, he serves as independent director for PSE-listed companies City & Land Developers, Inc., and Cityland Development Corporation. He is also a Director and President of Bank subsidiary CBC PCCI and serves as director of other non-listed companies, particularly, Commonwealth Foods, Inc., GDSK Development Corporation, Makati Curbs Holdings Corporation, Great Expectation Holdings, Inc., and The Big D Holdings Corporation. He previously held directorship positions in Sinclair (Phils.) Inc., Can Lacquer, Inc., CBC Forex Corporation, and CIBI, among others. Director Dee holds a Bachelor of Science degree, Major in Commerce, from De La Salle University and from University of the East. He also attended a Special Banking Course at the American Institute of Banking. He participated in various trainings on corporate governance, the latest of which was in August 2022 which focused on AML and cybersecurity governance.

Joaquin T. Dee, 87, Filipino, is a member of the China Bank Board since May 10, 1984. He does not hold any directorship positions in other PSE-listed companies aside from China Bank. He currently serves as Chairman of JJACCIS Development Corporation and Enterprise Realty Corporation, and Director of Suntree Holdings Corporation. From 1964 to 1995, he served as Vice President for Wellington Flour Mills. Director Dee is a graduate of Letran College, with a Bachelor of Science degree in Commerce. He attended various trainings and seminars related to banking, such as on AML, corporate governance, data privacy and managing finances in the digital age.

Herbert T. Sy, 66, Filipino, became a member of the China Bank Board on January 7, 1993. In addition to China Bank, he is also a director in PSE-listed SMPH. He is the Chairman of non-listed companies, Supervalue, Inc., Super Shopping Market, Inc., Sondrik, Inc., and Sanford Marketing Corp. He also sits as director in NUI. He has diverse expertise in food retail, mall operations, real estate development, and investments. Director Sy obtained a Bachelor of Science degree in Management from De La Salle University. His latest banking-related trainings include updates on AML, corporate governance and cybersecurity governance in August 2022.

Harley T. Sy, 63, Filipino, is a director and member of the China Bank Board since May 24, 2001. He is also the Executive Director of SMIC, one of the largest publicly-listed companies in the Philippines, and holds various positions in other non-listed companies under the SM Group. Director Sy graduated with a Bachelor of Science degree in Commerce, Major in Finance, from De La Salle University. He also participates in extensive trainings on banking and finance, the most recent of which cover updates on AML, corporate governance, BSP supervisory assessment framework, and technology governance for directors.

Jose T. Sio, 83, Filipino, has served as Director of the China Bank Board since November 7, 2007. He is concurrently the Chairman of the Board of Directors of SMIC and a member of the Board of Directors of the following companies listed on the PSE: (i) Atlas Consolidated Mining and Development Corporation and (ii) Far Eastern University, Incorporated (as Independent Trustee). He is also Adviser to the Board of Directors of PSE-listed BDO Unibank, Inc., Belle Corporation, and Premium Leisure Corporation. Mr. Sio also serves as Director of the following companies not listed on the PSE: (i) NLEX Corporation; (ii) Ortigas Land Corporation; and (iii) First Asia Realty Development Corporation. He is the Chairman, President and Trustee of SM Foundation, Inc. Director Sio was a 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). He was also awarded as Best CFO (Philippines) in various years by Hong Kong-based business publications such as Alpha Southeast Asia, Corporate Governance Asia, Finance Asia and The Asset. In June 2022, he received Parangal San Mateo, the highest honor that can be conferred upon an accounting professional by the Philippine Institute of Certified Public Accountants (PICPA). In March 2023, he was recently honored by the Professional Regulatory Board of Accountancy with the Accountancy Centenary Award of Excellence. Director Sio is a Certified Public Accountant (CPA) and holds 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 New York University, U.S.A. He is actively engaged in continuous trainings, having attended seminars/trainings on investments, loans and financial instruments, structured products, debt and equity financing during the Euromoney Conference in China in 2005, anti-money laundering updates, advanced corporate governance, and risks and opportunities in sustainable finance. He has been a speaker in various fora and trainings, the latest of which was a webinar organized by the Association of CPAs in Commerce & Industry entitled, Addressing Perceived Competency Gap: From Classroom to Workplace.

Margarita L. San Juan, 69, Filipino, is China Bank's Lead Independent Director. She was first elected to the Board on May 4, 2017. She concurrently serves as Independent Director in Bank subsidiaries CBCC, CIBI, and CBCC's wholly-owned subsidiary, Resurgent Capital (FISTC-AMC) Inc. (RCI). She does not hold any directorship position in other PSE-listed companies. She was previously an Independent Director for nine years in the Board of Bank subsidiary CBSI. She also worked with Ayala Investment and Development Corporation, Commercial Bank and Trust Co., and as Senior Vice President and Group Head of China Bank's Account Management Group until her retirement in 2012. Director San Juan obtained 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, risk management, lending and investment banking, restructuring and corporate rehabilitation, the Annual Corporate Governance Training Program, Enhancing Board Performance and Enhancing Audit Committee Effectiveness-Essentials and the latest on anti-money laundering, cybersecurity governance, and managing finances in the digital age in August 2022.

Philip S.L. Tsai, 72, Filipino, is an Independent Director of China Bank since November 7, 2018. He does not hold any directorship position in other PSE-listed companies. He also sits as Independent Director in the Boards of non-listed Bank subsidiaries CBSI, CBCC and CIBI. He has more than 40 years of banking and financial management experience, previously holding executive positions in First CBC Capital (Asia) Limited, Midwest Medical Management, and Fortune Travel International Inc., Chemical Bank New York, and Plastic Container Packaging/Consolidated Can Corp. He also served as an officer 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 participated in various trainings in banking-related fields over the years. Recently, he attended trainings on sustainability in the board room and risk management in the age of COVID-19 in 2020; effective corporate governance board focus and digital transformation in 2021; and AML updates, cybersecurity governance, and managing finances in the digital age in August 2022 as well as a forum on sustainability organized by SMIC and WWF Philippines in November 2022.

Claire Ann T. Yap, 67, Filipino, is an Independent Director of the Bank since October 1, 2020. Other than China Bank, she does not hold any directorship position in other PSE-listed companies. She concurrently serves as Independent Director in Bank subsidiaries CBSI, CBSC, CBCC, and in CBCC's subsidiary, RCI. She has more than 30 years of experience in banking and finance in local and multinational organizations. She was 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. and Hongkong Shanghai Banking Corporation (HSBC), and served as Chairman of the Credit Card Association of the Philippines from 2009 to 2010 and President from 2007 to 2009. Director Yap is a CPA, and she graduated with a Bachelor of Science degree in Accountancy, cum laude, from De La Salle University. She had various trainings on managing customer experience, credit card fraud and security, information security and data privacy, sustainability, AML, and corporate governance. In 2022, she attended trainings on Technology Governance for Directors (January), Advanced Corporate Governance Training (August) which focused on Cybersecurity Governance: Challenges and Solutions, Managing Finances in the Digital Age: FINTECH, and AML Updates, Risks and Opportunities in Sustainable

Finance (October), and AMLA Compliance in the Age of the Digital World (November).

Genaro V. Lapez, 65, Filipino, was elected as Independent Director of the Bank on May 6, 2021. He does not hold directorship position in any PSE-listed company other than China Bank. He serves as Independent Director in Bank subsidiaries, CBSI and CBSC. He has more than 10 years of experience in banking and finance in the Philippines, having handled key executive, leadership and advisory positions as Executive Vice President at Union Bank of the Philippines (UBP), including Head of the Center for Strategic Partnerships and Head of Consumer Finance. Aside from banking and financial services, he has considerable exposure across various local and global industries spanning fast-moving consumer goods (FMCG), pharmaceuticals, and multimedia publishing, where he has held President and Chief Executive positions. He has been posted in Hong Kong, Singapore, and Indonesia, and he is conversant in Chinese and Bahasa. Director Lapez is a seasoned StracTical (Strategic and Tactical) and GloCal (combining Global Best Practices with Local Realities) thinker. He is also a member of the Management Association of the Philippines (MAP) for more than 10 years. In the past, he held various senior leadership positions in Numico (Netherlands), San Miguel Corporation, Nabisco International, and Time Life Inc. Director Lapez obtained his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He participated in numerous trainings and seminars on Retail Banking Leadership (Certificate Program) from The Asian Banker; Retail Banking Future Workshop (Certificate Program) from John Clements Consultants and Harvard Business School; and Global Consumer Banking (Certificate Program) from the European Financial Management Association. He recently attended ICD's Technology Governance for Directors in 2021, and AML updates and Advanced Corporate Governance training in August 2022.

Ricardo R. Chua, 71, Filipino, is the Board's Advisor 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 sits in the boards of the following Bank subsidiaries: Chairman of CBSI, and Director of CBCC and CBC PCCI. A CPA, 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 had trainings in banking operations and corporate directorship, AML updates, corporate governance, sustainable finance, cybersecurity governance, and managing finances in the digital age, among others.

Management Committee

William C. Whang
President*
**until March 31, 2023*

Romeo D. Uyan, Jr.
Chief Operating Officer*
**President and CEO effective April 1, 2023*

Patrick D. Cheng
Chief Finance Officer

Aloysius C. Alday, Jr.
Consumer Banking
Segment Head

Jose L. Osmeña, Jr.
Retail Banking Business
Segment Head

Magnolia Luisa N. Palanca
Financial Markets
Segment Head

Lilian Yu
Institutional Banking
Segment Head

Delfin Jay M. Sabido IX
Chief Innovation and
Transformation Officer

Manuel C. Tagaza
Chief Digital Officer

Delia Marquez
Centralized Operations
Group Head

Ananias S. Cornelio III
Chief Risk Officer*
**Ex-Officio Member*

Rosemarie C. Gan
Adviser to the Retail Banking
Business Segment*
**until December 31, 2022*

Management Team

As of March 16, 2023

Vice Chairman
Gilbert U. Dee

President
William C. Whang*

Senior Executive Vice President
Romeo D. Uyan, Jr.**

Executive Vice Presidents
Aloysius C. Alday, Jr.
Patrick D. Cheng
Jose L. Osmeña, Jr.
Magnolia Luisa N. Palanca
Ryan Martin L. Tapia
Lilian Yu

Senior Vice Presidents
Ananias S. Cornelio III
Angela D. Cruz
Delfin Jay M. Sabido IX
Christopher Ma. Carmelo Y. Salazar
Clara C. Sy
Manuel C. Tagaza

First Vice Presidents
Jose Luis A. Alcuaz, Jr.
Cristina P. Arceo
Layne Y. Arpon
Amelia Caridad C. Castelo
Marie Carolina L. Chua
Michael L. Chong
Juan Paolo E. Colet
Melissa F. Corpus
Gerard Majella T. Dee
James Christian T. Dee
Francis Andre Z. De Los Santos
Antonio Jose S. Dominguez
Rhodin Evan O. Escolar
Luellia S. Espine
Maria Luz B. Favis
Gerald O. Florentino
Pablito P. Flores
Madelyn V. Fontanilla
Cristina F. Gotuaco
Jerry Ron T. Hao
Angelyn Claire C.C. Liao
Mary Ann T. Lim
Delia Marquez
Mandrake P. Medina
Mani Thess Q. Peña-Lee
Elizabeth C. Say
Belenette C. Tan
Stephen Y. Tan
Marisol M. Teodoro
Maria Rosanna Catherina L. Testa
Geoffrey D. Uy
Michelle Y. Yap-Bersales

Vice Presidents
Baldwin A. Aguilar
Ma. Hildelita P. Alano
Jay Angelo N. Anastacio
Juan Emmanuel B. Andaya
Faye Theresa S. Babasa
Jose Julian E. Baduria, Jr.
Love Virgilynn T. Baking
Ma. Luisa O. Baylosis
Bryan P. Benedicto
Pamela T. Benito
Francis Vincent S. Berdan
Yasmin I. Biticon
Betty L. Biunas
Richard S. Borja
Victor Geronimo S. Calo
Jonathan C. Camarillo
Jeannette H. Chan
Jose Nicolas E. Co
Joseph T. Cruz
Tani Michelle M. Cruz
Domingo P. Dayro, Jr.
Gemma B. Deladia
Aileen Paulette S. De Jesus
Leilani B. Elarmo
Therese G. Escolin
Francisco Javier C. Galang
Rafael B. Gamad, Jr.
Cesare' Edwin M. Garcia
Marissa G. Garcia
Marlon B. Hernandez
Ma. Cristina C. Hernandez
Emir Francis D. Javillonar
Josefina Anna T. Justiniano
Ma. Arlene Mae G. Lazaro
Shirley C. Lee
Regina Karla F. Libatique
Karyn C. Lim
Roseller B. Lim
B. Franco C. Loyola
Zahra D. Lumbris
Jennifer Y. Macariola
Katherine N. Manguiat
Ordon P. Maningding
Ronald R. Marcaida
Alfredo Manuel E. Moreno
Tadeos R. Natividad
Ella May E. Navallo
Enrico J. Ong
Joseph Vincent L. Pangilinan
Frankie G. Panis
Josephine D. Paredes
Jocelyn T. Pavon
Ma. Cristina T. Perez
Marilou P. Que
William Wayne T. Quesang
Alvin A. Quintanilla
Rhoel T. Reyes
Rena M. Rico-Pamfilo
Louie Mark P. Roño
Karla H. Rufino
Julie Ann P. Santiago
Alejandro F. Santos
Danilo T. Sarita
Francisco Eduardo A. Sarmiento
Ernanie V. Silvino
Ariel A. Soner
Jennifer O. Soriano
Irene C. Tanlimco
Ma. Edita Lynn Z. Trinidad
Michael C. Tomon
Harvey L. Ty
Jasmin O. Ty
Virginia Y. Uy
Valerie Mariflor G. Valera
Aileen Marie A. Vallesteros
Domini S. Velasquez
Esmeralda R. Vicente
Clarissa Maria A. Villalon
Charon B. Wambangco
George C. Yap
Carina L. Yandoc
Hanz Irvin S. Yoro
Editha N. Young
Joseph T. Yu
Mary Joy L. Yu

** Retired effective March 31, 2023*
*** President & CEO effective April 1, 2023*

Senior Assistant Vice Presidents

Emmanuel L. Abesamis
Agnes O. Adviento
Rommel M. Agacita
Ramiro A. Amanquiton
Genie N. Ang
Ronaldo D. Angco
Ma. Cristina G. Antonio
Luis R. Apostol
Maria Marissa A. Auditor
Aerol Paul B. Banal
Francis Nicolo D. Basilio
Roberto P. Basilio
Cherie Germaine T. Bautista
Eric Von D. Baviera
Maria Charmina B. Bonifacio
Christine Z. Briones
Agnes C. Calimbahin
Lester Augustus G. Callope
Sherry Anne F. Canillas
Marian Elisa C. Carlos
Norman Roque V. Causing
Ma. Jeanette D. Cuyco
Maria Victoria A. Dagucon
Marilyn C. David
Katherine Jean S. Diamante
Arnold C. Dimaala
Ricardo J. De Guzman III
Aimee-Cel A. De Leon
Reylenita M. Del Rosario
Marc Patrick A. Dela Paz
Jinky T. Dela Torre
Ma. Lourdes L. Dela Vega
Eleanor Q. Faigao
Michelle A. Farcon
Eileen M. Felipe
Hyacinth M. Galang
Marlon F. Galang
Dennis S. Go II
Virginia G. Go
Irene A. Go See It
Grace Y. Ho
Hector B. Holgado
Gladys Antonette Marcel P. Isidro
Joseph Jeffrey B. Javier
Primitivo B. Julito, Jr.
Maria Margaret U. Kua
Christine Marie D. Lim
Mary Ann L. Llanes
Glenn B. Lotho
Chris Jurald C. Mancelita
Georgia Lourdes F. Maog
Jose G. Maravilla III
Godofredo L. Martinez
Sheila Jane F. Medrero
Belinda D. Mendoza
Richele F. Navarro
Gil P. Navelgas
Edgar S. Neri, Jr.
Remedios Emilia R. Olivar
Paul Albert P. Olivas
Lilian B. Orlina
Sheilah B. Paglinawan
Jefrey D. Pangilinan
Ma. Victoria G. Pantaleon
Mary Y. Pe
Christine G. Peñafiel
George Michael F. Punzalan
Noreen S. Purificacion
Katherine Joyce C. Quijano
Victor M. Quismundo
Niña May Q. Reynoso
Rosauro M. Ricardo
Eleanor D. Rosales
Ana Ma. Raquel Y. Samala
Anita Y. Samala
Charmaine V. Santos
Edgardo M. Santos
Ma. Graciela C. Santos
Joseph Lloyd A. San Andres
Rizza A. Salvino
Maria Cecilia D. So
Andrea A. Tan
Joanne Christie U. Tan
Stephanie Y. Tan
Susan Y. Tang
Michaela L. Teng
Arnel Ferdinand R. Tiglao
Jeff Michael T. Ty
Cassandra Ira B. Uy
Jonathan T. Valeros
David Andrew P. Valdellon
Anthony Ariel C. Vilar
April Marie O. Yago
Catherine D. Yabes

Assistant Vice Presidents

Haris P. Alcantara
Ma. Chimene C. Alvarez
Maria Salome P. Angala
Perla S. Aquino
Juan Carlos R. Arcilla, Jr.
Michelle T. Arriola
Manuel S. Aurora, Jr.
Ramsand Lester T. Bangayan
Michelle M. Baroro
Katherine Y. Barra
Ma. Christina L. Billedo
Marie Christine R. Blancaflor
Ma. Victoria T. Bondoc
Anne Roselle A. Buna
Alalyn J. Buragay
Noel D. Cachero
Alex M. Campilan
Hermenegildo G. Cariño
Eleanor S. Cervantes
April Jean P. Chiong
Ma. Cecilia M. Chiu
Rolando V. Cinco
Maria Rosalie F. Cipriano
Daisy C. Co
Marc Victor Y. Co
Susan V. Co
Dianne Camille C. Condez
Carmela Ysabelle J. Cordero
Genevive B. De Jesus
Rosalita C. Dela Cruz
Anna Liza D. Dela Peña
Reynaldo A. Dones
Roberto A. Domingo, Jr.
Warren D. Elbo
Ronaldo H. Francisco
Minnie I. Formales
James Royce C. Galang
Freedom A. Gaviola
Julius M. German
Alvin C. Go
Amy A. Go
Desiree Jade T. Go
Marites B. Go
John Melvin D. Gomez
Maria Violeta M. Gonzales
Juni H. Gotamco
George D. Gutierrez
Juan Alfonso Vicente B. Holgado
Ruth D. Holmes
Christine Erika S. Isada
Jason Eric G. Jamias
Vivian T. Jasmin
Ma. Martha S. Javelosa
Airene Cristina G. Ko
Gian Carlo D. Lacambra
Lorelie Y. Lacson
Alvin M. Lacanlalay
Jericho D. Lagustan
Ma. Giselle A. Liceralde
Kerwin G. Lim
Jesse R. Linsangan
Pamela Junno B. Lising
Ma. Gladys C. Liwag
Maria Melinda O. Lo
Marissa S. Macaraig
Mary Grace D. Macaraig
Kristian Ren Dorothy B. Manzano
Fe Angeles T. Marcaida
Rhea D. Matela
Maricar M. Medina
Karen S. Mendoza
Gene Razieg B. Modequillo
Chrisrey D. Muyco
Susie W. Napili
Maria Josefa R. Nisce
Cranston Hans S. Ng
Shari Maybelle K. Ngo
Wendy G. Ngo
Maynard G. Obispo
Rosalie F. Ocampo
Eleanor C. Ona
Orchid D. Ong
Zarah Stephanie B. Pacia
Maricor B. Paez
Marco Antonio V. Panajon
Vivienne Christine C. Perez
Ma. Lourdes T. Pineda
Hazel Marie A. Puerto
Marissa T. Quines
Mary Antonette E. Quiring
Claire L. Ramirez
Jonathan J. Remorosa
Gina K. Reyes
Maria-Catleya C. Reyes
Pamela D. Rillon
Arlene A. Romo
Jouzl Marie C. Roña
Marita P. Roxas
Marie Christine S. Sagrado-Cabato
Christian B. Salita
Roberto J. Sanchez, Jr.
Edellina C. Santiago
Laarni P. San Juan
Joanne A. Serrano
John Albert P. Sia
Hilarion Z. Silayan III
Maria Teresa P. Silva
Joseph Adrien B. Soriao
Julie A. Sy
Jason T. Tamayo
Anna Liza M. Tan
Hedy L. Tan
Jaydee C. Tan
Joyce Y. Tan
Marie Roanne D. Tan
Karen W. Tua
Cristina C. Ty
Norman P. Ureta
Arlene T. Uy
Ramiro Mateo D. Valdivia
Hermarie Liza U. Villegas
German Laurie O. Yap
Maria Soccoro Perpetua L. Yapson
Maria Carolina U. Yonzon
Marie Claire B. Young
Yerkes S. Yu
Joaquin Miguel O. Zavala

Recent Awards

CHINA BANK

ASEAN Corporate Governance Scorecard Awards - ASEAN Capital Markets Forum

- **ASEAN Asset Class**
- **Among the Top 20 Publicly Listed Companies in ASEAN**
- **Among the Top 3 Publicly Listed Companies in the Philippines**

ASEAN Corporate Governance Scorecard Golden Arrow Recognition – Institute of Corporate Directors (ICD)

5-Golden Arrow Award

ABF Retail Banking Awards 2022 – Asian Banking & Finance

Best Digital Business Banking Initiative – Philippines:

- **China Bank Easy Tax Filing & Payment Solution (Cash Management Services)**
- **China Bank Direct Debit Arrangement (Cash Management Services)**

Pay360 Awards 2022 – The Payments Association

Best Regtech Solution - China Bank Easy Tax Filing & Payment Solution (Cash Management Services)

Best Managed Fund of the Year Awards 2022 - CFA Society Philippines

- **Best Managed Fund - Dollar Long-Term Bond (FVPL) category - China Bank Dollar Fund**
- **Best Managed Fund - Peso Medium-Term Bond (FVPL) category - China Bank Intermediate Fixed-Income Fund**

58th Anvil Awards – Public Relations Society of the Philippines

Gold Anvil Award – China Bank Centennial Coffee Table Book, *100 Years of Trust: A China Bank Story*

2022 Outstanding BSP Stakeholders – Bangko Sentral ng Pilipinas

Outstanding BSP Stakeholder for Safe and Efficient Payments and Settlements System-Currency Integrity – China Bank Cabanatuan Cash Center

CHINA BANK CAPITAL

Triple A Country Awards for Sustainable Finance 2022 – The Asset

- **Best Bond Adviser (Domestic)**
- **Best Transition Bond – SMC Global Power Holdings Corporation's P40 billion fixed-rate bond**
- **Best New Bond – Cebu Landmasters' P5 billion fixed-rate bond**

Financial Statements

Disclosure on Capital Structure and Capital Adequacy

2-2

Capital Fundamentals

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

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

Common Capital Equity (Basel III)	Consolidated	Parent Company
In PhP Million	**2022**	
Common Equity Tier 1 Capital		
Paid-up common stock	**26,912.88**	**26,912.88**
Additional paid-in capital	**17,200.76**	**17,200.76**
Retained Earnings	**87,206.51**	**84,589.38**
Other Comprehensive Income	**1,242.33**	**1,242.33**
Minority Interest	**132.43**	**–**
Less: Retained Earnings Appropriated for General Loan Loss Provision	**(2,852.96)**	**(2,852.96)**
Less: Unsecured DOSRI	**(265.66)**	**(263.47)**
Less: Deferred Tax Assets	**(4,390.77)**	**(3,508.04)**
Less: Goodwill	**(563.47)**	**(222.84)**
Less: Other Intangible Assets	**(3,404.39)**	**(721.31)**
Less: Defined Benefit Pension Fund Assets/Liabilities	**(141.52)**	**(135.82)**
Less: Investment in Subsidiary	**(406.89)**	**(15,777.74)**
Less: Significant Minority Investment	**(983.24)**	**(983.24)**
Less: Other Equity Investment	**(69.60)**	**(67.42)**
Total CET 1 Capital	**119,616.41**	**105,412.50**
Additional Tier 1 Capital	**–**	**–**
Total Tier 1 Capital	**119,616.41**	**105,412.50**
Tier 2 Capital		
General Loan Loss Provision	**6,682.77**	**6,124.93**
Total Tier 2 Capital	**6,682.77**	**6,124.93**
Total Qualifying Capital	**126,299.18**	**111,537.44**

Common Capital Equity (Basel III)	Consolidated	Parent Company
In PhP Million	2021	
Common Equity Tier 1Capital		
Paid-up common stock	26,912.88	26,912.88
Additional paid-in capital	17,200.76	17,200.76
Retained Earnings	71,826.21	69,209.08
Other Comprehensive Income	631.16	631.16
Minority Interest	103.77	–
Less: Retained Earnings Appropriated for General Loan Loss Provision	(2,165.00)	(2,165.00)
Less: Unsecured DOSRI	(32.53)	(32.16)
Less: Deferred Tax Assets	(4,769.44)	(4,034.91)
Less: Goodwill	(563.47)	(222.84)
Less: Other Intangible Assets	(3,429.01)	(768.44)
Less: Defined Benefit Pension Fund Assets/Liabilities	(68.89)	–
Less: Investment in Subsidiary	(330.53)	(13,959.10)
Less: Significant Minority Investment	(796.52)	(796.52)
Less: Other Equity Investment	(122.40)	(120.21)

Forward

Common Capital Equity (Basel III)	Consolidated	Parent Company
In PhP Million	2021	
Total CET 1 Capital	104,396.99	91,854.70
Additional Tier 1 Capital	–	–
Total Tier 1 Capital	104,396.99	91,854.70
Tier 2 Capital		
General Loan Loss Provision	5,807.27	5,463.97
Total Tier 2 Capital	5,807.27	5,463.97
Total Qualifying Capital	110,204.26	97,318.67

Risk-based capital ratios:

Basel III	**Consolidated**	**Parent Company**
	2022	
	In PhP Million	
CET 1 capital	**132,694.92**	**129,945.35**
Less regulatory adjustments	**(13,078.51)**	**(24,532.84)**
Total CET 1 capital	**119,616.41**	**105,412.51**
Additional Tier 1 capital	**–**	**–**
Total Tier 1 capital	**119,616.41**	**105,412.51**
Tier 2 capital	**6,682.77**	**6,124.93**
Total qualifying capital	**126,299.18**	**111,537.44**
Risk weighted assets	**793,551.56**	**700,446.57**
CET 1 capital ratio	**15.07%**	**15.05%**
Tier 1 capital ratio	**15.07%**	**15.05%**
Total capital ratio	**15.92%**	**15.92%**

Basel III	Consolidated	Parent Company
	2021	
	In PhP Million	
CET 1 capital	116,674.78	113,953.88
Less regulatory adjustments	(12,277.79)	(22,099.18)
Total CET 1 capital	104,396.99	91,854.70
Additional Tier 1 capital	–	–
Total Tier 1 capital	104,396.99	91,854.70
Tier 2 capital	5,807.27	5,463.97
Total qualifying capital	110,204.26	97,318.67
Risk weighted assets	699,547.39	624,981.80
CET 1 capital ratio	14.92%	14.70%
Tier 1 capital ratio	14.92%	14.70%
Total capital ratio	15.75%	15.57%

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

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

	Consolidated					
	2022			2021		
	Qualifying Capital	**Reconciling Items**	**Audited Financial Statements**	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	**26,913**	**–**	**26,913**	26,913	–	26,913
Additional paid-in capital	**17,201**	**–**	**17,201**	17,201	–	17,201
Retained earnings	**87,207**	**(1,799)**	**89,006**	71,826	(2,110)	73,936
Other comprehensive income	**1,242**	**(148)**	**1,390**	631	(400)	1,031
Non-controlling interest	**132**	**63**	**69**	104	62	42
Deductions	**(13,079)**	**(13,079)**	**–**	(12,278)	(12,278)	–
Tier 1 (CET1) capital/Total equity	**119,616**	**(14,963)**	**134,579**	104,397	(14,726)	119,123
Tier 2 capital	**6,683**	**6,683**	**–**	5,807	5,807	–
Total qualifying capital/Total equity	**126,299**	**(8,280)**	**134,579**	110,204	(8,919)	119,123

	PARENT					
	2022			2021		
	Qualifying Capital	**Reconciling Items**	**Audited Financial Statements**	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	**26,913**	**–**	**26,913**	26,913	–	26,913
Additional paid-in capital	**17,201**	**–**	**17,201**	17,201	–	17,201
Retained earnings	**84,589**	**(4,418)**	**89,007**	69,209	(4,727)	73,936
Other comprehensive income	**1,242**	**(147)**	**1,389**	631	(400)	1,031
Deductions	**(24,533)**	**(24,533)**	**–**	(22,099)	(22,099)	–
Tier 1 (CET1) capital/Total equity	**105,412**	**(29,098)**	**134,510**	91,855	(27,226)	119,081
Tier 2 capital	**6,125**	**6,125**	**–**	5,464	5,464	–
Total qualifying capital/Total equity	**111,537**	**(22,973)**	**134,510**	97,319	(21,762)	119,081

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

Capital Requirement in PhP Million	Consolidated		Parent	
	2022	2021	**2022**	2021
Credit Risk	**69,505.45**	61,068.72	**61,222.73**	54,618.48
Market Risk	**2,830.88**	2,826.12	**2,835.83**	2,819.42
Operational Risk	**7,018.83**	6,059.90	**5,986.10**	5,060.28
Total Capital Requirements	**79,355.16**	69,954.74	**70,044.66**	62,498.18

Credit Risk

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

December 2022

On-Balance Sheet Assets	Consolidated		Parent	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	13,671.94	13,671.94	10,017.29	10,017.29
Checks and Other Cash Items	78.51	78.51	73.63	73.63
Due from BSP	106,784.36	106,784.36	92,743.27	92,743.27
Due from Other Banks	13,056.26	13,056.26	11,530.01	11,530.01
Financial Assets at FVPL	10.89	–	10.89	–
Financial Assets at FVOCI	43,758.24	43,758.24	41,574.59	41,574.59
Investment Securities at Amortized Cost	361,202.92	360,114.08	355,143.78	354,054.94
Loans and Receivables	738,711.36	711,749.65	650,027.42	633,975.15
Loans and Receivables arising from Repurchase Agreements	14,799.28	14,799.28	12,831.54	12,831.54
Sales Contract Receivables	1,187.85	1,187.85	181.28	181.28
Real and Other Properties Acquired	2,551.07	2,551.07	686.20	686.20
Other Assets	22,208.94	22,208.94	18,058.59	18,058.59
Total On-Balance Sheet Assets	**1,318,021.63**	**1,289,960.19**	**1,192,878.50**	**1,175,726.50**

December 2021

On-Balance Sheet Assets	Consolidated		Parent	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	15,809.59	15,809.59	13,581.16	13,581.16
Checks and Other Cash Items	78.33	78.33	71.80	71.80
Due from BSP	124,003.69	124,003.69	114,388.01	114,388.01
Due from Other Banks	10,532.76	10,532.76	9,386.15	9,386.15
Financial Assets at FVPL	9.96	–	9.96	–
Financial Assets at FVOCI	28,908.58	28,908.58	26,742.03	26,742.03
Investment Securities at Amortized Cost	244,449.13	243,453.17	238,544.43	237,548.47
Loans and Receivables	635,911.71	614,656.08	569,853.32	557,001.47
Loans and Receivables arising from Repurchase Agreements	17,328.61	17,328.61	15,800.32	15,800.32
Sales Contract Receivables	924.31	924.31	214.68	214.68
Real and Other Properties Acquired	2,277.59	2,277.59	221.64	221.64
Other Assets	19,275.03	19,275.03	13,925.02	13,925.02
Total On-Balance Sheet Assets	**1,099,509.30**	**1,077,247.76**	**1,002,738.51**	**988,880.74**

December 2020

On-Balance Sheet Assets	Consolidated		Parent	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	15,793.10	15,793.10	13,613.29	13,613.29
Checks and Other Cash Items	136.64	136.64	110.97	110.97
Due from BSP	152,028.25	152,028.25	141,821.66	141,821.66
Due from Other Banks	18,555.03	18,555.03	17,197.75	17,197.75
Financial Assets at FVPL	9.38	–	9.38	–
Financial Assets at FVOCI	20,406.45	20,406.45	18,487.50	18,487.50
Investment Securities at Amortized Cost	204,624.35	203,686.51	199,293.08	198,355.24
Loans and Receivables	573,621.01	550,058.40	506,661.77	490,129.07
Loans and Receivables arising from Repurchase Agreements	12,023.84	12,023.84	9,336.79	9,336.79
Sales Contract Receivables	1,020.36	1,020.36	185.82	185.82
Real and Other Properties Acquired	2,700.31	2,700.31	262.20	262.20
Other Assets	17,678.49	17,678.49	12,050.10	12,050.10
Total On-Balance Sheet Assets	**1,018,597.22**	**994,087.39**	**919,030.32**	**901,550.41**

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

Off-balance Sheet Assets	2022				2021				2020			
	Consolidated		Parent		Consolidated		Parent		Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Direct Credit Substitutes	–	–	–	–	–	–	–	–	–	–	–	–
Transaction-related contingencies	17,329.43	8,664.72	17,245.15	8,622.58	26,183.61	13,091.81	26,089.65	13,044.83	21,656.78	10,828.39	21,549.73	10,774.86
Trade-related contingencies arising from movement of goods	6,832.71	1,366.54	6,825.71	1,365.14	3,866.81	773.36	3,862.96	772.59	5,986.61	1,197.32	5,978.36	1,195.67
Other commitments (which can be unconditionally cancelled at any time by the bank without prior notice)	252,069.02	–	250,614.58	–	242,928.59	–	242,391.06	–	230,245.64	–	229,941.53	–
Total Notional Principal and Credit Equivalent Amount	**276,231.17**	**10,031.26**	**274,685.45**	**9,987.72**	**272,979.01**	**13,865.17**	**272,343.68**	**13,817.42**	**257,889.02**	**12,025.71**	**257,469.62**	**11,970.54**

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

December 2022

Standardized Approach	Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	1,000.00	–	1,000.00	–
Exchange Rate Contracts	159,912.49	2,039.92	159,912.49	2,039.92
Equity Contracts	–	–	–	–
Credit Derivatives	–	–	–	–
Total Notional Principal and Credit Equivalent Amount	**160,912.49**	**2,039.92**	**160,912.49**	**2,039.92**

December 2021

Standardized Approach	Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	2,172.98	12.11	2,172.98	12.11
Exchange Rate Contracts	46,799.69	864.79	46,799.69	864.79
Equity Contracts	–	–	–	–
Credit Derivatives	–	–	–	–
Total Notional Principal and Credit Equivalent Amount	**48,972.67**	**876.90**	**48,972.67**	**876.90**

December 2020

Standardized Approach	Consolidated		Parent	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	2,204.53	31.91	2,204.53	31.91
Exchange Rate Contracts	29,752.85	405.23	29,752.85	405.23
Equity Contracts	–	–	–	–
Credit Derivatives	–	–	–	–
Total Notional Principal and Credit Equivalent Amount	**31,957.38**	**437.14**	**31,957.38**	**437.14**

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

December 2022

Standardized Approach	Consolidated		Parent	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	–	–	–	–
Repo-Style Transactions	81,523.48	16,730.77	81,523.48	16,730.77
Total Fair Value/Carrying Amount and Net Exposures after CRM	**81,523.48**	**16,730.77**	**81,523.48**	**16,730.77**

December 2021

Standardized Approach	Consolidated		Parent	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	–	–	–	–
Repo-Style Transactions	73,943.11	10,816.70	73,943.11	10,816.70
Total Fair Value/Carrying Amount and Net Exposures after CRM	**73,943.11**	**10,816.70**	**73,943.11**	**10,816.70**

December 2020

Standardized Approach	Consolidated		Parent	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	–	–	–	–
Repo-Style Transactions	20,298.52	2,792.44	20,298.52	2,792.44
Total Fair Value/Carrying Amount and Net Exposures after CRM	**20,298.52**	**2,792.44**	**20,298.52**	**2,792.44**

The following credit risk mitigants are used in the December 2022 CAR Report:

- ROP warrants
- ROP guarantee
- HGC guarantee
- Holdout vs. Peso deposit
- Holdout vs. FCDU deposit
- Assignment / Pledge of Government Securities

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

Weight Band	2022							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	751,122.40	953.20	17,198.79	**769,274.40**	708,410.59	953.20	17,198.79	**726,562.59**
100% and Above	538,837.78	9,078.06	1,571.89	**549,487.73**	467,315.91	9,034.52	1,571.89	**477,922.31**
Total	**1,289,960.19**	**10,031.26**	**18,770.68**	**1,318,762.12**	**1,175,726.50**	**9,987.72**	**18,770.68**	**1,204,484.90**

Weight Band	2021							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	599,059.49	5,803.77	11,362.79	**616,226.05**	564,535.18	5,803.77	11,362.79	**581,701.75**
100% and Above	478,188.27	8,061.40	330.80	**486,580.46**	424,345.56	8,013.65	330.80	**432,690.00**
Total	**1,007,247.76**	**13,865.17**	**11,693.59**	**1,102,806.52**	**988,880.74**	**13,817.42**	**11,693.59**	**1,014,391.75**

Weight Band	2020							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	495,905.86	3,190.63	3,111.84	502,208.32	460,877.61	3,190.63	3,111.84	467,180.08
100% and Above	498,181.54	8,835.09	117.74	507,134.36	440,672.79	8,779.91	117.74	449,570.44
Total	**994,087.39**	**12,025.71**	**3,229.58**	**1,009,342.68**	**901,550.41**	**11,970.54**	**3,229.58**	**916,750.52**

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

Weight Band	2022							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	134,557.55	190.64	6,568.32	141,316.52	125,830.94	190.64	6,568.32	132,589.90
100% and Above	542,960.83	9,078.06	1,571.89	553,610.78	469,169.75	9,034.52	1,571.89	479,776.16
Covered by CRM	127.19	-	-	127.19	127.19	-	-	127.19
Excess GLLP				-				265.98
Total	**677,645.58**	**9,268.70**	**8,140.21**	**695,054.49**	**595,127.88**	**9,225.16**	**8,140.21**	**612,227.27**

Weight Band	2021							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	113,234.38	2,060.75	4,166.05	119,461.19	105,336.46	2,060.75	4,166.05	111,563.26
100% and Above	482,770.09	8,061.40	330.80	491,162.28	426,425.79	8,013.65	330.80	434,770.24
Covered by CRM	63.77	–	–	63.77	63.77	–	–	63.77
Excess GLLP				–				212.48
Total	**596,068.24**	**10,122.15**	**4,496.85**	**610,687.24**	**531,826.02**	**10,074.40**	**4,496.85**	**546,184.78**

Weight Band	2020							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	83,061.73	638.13	1,555.84	85,255.70	75,422.72	638.13	1,555.84	77,616.69
100% and Above	504,352.63	8,835.09	117.74	513,305.45	443,608.38	8,779.91	117.74	452,506.03
Covered by CRM	49.86	–	–	49.86	49.86	–	–	49.86
Excess GLLP				785.08				1,192.55
Total	**587,464.22**	**9,473.21**	**1,673.58**	**597,825.93**	**519,080.97**	**9,418.04**	**1,673.58**	**528,980.04**

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

For all rated credit exposures regardless of currency
Standard & Poor (S&P)
Moody's
Fitch

For PHP-denominated debts of rated domestic entities
Philratings

Market Risk-Weighted Assets

The Standardized Approach is used in China Bank's market risk-weighted assets. The total market risk-weighted asset of the Bank as of December 2022 is ₱28,308.79 million on a consolidated basis and ₱28,358.31 million for the parent company. This is composed of Interest Rate exposures amounting to ₱25,594.96 million and Foreign Exchange Exposures amounting to ₱2,713.83 million on a consolidated basis, and Interest Rate exposures amounting to ₱25,594.96 million and Foreign Exchange Exposures amounting to ₱2,763.35 million for the parent company.

Interest Rate Exposures (in PhP Mn)	**Consolidated**	**Parent Company**	**Consolidated**	**Parent Company**
	2022		2021	
Specific Risk	**87.35**	**87.35**	184.39	184.39
General Market Risk	**311.47**	**311.47**	22.53	22.53
PHP FCY	**1,648.77**	**1,648.77**	1,981.67	1,981.67
Total Capital Charge	**2,047.59**	**2,047.59**	2,188.59	2,188.59
Adjusted Capital Charge	**2,559.50**	**2,559.50**	2,735.74	2,735.74
Equivalent Market Risk-Weighted Assets	**25,594.96**	**25,594.96**	27,357.40	27,357.40

Equity Exposures	**Consolidated**	**Parent Company**	**Consolidated**	**Parent Company**
	2022		2021	
Total Capital Charge	**–**	**–**	–	–
Adjusted Capital Charge	**–**	**–**	–	–
Equivalent Market Risk-Weighted Assets	**–**	**–**	–	–

Foreign Exchange Exposures	**Consolidated**	**Parent Company**	**Consolidated**	**Parent Company**
	2022		2021	
Total Capital Charge	**217.11**	**221.07**	72.30	66.95
Adjusted Capital Charge	**271.38**	**276.34**	90.38	83.69
Equivalent Market Risk-Weighted Assets	**2,713.83**	**2,763.35**	903.77	836.85
Total Market Risk-Weighted Assets	**28,308.79**	**28,358.31**	28,261.17	28,194.25

Operational, Legal, and Other Risks

The enterprise-wide risk management framework of the bank covers measurement of operational risks to facilitate management and the setting up of capital cover. The Bank monitors its operational risk exposures through using tools that include Key Risk Indicators, Risk Assessments and Control Self Assessments as well as scenario analyses. The capital allocated by the bank for Operational Risk amounted to PHP 7,019 million of which PHP 5,986 million was allocated to the operation of the Parent Bank. Both figures assessed as adequate to cover the computed overall operational risk exposure for the Group and for the parent respectively. In addition, the Bank through its Legal & Collection Group identified and assessed potential losses attributed to Legal Risk and the amount is not material to significantly affect the Bank's capital position.

Operational Risk-Weighted Assets

The bank risk weights its assets for purposes of operational risk using the Basic Indicators Approach. Banks using this method recognize a risk weighted asset that is 1.25 times fifteen percent of the average operating income reported by the bank over the last three reporting periods. Total Operational Risk Weighted Assets reported were as follows:

In PHP millions	**2022**	2021
Parent	**59,861**	50,603
Group	**70,188**	60,599

Interest Rate Risk In The Banking Book

The Bank's interest rate risk in the banking book (IRRBB) originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. The repricing mismatch exposes the Bank to movements in interest rates. To measure the impact to the Bank's net interest income, a sensitivity analysis thru the Earnings-at-Risk (EaR) method is performed. In this method, Loans are assumed affected by interest rate movements on its repricing date for floating rates and on its maturity for fixed rates. Demand and savings deposits, on the other hand, are generally considered not sensitive to interest rate movements. EaR results are discussed in Asset and Liability (ALCO) meetings every week. Aside from measuring exposure to movements in interest rates, the Bank also performs stress testing for adverse changes in interest rates during stress events. Results are reported to the Risk Oversight Committee (ROC) every month.

Provided in the table below are the approximate addition and reduction in annualized net interest income of a 100bps change across the yield curve.

Earnings-at-Risk in PhP Million	**Consolidated**		**Parent**	
	2022	2021	**2022**	2021
Upward	**174**	1,428	**263**	1,369
Downward	**174**	1,465	**262**	1,385

Report of the Audit Committee

China Bank values effective audit oversight and governance in its processes, financial reporting, and internal control system, leading to its delivery of high-quality service to its clients and stakeholders. Accordingly, it tasks the Audit Committee, a Board-level Committee, to perform a structured, systematic oversight of the Bank's governance, risk management and internal control processes. The Committee exercises oversight of the internal and external audit processes, whistleblowing, and compliance with applicable laws and regulations. It provides independent and objective guidance on the adequacy and effectiveness of management's activities and initiatives and the corresponding controls in place.

The Committee is led by Independent Director Claire Ann T. Yap, a Certified Public Accountant, as Chairperson, with Non-Executive Director Joaquin T. Dee and Independent Director Philip S.L. Tsai as members. All the members have the relevant background, knowledge, skills and experience in the areas of accounting, auditing and financial management commensurate with the size, complexity of operations and risk profile of the Bank.

For the year ended 31 December 2022, the Committee held twelve regular meetings and three special meetings. The members participated in the meetings in person or through remote communication pursuant to the Board-approved Guidelines for Participation in Board and Committee Meetings through Remote Communication. The Committee deliberated on various matters during the covered period.

FINANCIAL REPORTING FRAMEWORK

To maintain the integrity of the Bank's financial reporting framework, the Committee examined the Bank's relevant processes, practices and controls to ensure the generation of accurate, reliable and comprehensive reports and information.

The Committee extensively assessed the audited financial statements, taking into consideration key audit matters and other areas of audit emphasis, tax observations and updates, changes in accounting policies, standards and interpretations and their relative impact. It also discussed with the external auditors the management letter and comments relative to the previous financial statements, together with the management's response and undertaking.

EXTERNAL ASSURANCE PROCESSES AND PROVIDERS

To obtain reasonable assurance with respect to the work of external assurance providers, the Committee carefully evaluated the external audit providers – SyCip Gorres Velayo & Co. (SGV), in terms of their qualifications, performance, competence, integrity, ethics and independence. It then endorsed to the Board and stockholders the re-engagement of SGV as the Bank's external auditor.

The Committee and SGV discoursed about the audit approach, including the efforts to digitalize audit procedures, timeline, and the management's disposition of the recommendations, regulatory expectations, and accounting issues versus their impact on the financial statements. Without the presence of management, and together with the internal audit, risk management, and compliance teams, the Committee discussed other matters relating to the processes and controls of the Bank.

The Committee also approved SGV's engagement fees in connection with the audit of the Bank's financial statements, independent validation of votes for the stockholders' meeting, and other non-audit work.

INTERNAL CONTROL AND COMPLIANCE SYSTEM

To ensure that an adequate, effective and efficient internal control system, including the information technology security and control, is in place, the Committee reviewed various systems and processes, models, current and proposed policies, service level agreements, IT general controls including data privacy and cybersecurity, and IT outsourcing. It took note of internal control issues raised during internal and external audits, identified the root causes of the findings and observations, noted the results of the administrative investigations conducted, and determined that appropriate and timely corrective actions have been taken to address significant deficiencies and weaknesses.

The Committee also reviewed and assessed the effectiveness of the system for monitoring compliance with laws and regulations, and the results of management's investigation and follow-up of any instance of non-compliance. It invited key officers and resource personnel to provide updates on outstanding audit issues arising from regular, limited, spot and special audits of branches, units and subsidiaries, as well as the results of the working papers review. The Committee ensured that efficient and prompt turnaround times are in place to address any pending audit issues with definitive courses of actions, especially for high risk audit and management issues, and monitored how its and the Board's previous directives were managed and resolved.

The Committee also tackled whistleblowing reports and recommended improvements in the existing policy of the Bank in terms of escalation, reporting and turnaround time.

INTERNAL AUDIT FUNCTION

The Committee monitored the effectiveness of the Bank's internal audit function. In its meetings, the Committee evaluated the activities versus plans of the key units of the Audit Division, namely, Branch Audit Department, Head Office and Subsidiaries Audit Department, Audit Quality Assurance Department, IT Audit Department, and the China Bank Savings Audit Department. The Committee discussed and evaluated the key accomplishments versus self-assessments done on internal audit activity and manpower requirements of the units, approved several updates to the plans and audit function framework, and provided direction on and looked into how the audit engagements are completed based on plans and representations.

The Committee determined anew the organizational independence of internal audit and its activities, and the adherence of the Chief Audit Executive to the Institute of Internal Auditors' Standard and Implementation Guide 2130 on Control and Standard 1100 on Independence and Objectivity. It evaluated the performance of the Chief Audit Executive and ensured that his performance of the internal audit function is independent from interference of outside parties. It also monitored the conformance of the internal audit function with the Internal Auditors' International Standards for the Professional Practice of Internal Auditing, and the Bank's Code of Ethics.

Based on the foregoing, the Committee posits that the Bank's internal control, compliance system, and financial reporting framework are in place, adequate, effective and efficient, and that the financial statements present fairly the Bank's financial position and performance in all material respects in accordance with the relevant auditing and accounting standards.

Makati City, 27 February 2023.

CLAIRE ANN T. YAP
Chairperson

JOAQUIN T. DEE
Member

PHILIP S.L. TSAI
Member

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, 2022 and 2021. 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	**William C. Whang**	**Patrick D. Cheng**
Chairman of the Board	President	Chief Finance Officer

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

FEB 28 2023

Signed this ____ day of ___________, 2023, affiants exhibiting to me their Social Security System Nos. as follows:

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

Doc. No.: 310
Page No.: 63
Book No.: 23
Series of: 2023

JAY ANGELO N. ANASTACIO
Notary Public for Makati City
Appt. No. M-013 until 31 December 2023
4/F Philcom Building,
8755 Paseo de Roxas, Makati City
PTR No. 8855316; 01-05-22; Makati City
IBP No. 174904; 01-05-22; Quezon City
Roll of Attorney's No. 39202

Independent Auditor's Report

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

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of China Banking Corporation and its subsidiaries (the Group) and the parent company financial statements of China Banking Corporation (the Parent Company), which comprise the consolidated and parent company balance sheets as at December 31, 2022 and 2021, 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, 2022, 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, 2022 and 2021, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

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

Adequacy of allowance for credit losses

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, 2022 for the Group and the Parent Company amounted to ₱16.94 billion and ₱14.17 billion, respectively. Provision for credit losses of the Group and the Parent Company in 2022 amounted to ₱9.01 billion and ₱7.43 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) evaluated

the 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 compared the data used in the ECL models 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 involved our internal specialist in the performance of the above procedures. We recalculated impairment provisions on a sample basis.

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, 2022, 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 units (CGUs) 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 evaluated the methodologies used and the management's assumptions by comparing 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.

Recoverability of deferred tax assets

As of December 31, 2022, the deferred tax assets of the Group and the Parent Company amounted to ₱4.55 billion and ₱3.15 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.

Independent Auditor's Report

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

Audit Response

We involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by the Group and the Parent Company, and the applicable tax rate. We also re-performed the calculation of the deferred tax assets. We evaluated 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. We also assessed 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 20IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2022, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2022 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.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Supplementary Information Required Under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 and Revenue Regulations 152010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BSP Circular No. 1074 in Note 38 and Revenue Regulations 152010 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 Janet A. Paraiso.

SYCIP GORRES VELAYO & CO.

Janet A. Paraiso
Partner
CPA Certificate No. 92305
Tax Identification No. 193-975-241
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 92305-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-062-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9369768, January 3, 2023, Makati City

February 27, 2023

Management's Discussion on Result of Operations and Financial Condition

RESULT OF OPERATIONS

China Bank continued to record robust profitability for full-year 2022, posting a net income of ₱19.1 billion, up by 26.7% year-on-year, on the back of sustained growth in operating income and effective cost management. This strong income performance translated to a better return on equity of 15.07% from 13.58% in the year prior and return on assets of 1.56% from 1.45%.

Despite the 56.8% increase in interest expense to ₱11.6 billion, consolidated net interest income grew by 16.6% to ₱45.6 billion due to the 23.0% lift in topline revenues to ₱57.2 billion. Amid a rising interest rate environment, the Bank maintained a healthy net interest margin at 4.21%.

Non-interest income was at ₱10.1 billion, up 4.9% relative to 2021 as year-on-year increases in some revenue streams offset the drop in others. Trading and securities gain recovered to ₱927.5 million from a loss of ₱64.0 million in 2021. The disposal of foreclosed properties resulted in the 80.0% improvement in gain on sale of investment properties to ₱698.8 million and 66.7% growth in gain on asset foreclosure and *dacion* transactions to ₱145.8 million. The bigger average volume of trust assets under management drove the 5.1% growth in trust fee income to ₱473.8 million. Meanwhile, service charges, fees, and commissions were up 5.4% to ₱2.9 billion due to higher transactions-related revenues. A foreign exchange loss of ₱555.3 million was also recorded for the period due to the month-to-month movement in the Peso-Dollar exchange rate. Gain on disposal of investment securities at amortized cost also dropped from ₱4.1 billion in the previous year to ₱1.9 million. Finally, miscellaneous income totaled ₱5.2 billion, up ₱4.0 billion year-on-year primarily due to one-off gains for the year.

Operating expenses (excluding provision for impairment and credit losses) increased by 9.0% to ₱24.4 billion due to higher revenue-related taxes and core operating costs which were partly affected by persistent inflation. The material components of which include compensation and fringe benefits which accounted for 33% of total expenses, taxes & licenses at 19%, insurance at 9%, occupancy at 9%, and miscellaneous expenses at 12%. China Bank's combined efforts of prudent spending, digitization, and continued investment in growth strategies led to a better cost-to-income ratio of 44% from 46%.

The Bank recognized provision for impairment and credit losses worth ₱9.0 billion which was 1.5% higher from the ₱8.9 billion recorded for 2021.

For 2022, China Bank paid a cash dividend of ₱1.50 per share or a total of ₱4.04 billion which represents a total payout of 27% of prior year's net income.

FINANCIAL CONDITION

China Bank's consolidated assets reached ₱1.3 trillion as of December 31, 2022, posting a ₱217.4-billion or 19.5% year-on-year growth fueled by a continuous expansion in earning assets.

The Bank's investment securities portfolio amounted to ₱412.2 billion, up 47.6%. Financial assets at fair value through other comprehensive income (FVOCI) and investment securities at amortized cost posted increases by 51.1% to ₱43.3 billion and 47.7% to ₱358.0 billion, respectively, with the build-up in such investments. Derivative contracts designated as hedges representing interest rate swap (IRS) contracts and spot element of FX forward contracts used as hedging instruments against time deposits and cash short position of certain FX spot transactions and of future interest payments grew 5.4x year-on-year to ₱6.2 billion. Meanwhile, financial assets at fair value through profit or loss (FVPL) dropped 34.4% to ₱4.7 billion due to securities disposal during the year.

The stronger demand for both business and consumer credit resulted in the 15.0% growth in gross loans to ₱717.7 billion. Net loans stood at ₱699.6 billion. Consumer loans, which accounted for 20% of the total portfolio, grew by ₱21.8 billion to ₱144.5 billion. The Bank's gross non-performing loans (NPL) ratio was at 2.3% as of end-2022, outperforming industry throughout the year, while NPL cover remained sufficient at 123%.

On the funding side, total deposits have breached the one trillion peso-mark, ending at ₱1.1 trillion as of December 31, 2022 for a 23.5% year-on-year increase. The combined demand and savings (CASA) deposits increased by ₱18.2 billion to ₱573.4 billion, which accounted for 54% of total deposits. On the other hand, bonds payable decreased by 33.3% to ₱28.3 billion following the maturity of ₱15-billion peso fixed-rate bonds in October 2022.

Total capital reached ₱134.6 billion, 13.0% larger than the ₱119.1 billion recorded in 2021. The Bank's Common Equity Tier 1 (CET 1) ratio was computed at 15.07%, while total Capital Adequacy Ratio (CAR) was at 15.92%. Both are above the regulatory minimum requirement.

Balance Sheets
(Amounts in Thousands)

	CONSOLIDATED		PARENT COMPANY	
	December 31			
	2022	2021	**2022**	2021
ASSETS				
Cash and Other Cash Items	₱13,689,421	₱16,024,863	₱10,073,767	₱13,649,247
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	107,100,295	124,283,115	92,920,540	114,528,773
Due from Other Banks (Note 7)	13,614,609	10,694,312	12,347,169	9,897,264
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	43,564,970	36,559,224	41,597,949	35,030,997
Financial Assets at Fair Value through Profit or Loss (Note 9)	4,727,580	7,209,667	3,514,576	5,457,804
Derivative Contracts Designated as Hedges (Note 26)	6,203,379	1,139,233	6,203,379	1,139,233
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	43,316,757	28,672,240	41,151,125	26,523,712
Investment Securities at Amortized Cost (Note 9)	357,985,926	242,353,729	351,802,877	236,347,682
Loans and Receivables (Notes 10 and 30)	699,594,789	609,006,732	613,197,254	544,171,738
Accrued Interest Receivable (Note 16)	9,781,803	7,616,692	8,730,710	6,428,565
Investment in Subsidiaries (Note 11)	–	–	19,063,796	17,191,345
Investment in Associates (Note 11)	983,243	796,519	983,243	796,519
Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets (Note 12)	9,337,260	8,232,859	7,670,562	6,600,139
Investment Properties (Note 13)	3,914,891	3,993,338	1,487,258	1,379,370
Deferred Tax Assets (Note 28)	4,552,692	4,624,981	3,150,610	3,409,600
Intangible Assets (Note 14 and 16)	3,783,643	3,807,889	721,314	768,440
Goodwill (Note 14)	839,748	839,748	222,841	222,841
Other Assets (Note 15)	6,738,460	6,464,385	3,833,925	3,641,671
	₱1,329,729,466	₱1,112,319,526	₱1,218,672,895	₱1,027,184,940
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 17 and 30)				
Demand	₱272,109,739	₱252,324,966	₱248,860,724	₱229,349,909
Savings	301,330,580	302,884,786	279,502,452	282,597,580
Time	492,474,358	307,650,145	431,055,393	270,271,411
	1,065,914,677	862,859,897	959,418,569	782,218,900
Bonds Payable (Note 18)	28,312,870	42,473,558	28,312,870	42,473,558
Bills Payable (Note 19)	70,375,267	65,806,274	70,375,267	65,806,274
Manager's Checks	1,550,669	1,854,606	1,296,109	1,466,359
Income Tax Payable	311,915	785,091	293,422	754,026
Accrued Interest and Other Expenses (Note 20)	6,115,889	4,745,861	5,399,625	4,325,426
Derivative Liabilities (Note 26)	1,549,561	998,721	1,549,561	998,721
Derivative Contracts Designated as Hedges (Note 26)	4,156,612	162,399	4,156,612	162,399
Deferred Tax Liabilities (Note 28)	794,432	798,212	–	–
Other Liabilities (Note 21)	16,068,964	12,712,087	13,360,788	9,898,313
	1,195,150,856	993,196,706	1,084,162,823	908,103,976
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock (Note 24)	26,912,882	26,912,882	26,912,882	26,912,882
Capital paid in excess of par value (Note 24)	17,200,758	17,200,758	17,200,758	17,200,758
Surplus reserves (Notes 24 and 29)	4,429,606	3,730,687	4,429,606	3,730,687
Surplus (Notes 24 and 29)	84,577,170	70,205,517	84,577,170	70,205,517
Net unrealized gain (loss) on financial assets at fair value through other comprehensive income (Note 9)	(4,293,952)	81,200	(4,293,952)	81,200
Remeasurement gain (loss) on defined benefit asset (Note 25)	77,760	(30,489)	77,760	(30,489)
Cumulative translation adjustment	27,469	17,604	27,469	17,604
Remeasurement gain (loss) on life insurance reserves	96,387	(14,029)	96,387	(14,029)
Hedge-related reserve (Note 26)	5,481,992	976,834	5,481,992	976,834
	134,510,072	119,080,964	134,510,072	119,080,964
Non-controlling Interest (Note 11)	68,538	41,856	–	–
	134,578,610	119,122,820	134,510,072	119,080,964
	₱1,329,729,466	₱1,112,319,526	₱1,218,672,895	₱1,027,184,940

See accompanying Notes to Financial Statements.

Statements of Income

(Amounts in Thousands, Except Earnings Per Share)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2022	2021	2020	2022	2021	2020
INTEREST INCOME						
Loans and receivables (Notes 10 and 30)	₱39,553,071	₱34,700,337	₱35,684,503	₱32,002,643	₱28,948,921	₱30,372,019
Investment securities at amortized cost and at fair value through other comprehensive income (Note 9)	15,060,053	9,193,747	10,023,174	14,776,396	8,934,652	9,734,684
Due from Bangko Sentral ng Pilipinas and other banks, interbank loans receivable, and securities purchased under resale agreements (Notes 7 and 8)	2,139,618	1,863,599	1,270,850	1,694,026	1,525,166	889,552
Financial assets at fair value through profit or loss	458,670	738,643	707,741	458,670	738,643	707,741
	57,211,412	46,496,326	47,686,268	48,931,735	40,147,382	41,703,996
INTEREST EXPENSE						
Deposit liabilities (Notes 17 and 30)	8,824,483	5,111,577	9,637,175	7,342,011	4,272,332	8,193,587
Bonds payable, bills payable and other borrowings (Notes 18 and 19)	2,615,608	2,104,471	3,425,286	2,615,607	2,104,470	3,425,286
Lease payable (Note 27)	181,789	195,310	232,584	141,000	152,194	182,821
	11,621,880	7,411,358	13,295,045	10,098,618	6,528,996	11,801,694
NET INTEREST INCOME	45,589,532	39,084,968	34,391,223	38,833,117	33,618,386	29,902,302
Trading and securities gain (loss) - net (Notes 9 and 22)	927,538	(64,005)	3,233,872	913,709	(110,743)	3,193,171
Service charges, fees and commissions (Note 22)	2,863,078	2,715,372	2,150,089	1,698,390	1,438,614	1,217,030
Gain on disposal and redemption of investment securities at amortized cost (Note 9)	1,923	4,063,927	2,187,006	1,923	4,063,927	2,187,006
Trust fee income (Note 29)	473,828	450,965	409,916	473,828	450,965	409,916
Foreign exchange gain (loss) - net (Note 26)	(555,316)	686,861	212,419	(568,087)	678,431	213,464
Gain on sale of investment properties	698,802	388,295	187,176	250,612	238,891	65,913
Share in net income (loss) of an associate (Note 11)	285,059	(1,609)	152,441	285,059	(1,609)	152,441
Gain (loss) on asset foreclosure and dacion transactions (Note 13)	145,801	87,485	(22,757)	181,624	31,552	42,885
Share in net income of subsidiaries (Note 11)	–	–	–	2,044,686	1,422,503	790,482
Miscellaneous (Notes 22 and 30)	5,222,179	1,262,841	952,250	4,998,275	1,118,731	847,735
TOTAL OPERATING INCOME	55,652,424	48,675,100	43,853,635	49,113,136	42,949,648	39,022,345
Provision for impairment and credit losses (Note 16)	9,012,633	8,876,744	8,868,919	7,427,202	7,679,877	7,983,206
Compensation and fringe benefits (Notes 25 and 30)	8,145,029	7,505,384	7,527,441	6,432,409	5,899,761	5,893,272
Taxes and licenses	4,729,828	3,529,491	4,041,457	3,954,612	2,901,338	3,498,440
Insurance	2,284,645	2,061,059	1,999,111	2,015,047	1,805,915	1,727,893
Depreciation and amortization (Notes 12, 13 and 14)	1,737,144	1,787,166	1,894,899	1,317,159	1,364,324	1,460,780
Occupancy cost (Notes 27 and 30)	2,163,226	2,090,909	1,758,872	1,611,922	1,657,902	1,339,284
Professional fees, marketing and other related services	727,288	632,857	538,928	579,516	559,649	475,554
Transportation and traveling	576,755	594,063	454,355	429,856	479,985	345,964
Entertainment, amusement and recreation	560,206	490,278	420,641	456,625	381,601	317,774
Stationery, supplies and postage	225,425	218,238	252,365	160,711	149,719	196,668
Repairs and maintenance	184,686	173,825	134,158	154,317	140,177	93,279
Miscellaneous (Notes 22 and 30)	3,020,097	3,251,863	2,499,935	2,604,268	2,773,517	2,140,996
TOTAL OPERATING EXPENSES	33,366,962	31,211,877	30,391,081	27,143,644	25,793,765	25,473,110
INCOME BEFORE INCOME TAX	22,285,462	17,463,223	13,462,554	21,969,492	17,155,883	13,549,235
PROVISION FOR INCOME TAX (Note 28)	3,149,662	2,357,000	1,391,104	2,861,988	2,067,551	1,486,598
NET INCOME	₱19,135,800	₱15,106,223	₱12,071,450	₱19,107,504	₱15,088,332	₱12,062,637
Attributable to:						
Equity holders of the Parent Company (Note 33)	₱19,107,504	₱15,088,332	₱12,062,637			
Non-controlling interest	28,296	17,891	8,813			
	₱19,135,800	₱15,106,223	₱12,071,450			
Basic/Diluted Earnings Per Share (Note 33)	₱7.10	₱5.61	₱4.49			

See accompanying Notes to Financial Statements.

Statements of Comprehensive Income
(Amounts in Thousands)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2022	2021	2020	2022	2021	2020
NET INCOME	₱19,135,800	₱15,106,223	₱12,071,450	₱19,107,504	₱15,088,332	₱12,062,637
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 (FVOCI):						
Fair value gain (loss) for the year, net of tax	(4,129,185)	(60,479)	2,929,713	(4,020,071)	(27,185)	2,864,317
Gain taken to profit or loss (Note 22)	(3,465)	(60,316)	(3,173,881)	(3,465)	(40,937)	(3,145,147)
Cumulative translation adjustment	10,473	12,270	(5,165)	(25,046)	466	7,211
Gain (loss) on hedges	4,505,157	1,498,043	(469,260)	4,505,157	1,498,043	(469,260)
Share in changes in fair value of financial assets at FVOCI of an associate (Note 11)	(213,444)	(103,148)	119,180	(213,444)	(103,148)	119,180
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11)						
Net unrealized gain (loss) on debt financial assets at FVOCI	–	–	–	(107,021)	(52,037)	35,154
Cumulative translation adjustment	–	–	–	34,911	11,603	(12,166)
Items that do not recycle to profit or loss in subsequent periods:						
Changes in fair value of equity financial assets at FVOCI:						
Fair value gain for the year, net of tax	(31,217)	10,392	3,037	(16,777)	10,965	6,488
Remeasurement loss on defined benefit asset, net of tax (Note 25)	103,494	400,652	(57,188)	114,308	343,496	(111,853)
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11)						
Net unrealized loss on equity financial assets at FVOCI	–	–	–	(14,374)	(573)	(3,451)
Remeasurement gain (loss) on defined benefit plan	–	–	–	(10,751)	56,256	53,626
Share in changes in other comprehensive income of an associate (Note 11)						
Remeasurement loss on life insurance reserves	110,416	31,874	(66,558)	110,416	31,874	(66,558)
Remeasurement gain (loss) on defined benefit plan	4,693	(3,245)	3,415	4,693	(3,245)	3,415
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	356,922	1,726,043	(716,707)	358,536	1,725,578	(719,044)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱19,492,722	₱16,832,266	₱11,354,743	₱19,466,040	₱16,813,910	₱11,343,593
Total comprehensive income attributable to:						
Equity holders of the Parent Company	₱19,466,040	₱16,813,910	₱11,343,593			
Non-controlling interest	26,682	18,356	11,150			
	₱19,492,722	₱16,832,266	₱11,354,743			

See accompanying Notes to Financial Statements.

Statements of Changes in Equity

(Amounts in Thousands)

	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)
Balance at January 1, 2022	₱26,912,882	₱17,200,758	₱–	₱3,730,687	₱70,205,517
Total comprehensive income (loss) for the year	–	–	–	–	19,107,504
Transfer from surplus to surplus reserves	–	–	–	47,383	(47,383)
Appropriation of retained earnings (Note 16)	–	–	–	651,536	(651,536)
Cash dividends - ₱1.50 per share	–	–	–	–	(4,036,932)
Balance at December 31, 2022	₱26,912,882	₱17,200,758	₱–	₱4,429,606	₱84,577,170
Balance at January 1, 2021	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004	₱58,659,768
Total comprehensive income (loss) for the year	–	–	–	–	15,088,332
Stock grants	53,884	78,132	(140,924)	–	
Transfer from surplus to surplus reserves	–	–	–	45,096	(45,096)
Appropriation of retained earnings (Note 16)	–	–	–	811,587	(811,587)
Cash dividends - ₱1.00 per share	–	–	–	–	(2,685,900)
Balance at December 31, 2021	₱26,912,882	₱17,200,758	₱–	₱3,730,687	₱70,205,517
Balance at January 1, 2020	₱26,858,998	₱17,122,626	₱–	₱3,598,275	₱48,558,760
Total comprehensive income (loss) for the year	–	–	–	–	12,062,637
Stock grants	–	–	140,924	–	–
Transfer from surplus to surplus reserves	–	–	–	40,992	(40,992)
Appropriation of retained earnings (Note 16)	–	–	–	(765,263)	765,263
Cash dividends - ₱1.00 per share	–	–	–	–	(2,685,900)
Balance at December 31, 2020	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004	₱58,659,768

See accompanying Notes to Financial Statements.

CONSOLIDATED

Equity Attributable to Equity Holders of the Parent Company							
Net Unrealized Gains (Losses) on Financial Assets at Fair Value through Other 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	Non- Controlling Interest (Note 11)	Total Equity
₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964	₱41,856	₱119,122,820
(4,375,152)	108,249	9,865	110,416	4,505,158	19,466,040	26,682	19,492,722
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	(4,036,932)	–	(4,036,932)
(₱4,293,952)	₱77,760	₱27,469	₱96,387	₱5,481,992	₱134,510,072	₱68,538	₱134,578,610
₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862	₱23,500	₱104,985,362
(212,915)	396,507	12,069	31,874	1,498,043	16,813,910	18,356	16,832,266
–	–	–	–	–	(8,908)	–	(8,908)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	(2,685,900)	–	(2,685,900)
₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964	₱41,856	₱119,122,820
₱417,576	(₱368,531)	₱6,835	₱20,655	(₱51,949)	₱96,163,245	₱12,350	₱96,175,595
(123,461)	(58,465)	(1,300)	(66,558)	(469,260)	11,343,593	11,150	11,354,743
–	–	–	–	–	140,924	–	140,924
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	(2,685,900)	–	(2,685,900)
₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862	₱23,500	₱104,985,362

Statements of Changes in Equity
(Amounts in Thousands)

	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)
Balance at January 1, 2022	₱26,912,882	₱17,200,758	₱–	₱3,730,687
Total comprehensive income (loss) for the year	–	–	–	–
Transfer from surplus to surplus reserves	–	–	–	47,383
Appropriation of retained earnings (Note 16)	–	–	–	651,536
Cash dividends - ₱1.50 per share		–	–	–
Balance at December 31, 2022	₱26,912,882	₱17,200,758	₱–	₱4,429,606
Balance at January 1, 2021	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004
Total comprehensive income (loss) for the year	–	–	–	–
Stock grants	53,884	78,132	(140,924)	–
Transfer from surplus to surplus reserves	–	–	–	45,096
Appropriation of retained earnings (Note 16)	–	–	–	811,587
Cash dividends - ₱1.00 per share	–	–	–	–
Balance at December 31, 2021	₱26,912,882	₱17,200,758	₱–	₱3,730,687
Balance at January 1, 2020	₱26,858,998	₱17,122,626	₱–	₱3,598,275
Total comprehensive income (loss) for the year	–	–	–	–
Stock grants	–	–	140,924	–
Transfer from surplus to surplus reserves	–	–	–	40,992
Appropriation of retained earnings (Note 16)	–	–	–	(765,263)
Cash dividends - ₱1.00 per share	–	–	–	–
Balance at December 31, 2020	₱26,858,998	₱17,122,626	₱140,924	₱2,874,004

See accompanying Notes to Financial Statements.

PARENT COMPANY

Surplus (Notes 24 and 29)	Net Unrealized Gains (Losses) on Financial Assets at Fair Value through Other 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	Hedge-related Reserve	Total Equity
₱70,205,517	₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964
19,107,504	(4,375,152)	108,249	9,865	110,416	4,505,158	19,466,040
(47,383)	–	–	–	–	–	–
(651,536)	–	–	–	–	–	–
(4,036,932)	–	–	–	–	–	(4,036,932)
₱84,577,170	(₱4,293,952)	₱77,760	₱27,469	₱96,387	₱5,481,992	₱134,510,072
₱58,659,768	₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862
15,088,332	(212,915)	396,507	12,069	31,874	1,498,043	16,813,910
–	–	–	–	–	–	(8,908)
(45,096)	–	–	–	–	–	–
(811,587)	–	–	–	–	–	–
(2,685,900)	–	–	–	–	–	(2,685,900)
₱70,205,517	₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964
₱48,558,760	₱417,576	(₱368,531)	₱6,835	₱20,655	(₱51,949)	₱96,163,245
12,062,637	(123,461)	(58,465)	(1,300)	(66,558)	(469,260)	11,343,593
–	–	–	–	–	–	140,924
(40,992)	–	–	–	–	–	–
765,263	–	–	–	–	–	–
(2,685,900)	–	–	–	–	–	(2,685,900)
₱58,659,768	₱294,115	(₱426,996)	₱5,535	(₱45,903)	(₱521,209)	₱104,961,862

Statements of Cash Flows

(Amounts in Thousands)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2022	2021	2020	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱22,285,462	₱17,463,223	₱13,462,554	₱21,969,492	₱17,155,883	₱13,549,235
Adjustments for:						
Depreciation and amortization (Notes 12, 13 and 14)	1,737,144	1,787,166	1,894,899	1,317,159	1,364,324	1,460,780
Provision for impairment and credit losses (Note 16)	9,012,633	8,876,744	8,868,919	7,427,202	7,679,877	7,983,206
Amortization of transaction costs on bonds payable (Note 18)	126,063	83,022	133,117	126,063	83,022	133,117
Securities gain on financial assets at fair value through other comprehensive income and investment securities at amortized cost (Note 22)	(5,388)	(4,124,243)	(5,360,887)	(5,388)	(4,104,864)	(5,332,153)
Gain on sale of investment properties	(698,802)	(388,295)	(187,176)	(250,612)	(238,891)	(65,913)
Gain on asset foreclosure and dacion transactions (Note 13)	(145,801)	(87,485)	22,757	(181,624)	(31,552)	(42,885)
Share in net loss (income) of an associate (Notes 2 and 11)	(285,059)	1,609	(152,441)	(285,059)	1,609	(152,441)
Share in net income of subsidiaries (Notes 2 and 11)	–	–	–	(2,044,686)	(1,422,503)	(790,482)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Financial assets at fair value through profit or loss	(2,582,059)	5,620,336	5,743,227	(3,120,918)	6,183,974	6,802,323
Loans and receivables	(102,457,363)	(60,053,495)	3,896,534	(79,216,499)	(59,354,783)	3,806,847
Other assets	9,378,000	2,730,389	(2,507,056)	8,866,423	2,094,083	(3,090,935)
Increase (decrease) in the amounts of:						
Deposit liabilities	203,054,780	27,629,067	59,802,970	177,199,669	31,245,992	63,208,455
Manager's checks	(303,937)	286,374	(430,446)	(170,250)	400,261	(469,838)
Accrued interest and other expenses	1,370,028	839,772	(215,357)	1,074,199	745,807	(70,720)
Other liabilities and derivative liabilities	6,843,231	767,884	(822,854)	7,274,719	443,185	1,607,172
Net cash generated from (used in) operations	147,328,932	1,432,068	84,148,760	139,979,890	2,245,424	88,535,768
Income taxes paid	(3,587,642)	(1,764,692)	(2,879,380)	(3,101,705)	(1,422,931)	(2,537,406)
Net cash provided by (used in) operating activities	143,741,290	(332,624)	81,269,380	136,878,185	822,493	85,998,362
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of/Additions to:						
Bank premises, furniture, fixtures and equipment and capitalized software (Note 12)	(2,064,403)	(632,109)	(541,277)	(1,612,437)	(428,494)	(408,228)
Investment securities at amortized cost	(185,997,437)	(259,499,749)	(69,431,704)	(182,910,629)	(258,538,503)	(67,524,359)
Financial assets at fair value through other comprehensive income	(21,195,283)	(60,990,126)	(61,994,676)	(20,927,405)	(59,739,708)	(60,758,310)
Proceeds from sale or redemption of:						
Investment securities at amortized cost	78,823	59,838,517	32,330,154	78,823	59,838,517	32,330,154
Financial assets at fair value through other comprehensive income	2,392,523	52,512,838	70,814,873	2,248,704	51,545,295	69,454,223
Investment properties	1,297,207	907,423	676,179	378,025	327,875	105,364
Bank premises, furniture, fixtures and equipment	144,493	489,036	730,795	5,174	345,866	139,943
Proceeds from maturity of:						
Investment securities at amortized cost	73,072,428	162,908,132	3,948,763	70,478,028	162,708,584	3,948,763
Cash dividends received from subsidiary and associate (Note 11)	–	40,000	–	75,000	40,000	200,000
Net cash used in investing activities	(132,271,649)	(44,426,038)	(23,466,893)	(132,186,717)	(43,900,568)	(22,512,450)

(Forward)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2022	2021	2020	2022	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bills payable	₱402,436,767	₱193,908,669	₱116,188,100	₱402,436,767	₱193,908,669	₱116,188,100
Settlement of bills payable	(403,994,487)	(152,843,847)	(124,743,600)	(403,994,487)	(152,843,847)	(124,743,600)
Proceeds from issuance of bonds payable (Note 18)	–	19,878,458	14,803,803	–	19,878,458	14,803,803
Payments of cash dividends (Note 24)	(4,036,932)	(2,685,900)	(2,685,900)	(4,036,932)	(2,685,900)	(2,685,900)
Settlement of bonds payable (Note 18)	(15,000,000)	(30,000,000)	–	(15,000,000)	(30,000,000)	–
Payments of principal portion of lease liabilities (Note 27)	(467,208)	(597,435)	(655,914)	(263,672)	(410,396)	(350,593)
Net cash provided by financing activities	(21,061,860)	27,659,945	2,906,489	(20,858,324)	27,846,984	3,211,810
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,592,219)	(17,098,717)	60,708,976	(16,166,856)	(15,231,091)	66,697,722
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	16,024,863	15,984,210	16,839,755	13,649,247	13,724,265	14,856,844
Due from Bangko Sentral ng Pilipinas (Note 7)	124,283,115	152,156,449	100,174,398	114,528,773	141,811,190	88,109,650
Due from other banks (Note 7)	10,694,312	18,228,721	9,900,642	9,897,264	17,197,750	8,645,547
Interbank Loans Receivable and SPURA (Note 8)	36,559,224	18,290,851	17,036,460	35,030,997	15,604,167	10,027,609
	187,561,514	204,660,231	143,951,255	173,106,281	188,337,372	121,639,650
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	13,689,421	16,024,863	15,984,210	10,073,767	13,649,247	13,724,265
Due from Bangko Sentral ng Pilipinas (Note 7)	107,100,295	124,283,115	152,156,449	92,920,540	114,528,773	141,811,190
Due from other banks (Note 7)	13,614,609	10,694,312	18,228,721	12,347,169	9,897,264	17,197,750
Interbank Loans Receivable and SPURA (Note 8)	43,564,970	36,559,224	18,290,851	41,597,949	35,030,997	15,604,167
	₱177,969,295	₱187,561,514	₱204,660,231	₱156,939,425	₱173,106,281	₱188,337,372

OPERATING CASH FLOWS FROM INTEREST

	CONSOLIDATED			PARENT COMPANY		
	For Years Ended December 31					
	2022	2021	2020	2022	2021	2020
Interest paid	₱12,741,708	₱7,384,207	₱14,297,974	₱10,098,618	₱6,480,050	₱12,679,471
Interest received	55,046,301	46,638,694	45,766,253	46,629,590	40,552,433	41,396,855

See accompanying Notes to Financial Statements.

China Bank Branches

2-1

MAKATI MAIN BRANCH (HO)
CBC Bldg., 8745 Paseo de Roxas
cor. Villar Sts., Makati City
Trunkline: 8885-5555
(Private Exchange Connecting All Departments)
Fax Nos.: 8892-0220; 8817-1325

BINONDO BUSINESS CENTER
CBC Bldg., Dasmariñas
cor. Juan Luna Sts., Binondo, Manila
Trunklines: 8247-5388; 8885-5222
(Private Exchange Connecting All Departments)
Fax Nos.: 8241-7058; 8242-7225

METRO MANILA

A. BONIFACIO – MAUBAN
G/F Urban Oasis Residences,
423-431, A. Bonifacio Ave.,
Brgy. San Jose, Quezon City
Tel. Nos.: 8282-1991; 8282-1994
Fax No.: 8282-1994

ALABANG HILLS
G/F RBC-MDC Corporate Center,
Don Jesus Blvd., Alabang Hills Village,
Muntinlupa City
Tel. Nos.: 8877-8567; 8877-8604
Fax No.: 8877-8604

ALVARADO
Alvarado St. Binondo, Manila
Tel. Nos.: 8562-3863; 8562-3866
Fax No.: 8562-3866

ANONAS
Anonas corner Marang Streets,
Brgy. Quirino, Project 2, Quezon City
Tel. No.: 8277-9397
Fax No.: 8277-9378

ANTIPOLO CITY
G/F BudgetLane Arcade,
No. 6, Provincial Road,
Brgy. San Jose, Antipolo City, Rizal
Tel. Nos.: 8650-3277; 8650-2087; 8695-1509;
Fax No.: 8650-2640

ANTIPOLO CITY – TAKTAK
Sumulong Highway corner Taktak Road,
Brgy. Dela Paz, Antipolo City, Rizal
Tel. Nos.: 8721-6320; 8721-6087
Fax No.: 8721-6316

ANTIPOLO – SUMULONG HIGHWAY
No. 219 Sumulong Highway, Brgy.
Mambugan, Antipolo City, Rizal
Tel. Nos.: 8632-7573; 8655-8087
Fax No.: 8632-7309

ARANETA AVE.
Philippine Whithasco Bldg., 420 Araneta
Avenue, cor. Bayani St., Quezon City
Tel. Nos.: 8731-2252; 8731-2261; 8732-4153
8731-2243; 3410-3026
Fax No.: 3410-6753

ARNAIZ AVE.
United Life Assurance Building,
A. Arnaiz Ave. (Pasay Road), Makati City
Tel. No.:
Fax No.: 8541-1506

ARRANQUE
Don Felipe Building,
675 Tomas Mapua St., Sta. Cruz, Manila
Tel. Nos.: 8733-3477; 8734-4777; 8733-7704; 8733-8335; 8733-8336; 8733-8337; 8733-8338; 8733-8339; 8733-8340; 8734-4497; 8734-4501; 8734-4506
Fax No.: 8733-3481

AURORA BLVD. – NEW MANILA
Aurora Blvd., Brgy. Valencia, Quezon City
Tel. Nos.: 8727-4192; 8727-4171
Fax No.: 8727-4171

ASUNCION
Units G6 & G7 Chinatown Steel Towers,
Asuncion St., San Nicolas, Manila
Tel. Nos.: 8241-2311; 8241-2359; 8241-2361; 8241-2335
Fax No.: 8241-2352

AYALA – ALABANG
G/F, CBC-Building Acacia Ave.,
Madrigal Business Park, Ayala Alabang,
Muntinlupa City
Tel. Nos.: 8807-0673; 8807-0674; 8850-3785; 8850-9640; 8850-8888
Fax No.: 8850-8670

AYALA AVE. – AMORSOLO
G/F Teleperformance Bldg, Ayala Ave.,
Makati City
Tel. Nos.: 8541-7348; 8541-5958
Fax No.: 8541-5958

AYALA – COLUMNS
G/F The Columns Tower 3,
Ayala Avenue, Makati City
Tel. Nos.: 7915-3672; 7915-3673; 7915-3674; 7915-3675
Fax No.: 7915-3672

AYALA MALLS – MANILA BAY
Level 2 Ayala Malls Manila Bay,
D. Macapagal Ave., Parañaque City
Tel. Nos.: 8352-7758; 8292-4576
Fax No.: 8292-4576

BACLARAN – F.B. HARRISON
BAGPI Main Bldg., 2935 F.B. Harrison
cor. Ortigas St., Pasay City
Tel. Nos.: 8838-5038; 8838-6187
Fax No.: 8838-5038

BALINTAWAK – BONIFACIO
657 A. Bonifacio Avenue,
Balintawak, Quezon City
Tel. Nos.: 8361-3449; 8361-7825; 8362-3660; 8361-0450
Fax No.: 8361-0199

BALUT
North Bay Shopping Center Honorio
Lopez Boulevard, Balut, Tondo, Manila
Tel. Nos.: 8253-9921; 8253-9929; 8253-9620; 8251-1182; 8251-1186
Fax No.: 8253-9917

BANAWE
CBC Building, 680 Banawe Avenue,
Sta. Mesa Hts. District I, Quezon City
Tel. Nos: 8743-7486; 8743-7488; 8711-8694; 3416-7028; 3416-7030
Fax No.: 8743-7487

BANAWE – CALAMBA
119 Banawe St. corner Calamba St.
Quezon City
Tel. Nos: 8732-1060; 8740-4864
Fax No.: 8740-4864

BEL-AIR
2/F Saville Bldg., Gil Puyat Ave.
cor. Paseo de Roxas St., Makati City
Tel. Nos: 8897-2212; 8899-4186; 8899-0685
Fax No.: 8890-4062

BEL-AIR – JUPITER
Buendia Car Exchange,
Jupiter Street, Makati City
Tel. Nos: 8403-5970; 8403-6062
Fax No.: 8403-6062

BETTER LIVING SUBD.
128 Doña Soledad Ave., Parañaque City
Tel. Nos: 8556-3467; 8556-3468; 8556-3470
Fax No.: 8556-3470

BF HOMES
Aguirre cor. El Grande Aves.,
United BF Homes, Parañaque City
Tel. Nos: 8825-6138; 8825-6891; 8825-6828
Fax No.: 8825-5979

BF HOMES – AGUIRRE
Margarita Centre, Aguirre Ave.
corner Elsie Gaches Street,
BF Homes, Parañaque City
Tel. Nos: 7799-4707; 7799-4942; 8659-3359; 8659-3360
Fax No.: 8659-3359

BF RESORT VILLAGE
BF Resort Drive cor. Gloria Diaz St.,
BF Resort Village Talon Dos,
Las Piñas City
Tel. Nos: 8873-4542; 8873-4541; 8873-4540
Fax No.: 8873-4543

BGC – ICON PLAZA
G/F Icon Plaza Bldg., 25th cor. 5th Sts.
Bonifacio South, Fort Bonifacio Global
City, Taguig City
Tel. Nos: 8777-1943; 8800-1474
Fax No.: 8777-1943

BGC – ONE WORLD PLACE
G/F One World Place, 32nd Avenue,
Fort Bonifacio Global City, Taguig City
Tel. Nos: 8869-6309; 8843-2448
Fax No.: 8843-2448

BGC – W TOWER
G/F W Tower 39th St., North Bonifacio
Triangle, BGC, Taguig City, 1634
Tel. Nos: 8552-3311; 8551-9072
Fax No.: 8551-9072

BGC – WORLD PLAZA
G/F (Unit 5) World Plaza, L4B5 E-Square
Information Technology Park,
Crescent Park West, 5th Avenue, Bonifacio
Global City, Taguig City
Tel. Nos: 8541-3447; 8541-4220
Fax No.: 8541-4220

BINANGONAN
National Highway, Bo. Tagpos,
Binangonan, Rizal
Tel. Nos: 8669-1530; 8669-1659
Fax No.: 8669-1530

BLUMENTRITT
1777-1781 Cavite corner Leonor Rivera
St., Blumentritt, Sta. Cruz, Manila
Tel. Nos: 8742-0254; 8711-8589
Fax No.: 8711-8541

BO. KAPITOLYO
G/F P&E Building, 12 United
cor. First Sts., Bo. Kapitolyo, Pasig City
Tel. Nos: 8634-8370; 8634-8915; 8634-3697
Fax No.: 8634-7504

BONNY SERRANO
G/F Greenhills Garden Square,
297 Col. Bonny Serrano Ave.,
Quezon City
Tel. Nos: 3410-0677; 8997-8043; 8997-8031
Fax No.: 3410-0677

CAINTA
CBC Bldg (Beside Sta. Lucia East Mall)
Felix Ave. (Imelda Ave.), Cainta, Rizal
Tel. Nos: 8646-0691; 8646-0693; 8645-9974; 8682-1795
Fax No.: 8646-0050

CAINTA – POBLACION
A. Bonifacio Ave., Poblacion,
Cainta, Rizal
Tel. No: 8637-1935
Fax No.: 8637-6634

CAPITOL HILLS
G/F 88 Design Pro Building, Capitol Hills,
Old Balara, Quezon City
Tel. Nos: 8952-7776; 8952-7805; 8952-7804
Fax No.: 8952-7806

CIRCUIT MAKATI
Level 3, Ayala Mall, Circuit Makati,
Hippodromo St., Brgy. Carmona,
Makati City
Tel. Nos: 8403-8301; 8403-8302
Fax No.: 8403-8302

CENTURY CITY – KNIGHTSBRIDGE
Unit 17 & 18 Knightsbridge Residences,
Century City, Kalayaan Ave. Makati City
Tel. Nos: 8866-3937; 8866-3803
Fax No.: 8866-3937

COMMONWEALTH AVENUE
LGF Ever Gotesco Mall,
Commonwealth Center
Commonwealth Avenue corner
Don Antonio Road, Quezon City
Tel. Nos: 8932-0818; 8932-0820; 3431-5000; 3431-5001
Fax No.: 8932-0822

COMMONWEALTH AVE. EXT. – CASA MILAN
ALX Center Building, Commonwealth Ave.
Ext. North Fairview, Quezon City
Tel. No: 8463-5714
Fax No.: 8463-5714

CONGRESSIONAL AVENUE
G/F Unit C The Arete Square,
Congressional Ave., Project 8,
Quezon City
Tel. Nos: 8351-8648; 8351-8645; 8351-8646
Fax No.: 8454-7383

CONGRESSIONAL AVE. EXTENSION – MIRA NILA
CBC Building Congressional Ave. Ext.,
Quezon City
Tel. Nos: 8932-2372; 8932-2370
Fax No.: 8932-2370

CONGRESSIONAL AVE. – PROJECT 8
159 Congressional Ave., Brgy. Bahay Toro,
Project 8, Quezon City
Tel. Nos: 8365-1737; 8365-1748
Fax No.: 8365-1737

CORINTHIAN HILLS
G/F The Clubhouse, Corinthian Hills,
Temple Drive, Brgy. Ugong Norte, Quezon
City
Tel. Nos: 8637-3170; 8637-3180; 8637-1915
Fax No.: 8637-1905

CUBAO – ARANETA
Level 2, Ali Mall, Araneta Center,
Cubao, Quezon City
Tel. Nos: 8911-2369; 8911-2370; 8438-3830; 8438-3832; 8911-2397
Fax No.: 8911-8416

CUBAO – AURORA
911 Aurora Boulevard Extension corner
Miami Street, Cubao, Quezon City
Tel. Nos: 8912-5164; 8912-5157; 8913-4675; 8913-4676; 8911-3524
Fax No.: 8912-5167

CUBAO – P. TUAZON
No. 287 P. Tuazon Ave. near corner 18th Avenue, Brgy. San Roque, Cubao, Quezon City
Tel. Nos: 8911-5896; 8911-8416; 8661-5057
Fax No.: 8911-8416

CULIAT- TANDANG SORA
G/F Royal Midway Plaza, No. 419, Tandang Sora Ave., Brgy. Culiat, 1128 Quezon City
Tel. Nos: 8288-2575; 8288-5114
Fax No.: 8288-2575

D. TUAZON
148 D. Tuazon St., Brgy. Lourdes, Sta. Mesa Heights, Quezon City
Tel. Nos: 8731-2516; 8731-2508
Fax No.: 8731-0592

DAMAR VILLAGE
Clubhouse, Damar Village, Quezon City
Tel. Nos: 8442-3581; 8367-5517
Fax No.: 8367-5517

DASMARIÑAS VILLAGE
2283 Pasong Tamo Ext. corner Lumbang Street, Makati City
Tel. Nos: 8894-2392; 8894-2393; 8813-2958
Fax No.: 8894-2355

DILIMAN – MATALINO
J&L Building, #23 Matalino Street, Diliman, Quezon City
Tel. Nos: 8936-8729; 8937-5004
Fax No.: 8937-5004

DIVISORIA – STA. ELENA
New Divisoria Condominium Center, 632 Sta. Elena St. Binondo, Manila
Tel. Nos: 8247-1435; 8247-1436; 8247-1437
Fax No.: 8247-1436

DON ANTONIO
G/F Royale Place, Don Antonio Ave., Brgy. Old Balara, Quezon City
Tel. Nos: 8932-9477; 8952-9678; 8952-9354
Fax No.: 8952-9344

DEL MONTE AVENUE
No. 497 Del Monte Ave. Bgry. Manresa, Quezon City
Tel. Nos: 3413-2826; 3413-2825; 8961-8828; 8871-2745
Fax No.: 8361-1101

DEL MONTE – MATUTUM
No. 202 Del Monte Avenue near corner Matutum St., Brgy. St. Peter, Quezon City
Tel. Nos: 8731-2535; 8731-2571; 8413-2118; 8416-7791
Fax No.: 8416-7791

E. RODRIGUEZ – ACROPOLIS G /F Suncrest Building, E. Rodriguez Jr. Ave., Quezon City
Tel. Nos: 8654-3607; 8654-3586
Fax No.: 8654-3586

E. RODRIGUEZ – CORDILLERA
No. 291 (G/F Units 285 & 287) E. Rodriguez Sr. Blvd., Brgy. Doña Josefa, Quezon City
Tel. Nos: (02) 8242-2897; (02) 8257-1512
Fax No.: (02) 8256-5292

E. RODRIGUEZ – HILLCREST
No. 402 E. Rodriguez Sr. Blvd., Cubao, Quezon City
Tel. Nos: 8571-8927; 8571-8928; 8571-8929
Fax No.: 8571-8927

E. RODRIGUEZ SR. BLVD.
CBC Bldg., #286 E. Rodriguez Sr. Blvd., Brgy. Damayang Lagi, Quezon City
Tel. Nos: 7007-3466; 7210-0200; 8722-5860; 8722-5893;
Fax No.: 8726-2865

EASTWOOD CITY
Unit D, Techno Plaza One, Eastwood City Cyberpark, E. Rodriguez Jr. Ave., (C-5) Bagumbayan, Quezon City
Tel. Nos: 8706-3491; 8706-3493; 8706-1979; 8706-3320; 8706-3448
Fax No.: 8706-1979

EASTWOOD CITY FELINA CORPORATE PLAZA
G/F Felina Corporate Plaza, #5 Eastwood Ave., Eastwood City, Quezon City
Tel. Nos: 8275-5541; 8275-5434
Fax No.: 8275-5541

EDSA – KALOOKAN
G/F HGL Building, 554 EDSA, Kalookan City
Tel. Nos: 8442-4338; 8442-4339; 8442-4340
Fax No.: 8442-4339

EDSA – TIMOG AVE.
G/F Richwell Corporate Center, 102 Timog Ave., Brgy. Sacred Heart, Quezon City
Tel. Nos: 8441-5225, 8441-5226, 8441-5227, 3412-9878
Fax No.: 8441-5228

ELCANO
G/F Elcano Tower, Elcano Street, San Nicolas, Manila
Tel. Nos: 8244-6760; 8244-6765; 8244-6779
Fax No.: 8244-6760

ERMITA
Ground Floor A, Ma. Natividad Bldg., #470 T. M. Kalaw cor. Cortada Sts., Ermita, Manila
Tel. Nos: 8525-6477; 8536-7794; 8525-6544; 8523-0074; 8523-9862
Fax No.: 8525-8137

ESCOLTA
Burke Building, Escolta corner Burke Streets, Binondo, Manila
Tel. Nos: 8363-1734; 8365-5408
Fax No.: 8363-1734

ESPAÑA
España cor. Valencia Sts., Sampaloc, Manila
Tel. Nos: 8741-9572; 8741-6209; 8741-6208; 8741-9565
Fax No.: 8741-6207

EXAMINER
No. 1525 Quezon Ave. cor. Examiner St., West Triangle, Quezon City
Tel. Nos: 8376-3313; 8376-3314; 8376-3317; 8376-3318
Fax No.: 8376-3314

EVANGELISTA
Evangelista corner Gen. Estrella Sts., Bangkal Makati City
Tel. Nos: 7759-5095; 7759-5096; 8856-0434; 8856-0433
Fax No.: 7759-5096

FAIRVIEW
G/F Pearl Drive Commercial Center, Commonwealth Ave. corner Pearl Street, Quezon City
Tel. Nos: 8937-5597; 8938-9636; 8937-8086; 8523-3639
Fax No.: 8937-8086

FAIRVIEW TERRACES
LGF Fairview Terraces, Quirino Highway corner Maligaya Drive, Brgy. Pasong Putik, Novaliches, Quezon City
Tel. Nos: 8285-5956; 8285-6058
Fax No.: 8285-5956

FILINVEST CORPORATE CITY
G/F Wilcon Depot, Alabang- Zapote road cor. Bridgeway Ave. Filinvest Corporate City, Alabang, Muntinlupa
Tel. Nos: 8775-0097; 8775-0126; 8842-1993; 8775-2198;
Fax No.: 8775-0322

FILINVEST CORP. CITY – COMMERCENTER
G/F Commercenter Alabang, Commerce Ave. cor. Filinvest Ave., Filinvest Corporate City, Alabang, Muntinlupa City
Tel. Nos: 8805-0824; 8805-0827
Fax No.: 8805-0146

FILINVEST CORP. CITY – NORTHGATE
G/F Aeon Centre Building, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City
Tel. Nos: 8776-1985; 8551-5569
Fax No.: 8776-1985

FIVE E-COM CENTER
G/F Five E-com Center, Harbor Drive, MOA Complex, Pasay City
Tel. Nos: 8815-1883; 8815-1884; 8815-1887
Fax No.: 8815-1883

FORT BONIFACIO GLOBAL CITY
G/F Marajo Tower, 26th Street cor. 4th Avenue, Fort Bonifacio Global City, Taguig City
Tel. Nos: 7799-9072; 7799-9074; 8856-4416; 8856-4891; 8856-5196
Fax No.: 8856-4416

GEN. LUIS – KATIPUNAN
CBC Building, Gen. Luis St. corner Katipunan SB Road, Brgy. Nagkaisang Nayon, Novaliches, Quezon City
Tel. Nos: 8285-5664; 8285-5665
Fax No.: 8285-5665

GIL PUYAT AVENUE
Mitsu Bldg., No. 65 Sen. Gil Puyat Ave., Brgy. Palanan, Makati City
Tel. Nos: 8844-0492; 8844-0494; 8844-0688; 8844-0690
Fax No.: 8844-0497

GIL PUYAT – ELIZABETH PLACE
G/F Elizabeth Place, Gil Puyat Ave., Makati City
Tel. Nos: 8776-0502; 8776-3234
Fax No.: 8766-0502

GIL PUYAT AVE. – REPOSO
No. 331 Gil Puyat Ave., Makati City
Tel. Nos: 8541-3739; 8541-3735
Fax No.: 8541-3735

GREENBELT 1
G/F Greenbelt 1, Legaspi Street near corner Paseo de Roxas, Makati City
Tel. Nos: 8836-1387; 8836-1405; 8836-1406
Fax No.: 8836-1406

GREENHILLS
G/F Gift Gate Bldg, Greenhills Shopping Center, San Juan, Metro Manila
Tel. Nos: 8727-2798; 8726-9308; 8727-9520; 8727-3068; 8721-0556; 8721-0543
Fax No.: 8724-5078

GREENHILLS – ANNAPOLIS
Mercedes 1 Condominium, Annapolis St., Greenhills, San Juan, Metro Manila
Tel. Nos: 8470-3385; 8470-3380
Fax No.: 8470-3380

GREENHILLS – CONNECTICUT
G/F Missouri Square Bldg., Missouri cor. Connecticut St. Northeast Greenhills, San Juan, Metro Manila
Tel. Nos: 8997-3452; 8997-3455
Fax No.: 8997-3452

GREENHILLS – ORTIGAS
CBC-Building, 14 Ortigas Avenue Greenhills, San Juan, Metro Manila
Tel. Nos: 8723-0530; 8723-0501; 8723-0502; 8723-0504; 8726-1492
Fax No.: 8723-0556

HEROES HILLS
Quezon Ave. corner J. Abad Santos Street, Heroes Hills, Quezon City
Tel. Nos: 8351-4359; 8351-5121; 8332-7665; 3412-5697; 3411-3375
Fax No.: 8351-5121

HOLY SPIRIT DRIVE
CBC Building Lot 18 Block 6 Holy Spirit Drive, Don Antonio Heights, Brgy. Holy Spirit, Quezon City
Tel. Nos: 8355-8665; 8277-7257; 8287-5387
Fax No.: 8355-8665

ILAYA
#947 APL-YSL Bldg., Ilaya, Tondo, Manila
Tel. Nos: 8245-2416; 8245-2548; 8245-2557
Fax No.: 8245-2545

INTRAMUROS
No. 409 A. Soriano Avenue, Intramuros, Manila
Tel. Nos: 8528-4241; 8536-1044; 8536-5971;
Fax No.: 8536-1044

J. ABAD SANTOS AVENUE
2159 J. Abad Santos Ave., cor. Batangas St., Tondo, Manila
Tel. Nos: 8255-1201; 8255-1202 8255-1204
Fax No.: 8255-1203

J. ABAD SANTOS AVE. – QUIRICADA
J. Abad Santos Ave. near corner Quiricada Street, Manila
Tel. Nos: 8253-6803; 8253-6804
Fax No.: 8253-6803

JUAN LUNA
G/F Aclem Building, 501 Juan Luna St. Binondo, Manila
Tel. Nos: 8247-3570; 8247-3795; 8247-3786; 8480-0211
Fax No.: 8247-3795

KANLAON
Kanlaon near corner N. Roxas Streets, Quezon City
Tel. Nos: 8367-0093; 8367-0095
Fax No.: 8367-0093

KALAYAAN AVE.
G/F PPS Building, Kalayaan Avenue, Quezon City
Tel. Nos: 8332-3858; 8332-3859; 8332-3860
Fax No.: 8332-3859

KALOOKAN
CBC Bldg., 167 Rizal Avenue Extension
Grace Park, Kalookan City
Tel. Nos: 8364-0515; 8364-0535; 8364-0717; 8364-0731; 8364-0494; 8364-9948; 8366-9457
Fax No.: 8364-9864

KALOOKAN – 8th AVE.
No. 279 Rizal Avenue corner 8th Ave.,
Grace Park, Kalookan City
Tel. Nos: 8287-0001; 8287-0262
Fax No.: 8287-0262

KALOOKAN – 10th AVE.
No. 275 10th Ave. corner 3rd Street,
Grace Park, Kalookan City
Tel. Nos: 8287-5484; 8287-5489
Fax No.: 8287-5489

KALOOKAN – CAMARIN
L8B4 La Forteza Subd.,
Brgy. 175, Camarin, Kalookan City
Tel. Nos: 8442-6830; 8442-7541; 8442-6825
Fax No.: 8442-6825

KALOOKAN – MONUMENTO
779 Mc Arthur Highway, Kalookan City
Tel. Nos: 8364-2571; 8361-3270; 8921-3043; 8361-3271
Fax No.: 8361-3270

KAMIAS
G/F CRM Building II, 116 Kamias Road
corner Kasing-Kasing Street,
Quezon City
Tel. Nos: 8920-7367; 8920-8770
Fax No.: 8920-5723

KAMUNING
#47 SKY47 Bldg., Kamuning Road,
Quezon City
Tel. Nos: 8287-3369; 8287-3368
Fax No.: 8287-3369

KARUHATAN
No. 253-B McArthur Highway cor. Bizotte
Street, Karuhatan, Valenzuela City
Tel. Nos: 8291-0431; 8291-0175; 3440-0033; 8291-0073
Fax No.: 8291-0175

KATIPUNAN AVE. – ST. IGNATIUS
CBC Building, No. 121 Katipunan Ave.,
Brgy. St. Ignatius, Quezon City
Tel. Nos: 8913-5532; 8912-5003; 8913-3226
Fax No.: 8913-5532

KATIPUNAN AVE. – LOYOLA HEIGHTS
Elizabeth Hall, Katipunan Ave.,
Loyola Heights, Quezon City
Tel. No: 8287-9218
Fax No.: 8287-9221

LAGRO
CBC Building, Lot 32 Blk 125, Quirino
Highway, Greater Lagro, Quezon City
Tel. Nos: 8372-8226; 8372-8223
Fax No.: 8372-8226

LAS PIÑAS
CBC- Bldg., Alabang-Zapote Road
cor. Aries St., Pamplona Park Subd.,
Las Piñas City
Tel. Nos: 8874-6204; 8874-6210
Fax No.: 8874-6414

LAS PIÑAS – MANUELA
Alabang-Zapote Road cor Philamlife Ave.,
Pamplona Dos, Las Piñas City
Tel. Nos: 8872-9801; 8872-9572; 8872-9533; 8871-0770
Fax No.: 8871-0771

LAS PIÑAS – MARCOS ALVAREZ AVE.
Metro Towne Center, 2020 Marcos
Alvarez Ave., Talon V, Moonwalk,
Las Piñas City
Tel. Nos: 8838-9865; 838-9724
Fax No.: 838-9786

LAS PIÑAS – NAGA ROAD
Lot 3, Naga Road, Pulanglupa 2,
Las Piñas City
Tel. Nos: 8541-1671
Fax No.: 8541-1674

LAVEZARES
No. 412 Lavezares Street,
San Nicolas, Manila
Tel. Nos: 8521-6978; 521-7132; 521-7128
Fax No.: 8521-7128

LEGASPI VILLAGE – AMORSOLO
G/F CAP Bldg. Herrera cor. Amorsolo Sts.
Legaspi Village, Makati City
Tel. Nos: 8832-6871; 8833-5668
Fax No.: 8833-5668

LEGASPI VILLAGE – AIM
G/F Cacho-Gonzales Building,
101 Aguirre cor. Trasierra Streets,
Legaspi Village, Makati City
Tel. Nos: 8818-0734; 8818-9649; 8894-5882; 8894-5883; 8894-5884; 8894-5885
Fax No.: 8818-0240

LEGASPI VILLAGE – C. PALANCA
G/F, JCS Building, 119 Dela Rosa
cor. C. Palanca Sts., Legaspi Village,
Makati City
Tel. Nos: 8894-5915/18; 8810-1464/8536-4684
Fax No.: 8894-5868

LEGASPI VILLAGE – ESTEBAN
G/F PPI Bldg., No. 109 Esteban St.,
Legaspi Village, Makati City
Tel. Nos: 8800-6147; 8805-4820
Fax No.: 8805-4820

LEGASPI VILLAGE – PEREA
G/F Greenbelt Mansion, 106 Perea St.,
Legaspi Village, Makati City
Tel. Nos: 8893-2273/2272/2827
Fax No.: 8893-2272

LEGASPI VILLAGE – SALCEDO
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City
Tel. Nos: 8893-7680; 8893-2618; 7759-2462; 8893-1503; 8816-0905
Fax No.: 8893-3746

M. DELA FUENTE – TRABAJO MARKET
#771 M. dela Fuente St. (Trabajo Market
area), Sampaloc, Manila
Tel. Nos: 8522-2083; 8522-2028
Fax No.: 8522-2083

MACAPAGAL AVE. – ASEANA SQUARE
Aseana Square (Caltex Area),
D. Macapagal Ave., Aseana City,
Parañaque City
Tel. Nos: 8296-7246; 8296-7235
Fax No.: 8296-7235

MACAPAGAL AVE. – BIOPOLIS
G/F The Biopolis, Central Business Park
1-A 076/01, Diosdado Macapagal Avenue,
Pasay City
Tel. No: 8838-9677
Fax No.: 8838-9679

MACAPAGAL AVE. – DOUBLEDRAGON
DD Meridian Park Plaza, Macapagal Ave.
cor. EDSA Ext., Pasay City
Tel. Nos: 838-3805; 838-3804
Fax No.: 838-3804

MAGALLANES VILLAGE
G/F DHI Bldg., No. 2 Lapu-Lapu Ave.
corner EDSA, Magallanes Village,
Makati City
Tel. Nos: 7757-0272; 7757-0240; 8852-1290; 8852-1245
Fax No.: 8852-1245

MAKATI AVENUE
G/F CBC Building, Makati Ave.
cor. Hercules St., Makati City
Tel. Nos: 8890-6971; 8890-6972; 8890-6973; 8890-6974
Fax No.: 8890-6975

MAKATI – COMEMBO
No. 46 JP Rizal Ext., Brgy. Comembo,
Makati City
Tel. Nos: 8802-2616; 8802-2614; 8802-2613
Fax No.: 8802-2613

MAKATI – JP RIZAL
JP Rizal corner Honradez Streets,
Makati City
Tel. Nos: 8815-6036; 8815-6037; 8815-6038
Fax No.: 8815-6038

MAKATI – KALAYAAN AVE.
8445 Zentro Building, Kalayaan Ave.,
Brgy. Poblacion, Makati City
Tel. Nos: 8838-7253; 8838-7252
Fax No.: 8838-7253

MAKATI – YAKAL
173 Yakal St. near corner Ayala Ave. Ext.,
Makati City
Tel. Nos: 8373-6355; 8367-0086
Fax No.: 8373-6355

MALABON – CONCEPCION
Gen. Luna corner Paez Streets,
Concepcion, Malabon
Tel. Nos: 8281-0102; 8281-0103; 8281-0104; 8281-0105
Fax No.: 8281-0106

MALABON – GOV. PASCUAL
CBC Building, Gov. Pascual Avenue,
Malabon City
Tel. Nos: 8352-1816; 8352-1817; 8961-2147
Fax No.: 8352-1822

MALABON – POTRERO
CBC Bldg., McArthur Highway,
Potrero, Malabon
Tel. Nos: 3448-0524; 3448-0525; 8361-8671; 8361-7056
Fax No.: 8361-7056

MALANDAY
CBC Bldg. McArthur Highway,
Malanday, Valenzuela City
Tel. Nos: 3432-9785; 7006-9787; 7276-3201;
Fax No.: 8292-6956

MANDALUYONG – BONI AVE.
G/F VOS Bldg. Boni Avenue corner
San Rafael Street, Mandaluyong City
Tel. Nos: 7746-6283; 7746-6285; 8534-2289
Fax No.: 8534-1968

MANDALUYONG – BONI SAN ROQUE
#768 Bonifacio Ave. cor. San Roque St.
Brgy. Barangka Ilaya, Mandaluyong City
Tel. Nos: 8571-3861; 8571-3867
Fax No.: 8571-3867

MANDALUYONG – D. GUEVARA
G/F 19 Libertad Plaza,
Domingo Guevara St., Mandaluyong City
Tel. Nos: 8534-5529; 8477-6382
Fax No.: 8534-5528

MANDALUYONG – PIONEER
UG-05 Globe Telecom Plaza Tower I
Pioneer Street, Mandaluyong City
Tel. Nos: 7746-6949; 7746-6948 8635-4198; 8632-1399
Fax No.: 7746-6948

MANDALUYONG – THE PODIUM
3/F The Podium, ADB Avenue,
Ortigas Center, Mandaluyong City
Tel. Nos: 8291-1253; 8280-0220
Fax No.: 8291-1253

MANILA – MACEDA
Daguman Bldg., Maceda St.,
Sampaloc Manila
Tel. Nos: 8521-6644; 8521-6643
Fax No.: 8521-6644

MARIKINA – STA. ELENA
250 J.P. Rizal Street, Sta. Elena,
Marikina City
Tel. Nos: 8646-4281; 8646-4277 8646-4279
Fax No.: 8646-1807

MARIKINA – FAIRLANE
G/F E & L Patricio Building,
No. 809 J.P. Rizal Ave.,
Concepcion Uno, Marikina City
Tel. Nos: 8997-0684; 8997-0897; 8998-1817; 7239-2143
Fax No.: 7239-2143

MARIKINA – GIL FERNANDO
Block 9, Lot 14 Gil Fernando Ave.,
Marikina City
Tel. Nos: 8646-0780; 7358-2138
Fax No.: 8646-8032

MARIKINA – SSS VILLAGE
Lilac St., Rancho Estate IV,
Concepcion Dos, Marikina City
Tel. Nos: 8948-5135; 8941-7709; 8997-3343
Fax No.: 8942-0048

MASANGKAY
959-961 G. Masangkay Street,
Binondo, Manila
Tel. Nos: 8244-1828; 8244-1835; 8244-1848; 8244-1856; 8244-1859
Fax No.: 8244-1833

MASANGKAY – MAYHALIGUE
formerly Masangkay – Luzon Branch
No. 1417-1419 G. Masangkay St.,
Sta. Cruz, Manila
Tel. Nos: 8255-0739; 8254-9974; 8254-9335
Fax No.: 8254-9974

MAYON
480 Mayon St., Maharlika Sta. Mesa
Heights, Quezon City
Tel. Nos: 8731-9054; 8731-2766; 8741-2409
Fax No.: 8731-2766

MAYON – ROTONDA
G/F One Mayon Place,
#68 Mayon Street, Brgy. Sta. Teresita,
Quezon City
Tel. Nos: 8373-5534; 8281-8603
Fax No.: 8373-5534

MEDICAL CENTER PARAÑAQUE
G/F Medical Center Parañaque,
Dr. Arcadio Santos Ave., San Antonio,
Parañaque City
Tel. Nos: 8628-1610; 8635-0900

MINDANAO AVE.
30 Mindanao Avenue, Brgy. Tandang Sora, Quezon City
Tel. Nos: 8277-4768; 8277-4782
Fax No.: 8277-4768

MUNTINLUPA – PUTATAN
G/F Teknikos Bldg., National Highway, Brgy. Putatan, Muntinlupa City
Tel. Nos: 8511-0980; 8808-1817
Fax No.: 8808-1819

N. DOMINGO
G/F The Main Place, No. 1 Pinaglabanan cor. N. Domingo Sts., San Juan, Metro Manila
Tel. Nos: 8470-2915; 8470-2916; 8470-2917
Fax No.: 8551-2267

NAVOTAS
No. 500 M. Naval St. near corner Lacson St., Brgy. North Bay Boulevard North (NBBN), Navotas City
Tel. Nos: 8283-0752; 8283-0753; 8283-0754
Fax No.: 8283-0754

NOVALICHES – BAGBAG
No. 658 Quirino Highway, Bagbag, Novaliches, Quezon City
Tel. Nos: 8283-3885; 8275-3244
Fax No.: 8283-3885

NOVALICHES – GULOD
formerly Novaliches Branch
858 Krystle Building, Quirino Highway, Gulod, Novaliches, Quezon City
Tel. Nos: 8937-1133; 8937-1136
Fax No.: 8936-1037

NOVALICHES – STA. MONICA
G/F E & V Bldg. Quirino Highway corner Dumalay St., Novaliches, Quezon City
Tel. Nos: 8288-3683; 8288-2302
Fax No.: 8288-3683

NOVALICHES – SANGANDAAN
CBC Building, Quirino Highway corner Tandang Sora Ave., Brgy. Sangandaan, Novaliches, Quezon City
Tel. Nos: 8935-3049; 8935-3491; 3455-5661
Fax No.: 8935-2130

NOVALICHES – TALIPAPA
528 Copengco Bldg., Quirino Highway, Talipapa, Novaliches, Quezon City
Tel. Nos: 8936-2202; 8936-3311; 8936-7765; 8936-5508
Fax No.: 8936-2202

NOVALICHES – ZABARTE
G/F C.I. Bldg 1151 Quirino Highway corner Zabarte Road, Brgy. Kaligayahan, Novaliches, Quezon City
Tel. Nos: 8461-7691; 8461-7694; 8461-7698
Fax No.: 8461-7691

NUEVA
Unit Nos. 557 & 559 G/F Ayson Building, Yuchengco St., Binondo, Manila
Tel. Nos: 8247-6374; 8247-6396; 8247-0493;
Fax No.: 8247-6396

ONGPIN
G/F Se Jo Tong Building, 808 Ongpin Street, Sta. Cruz, Manila
Tel. Nos: 8733-8962; 8733-8963; 8733-8964; 8733-8965; 8733-8966; 8735-5362
Fax No.: 8733-8964

OROQUIETA
1225-1227, Oroquieta St., Sta. Cruz, Manila
Tel. Nos: 8521-6648; 8521-6650
Fax No.: 8521-6650

ORTIGAS – ADB AVE.
LGF City & Land Mega Plaza ADB Ave. cor. Garnet Rd. Ortigas Ctr., Pasig City
Tel. Nos: 8687-2457; 8687-2458; 8687-2226; 8687-3263
Fax No.: 8687-2457

ORTIGAS AVE. EXT. – RIVERSIDE
Unit 2-3 Riverside Arcade Ortigas Avenue Extension corner Riverside Drive, Brgy. Sta. Lucia, Pasig City
Tel. Nos: 7748-1808; 7748-4426; 8655-7403; 8655-8350
Fax No.: 8655-8350

ORTIGAS CENTER
Unit 105 Parc Chateau Condominium Garnet Street, Ortigas Center, Pasig City
Tel. Nos: 8633-7960; 8633-7970; 8633-7953; 8633-7954; 8634-0178
Fax No.: 8633-7971

ORTIGAS COMPLEX
G/F Padilla Building, F. Ortigas Jr. Road (formerly Emerald Avenue), Ortigas Center, Pasig City
Tel. Nos: 8634-3469; 8631-2772
Fax No.: 8633-9039

ORTIGAS – JADE DRIVE
Unit G-03, Antel Global Corporate Center Jade Drive, Ortigas Center, Pasig City
Tel. Nos: 8638-4489; 8638-4490 8638-4510; 8638-4540
Fax No.: 8638-4540

ORTIGAS – TEKTITE
Unit EC-06B PSE Center (Tektite) Ortigas Center, Pasig City
Tel. Nos: 8637-0231; 8637-0238
Fax No.: 8637-0231

PACO
Gen. Luna corner Escoda Street, Paco, Manila
Tel. Nos: 8526-6492; 8536-6630; 8536-6631; 8536-6672
Fax No.: 8536-6657

PACO – ANGEL LINAO
Unit 1636 & 1638 Angel Linao St. Paco, Manila
Tel. Nos: 8242-2849; 8242-3416
Fax No.: 8242-3416

PACO – OTIS
G/F Union Motor Corp Bldg., 1760 Dra. Paz Guazon St., Paco, Manila
Tel. Nos: 8561-6902; 8561-6981; 8564-2247
Fax No.: 8561-6981

PADRE FAURA
G/F Regal Shopping Center, A. Mabini cor. P. Faura Sts., Ermita, Manila
Tel. Nos: 8526-0586; 8527-3202; 8527-7865
Fax No.: 8527-3202

PADRE RADA
G/F Gosiupo Bldg., Padre Rada corner Elcano Sts., Tondo, Manila
Tel. Nos: 8277-1106; 8371-4300
Fax No.: 8277-1106

PARAÑAQUE – BACLARAN
Quirino Avenue cor. Aragon St., Baclaran, Parañaque City
Tel. No: 8581-1057
Fax No.: 8663-0425

PARAÑAQUE – MOONWALK
Milky Way St. cor. Armstrong Avenue, Moonwalk, Parañaque City
Tel. Nos: 8846-9729; 8846-9771
Fax No.: 8846-9739

PARAÑAQUE – NAIA
Ninoy Aquino Ave., Brgy. San Dionisio, Parañaque City
Tel. Nos: 8541-8857; 8541-8858
Fax No.: 8541-8857

PARAÑAQUE – SAN ANTONIO VALLEY
San Antonio Shopping Center, San Antonio Road, Brgy. San Antonio Valley 1, Parañaque City
Tel. Nos: 8816-2448; 8816-2451
Fax No.: 8816-2451

PARAÑAQUE – SUCAT
No. 8260 (between AMA Computer School and PLDT), Dr. A. Santos Avenue, Brgy. San Isidro, Parañaque City
Tel. Nos: 8826-4072; 8820-8952; 8820-2044; 8825-2501
Fax No.: 8825-9517

PASAY – LIBERTAD
CBC-Building, 184 Libertad Street, Antonio Arnaiz Ave., Pasay City
Tel. Nos: 8551-7159; 8834-8978; 8831-0306; 8831-0498
Fax No.: 8551-7160

PASAY – ROXAS BLVD.
GF Unit G-01 Antel Seaview Towers 2626 Roxas Blvd., Pasay City
Tel. Nos: 8551-9067; 8551-9068; 8551-9069
Fax No.: 8551-1768

PASIG – A. MABINI
A. Mabini Street, Brgy. Kapasigan, Pasig City
Tel. Nos: 8534-5178; 8634-4028
Fax No.: 8634-4028

PASIG – ESTANCIA
LGF Estancia (Expansion) Capitol Commons, Meralco Ave., Pasig City
Tel. No: 8255-8032
Fax No.: 8293-6214

PASIG – C. RAYMUNDO
G/F MicMar Apartments No. 6353 C. Raymundo Avenue, Brgy. Rosario, Pasig City
Tel. Nos: 8642-3652; 8628-3912; 8628-3922; 7576-4134
Fax No.: 7576- 4134

PASIG – CARUNCHO
No. 7 Caruncho Ave., Pasig City
Tel. Nos: 8639-5482; 8559-6183
Fax No.:

PASIG – DELA PAZ
Amang Rodriguez Avenue, Brgy. Dela Paz, Pasig City
Tel. No: 8637-7876
Fax No.: 8637-7874

PASIG – MERCEDES
Commercial Motors Corp. Compound Mercedes Ave., Pasig City
Tel. Nos: 8628-0201; 8628-0209; 8628-0197
Fax No.: 8628-0211

PASIG – ROSARIO
1864 Ortigas Ave. Ext., Rosario, Pasig City
Tel. Nos: 8254-4859; 8244-8839
Fax No.: 8254-4859

PASIG – SAN JOAQUIN
No. 43 M. Concepcion Ave., San Joaquin, Pasig City
Tel. Nos: 8997-2815; 8997-2816; 8997-2817
Fax No.: 8997-2815

PASIG – SANTOLAN
G/F Felmarc Business Center, Amang Rodriguez Avenue, Santolan, Pasig City
Tel. Nos: 8646-0635; 8682-3474; 8682-3514; 8681-4575
Fax No.: 8646-0514

PASIG – SM SUPERCENTER
G/F SM Supercenter Pasig, Frontera Drive, C-5, Ortigas, Pasig City
Tel. Nos: 8706-3207; 8706-3208; 8706-3209
Fax No.: 8706-3208

PASIG – VALLE VERDE
G/F Reliance IT Center, E. Rodriguez Jr. Ave., Ugong, Pasig City
Tel. Nos: 8706-9242; 8706-9243
Fax No.: 8706-9243

PASO DE BLAS
(GMP Building) #63 Paso de Blas, Valenzuela City
Tel. Nos: 8292-3215/3213/3216
Fax No.: 7149-2354

PASONG TAMO BAGTIKAN
G/F Trans-Phil House 1177 Chino Roces Ave. cor. Bagtikan St., Makati City
Tel. Nos: 8403-4820; 8403-4821; 8403-4822; 7738-7591
Fax No.: 8403-4821

PASONG TAMO – CITYLAND
Units UG30-UG32 Cityland Pasong Tamo Tower, 2210 Pasong Tamo St., Makati City
Tel. Nos: 8817-9337; 8817-9347; 8817-9351; 8817-9360; 8817-9382
Fax No.: 8817-9351

PASONG TAMO – LA FUERZA
La Fuerza Plaza 1, Chino Roces Ave., Makati City
Tel. Nos: 8541-8850; 8541-8851
Fax No.: 8541-8851

PATEROS
G/F Adela Building, M. Almeda St., Brgy. San Roque, Pateros
Tel. Nos: 8531-6929; 8531-6810; 8654-3079
Fax No.: 8654-3079

PHILAM
#8 East Lawin Drive, Philam Homes, QC
Tel. Nos: 8927-9841; 8924-2872; 8929-5734; 8929-3115
Fax No.: 8929-3115

PROJECT 8 – SHORTHORN
Shorthorn Street, Project 8, Quezon City
Tel. Nos: 8373-3363; 8373-3369
Fax No.: 8373-3363

PUREZA
G/F Solicarel Building Ramon Magsaysay Blvd. near corner Pureza St., Sta. Mesa, Manila
Tel. Nos: 8241-3313; 8241-3314
Fax No.: 8241-3314

QUEZON AVE.
No. 18 GD Bldg., Quezon Ave. cor. D. Tuazon St., Quezon City
Tel. Nos: 8712-3676; 8712-0424; 8740-7779; 8740-7780; 8712-1105; 3416-8891;
Fax No.: 8712-3006

QUEZON AVE. – SCT. CHUATOCO
Estuar Building, No.880 Quezon Ave., Brgy. Paligsahan, Quezon City
Tel. Nos: 8351-0563; 8351-0567
Fax No.: 8351-0563

QUIAPO
216-220 Villalobos St., Quiapo, Manila
Tel. Nos: 8733-2052; 8733-2059; 8733-2061; 8733-6282; 8733-6286
Fax No.: 8733-6282
8733-2061 (temporary fax)

REGALADO AVE.
CBC Building, Regalado Ave., North Fairview, Quezon City
Tel. Nos: 8921-5678; 8921-5359
Fax No.: 8921-5359

REGALADO AVE. – WEST FAIRVIEW
CBC Building, Regalado Ave. corner Bulova St., Quezon City
Tel. Nos: 8936-2554; 8936-2556
Fax No.: 8936-2554

RIZAL – ANGONO
Lot 3 Blk. 4 M.L Quezon Ave. Richmond Subd., Angono, Rizal
Tel. Nos: 8633-5198; 8633-7513
Fax No.: 8633-7513

RIZAL – SAN MATEO
#63 Gen. Luna corner Simon St., Banaba, San Mateo, Rizal
Tel. No: 8650-2230
Fax No.: 8650-1837

ROCKWELL – ORTIGAS
G/F Tower 1 Rockwell Business Center, Ortigas Avenue, Pasig City
Tel. Nos: 8470-4704; 8470-2984
Fax No.: 8470-2984

ROOSEVELT AVE.
CBC Bldg., #293 Roosevelt Ave., San Francisco Del Monte, Quezon City
Tel. Nos: 8371-5133; 8371-5134; 8371-5135; 8371-2766; 3410-2160; 3410-1957
Fax No.: 8371-2765

ROOSEVELT AVE. – FRISCO
G/F Norita Bldg. #51 H. Francisco St. corner Roosevelt Ave. Brgy. Paraiso, Quezon City
Tel. Nos: 8709-7552; 8921-0866
Fax No.: 8921-0866

SALCEDO VILLAGE – L.P. LEVISTE
Unit 1-B G/F The Athenaeum San Agustin – LP Leviste St., Salcedo Village, Makati City
Tel. Nos: 8869-3128; 8869-3132; 8869-3134
Fax No.: 8869-3132

SALCEDO VILLAGE – TORDESILLAS
G/F Prince Tower Condominium 14 Tordesillas St., Salcedo Village, Makati City
Tel. Nos: 8813-4901; 8813-4932; 8813-4933; 8813-4944; 8813-4952
Fax No.: 8813-4933

SALCEDO VILLAGE – VALERO
G/F Valero Tower, 122 Valero Street Salcedo Village, Makati City
Tel. Nos: 8892-7768; 8892-7769; 8812-9207; 8893-8188; 8893-8196
Fax No.: 8892-7769

SALES – RAON
611 Sales St., Quiapo, Manila
Tel. Nos: 8734-5806; 8734-7427; 8734-6959
Fax No.: 8734-5806

SAN ANTONIO VILLAGE – KAMAGONG
Kamagong near corner St. Paul Streets, San Antonio Village, Makati City
Tel. Nos: 8777-4950; 8777-4951
Fax No.: 8777-4951

SAN ANTONIO VILLAGE – P. OCAMPO
1405 P. Ocampo Sr. Street cor. Dungon St., San Antonio Village, Makati City
Tel. Nos: 8869-5648; 8869-5649
Fax No.: 8869-5651

SAN JUAN
17 (new) F. Blumentritt St., San Juan, Metro Manila
Tel. Nos: 8724-8263; 8726-4826; 8723-7333; 7744-5616; 7744-5617; 7744-5618
Fax No.: 8723-4998

SAN JUAN – J. ABAD SANTOS
Unit 3 Citiplace Bldg., 8001 Jose Abad Santos Street, Little Baguio, San Juan, Metro Manila
Tel. Nos: 8470-8292; 8656-8329
Fax No.: 8656-8329

SCT. BORROMEO
G/F The Forum Building, 71- A Sct. Borromeo St., Diliman, Quezon City
Tel. Nos: 8426-1431; 8426-1340
Fax No.: 8426-1431

SHAW – GOMEZVILLE
Gomezville Street cor. Shaw Blvd., Mandaluyong City
Tel. Nos: 8363-3522; 8292-8918; 8292-1182
Fax No.: 8363-3522

SHAW – HAIG
G/F First of Shaw Bldg., Shaw Blvd. corner Haig St., Mandaluyong City
Tel. Nos: 8534-1073; 8273-4585; 8273-4633
Fax No.: 8273-4633

SHAW – PASIG
G/F RCC Center, No. 104 Shaw Boulevard, Pasig City
Tel. Nos: 8634-5018; 8634-5019; 8634-3343; 8634-3344; 8634-3340; 7747-7812
Fax No.: 8634-3344

SHAW – SUMMIT ONE
Unit 102 Summit One Office Tower 530 Shaw Boulevard Mandaluyong City
Tel. Nos: 8531-3970; 8531-5736; 8531-4058; 8531-1304; 8533-8723; 8533-4948
Fax No.: 8531-9469

SM AURA PREMIER
L/G SM Aura Premier, McKinley Parkway, Fort Bonifacio Global City, Taguig City
Tel. Nos: 8808-9727; 8808-9701
Fax No.: 8808-9701

SM CITY BICUTAN
LGF, Bldg. B, SM City Bicutan Doña Soledad Ave. cor. West Service Rd., Parañaque City
Tel. Nos: 8821-0600; 8821-0700; 8777-9347
Fax No.: 8821-0500

SM CITY BF PARAÑAQUE
G/F SM City BF Parañaque, Dr. A. Santos Ave. corner President's Avenue, Parañaque City
Tel. Nos: 8553-3067;8825-2990; 8825-3095;8825-3201
Fax No.: 8825-1062

SM CITY GRAND CENTRAL
LGF SM City Grand Central, Rizal Ave. Ext. corner Bustamante Street, Kalookan City
Tel. Nos: 8288-7360; 8288-7380

SM CITY MARIKINA
G/F SM City Marikina, Marcos Highway, Brgy. Calumpang, Marikina City
Tel. Nos: 8477-1845; 8477-1846; 8477-1847; 7799-6105
Fax No.: 8477-1847

SM CITY SAN LAZARO
UGF (Units 164-166) SM City San Lazaro, Felix Huertas Street corner A.H. Lacson Extension, Sta. Cruz, Manila
Tel. Nos: 8742-1572; 8742-2330; 8493-7115
Fax No.: 8732-7935

SM CITY TAYTAY
Unit 147 Bldg. B, SM City Taytay, Manila East Road, Brgy. Dolores, Taytay, Rizal
Tel. Nos: 8286-5844; 8286-5979; 8661-2276; 8661-2277
Fax No.: 8661-2235

SM CITY FAIRVIEW
LGF, SM City Fairview Quirino Avenue corner Regalado Avenue Fairview, Quezon City
Tel. Nos: 3417-2878; 8939-3105
Fax No.: 3418-8228

SM MALL OF ASIA
3/F Main Mall Building, SM Mall of Asia, Bay Blvd., Pasay City
Tel. Nos: 8556-0103; 7625-2246; 8556-0100
Fax No.: 8556-0099

SM MEGAMALL
LGF Building A, SM Megamall, E. delos Santos Avenue corner J. Vargas St., Mandaluyong City
Tel. Nos: 8633-1611; 8633-1612; 8633-1789; 8638-7213; 8638-7214; 8638-72115
Fax Nos.: 8633-4971; 8633-1788

SM CITY MASINAG
SM City Masinag, Marcos Highway, Brgy. Mayamot, Antipolo City
Tel. Nos: 8655-8764; 8655-8771
Fax No.: 8655-9124

SM CITY NORTH EDSA
Cyberzone Carpark Bldg., SM City North Avenue corner EDSA, Quezon City
Tel. Nos: 3456-6633; 3454-8108; 3454-8121; 8925-4273
Fax No.: 8927-2234

SM NORTH TOWERS
SM City North EDSA North Towers, SM City North EDSA Complex, Quezon City
Tel. Nos: 8241-2172; 8251-5122
Fax No.: 8241-2172

EDSA – PHILAM
917 EDSA, Brgy. Philam, Quezon City
Tel. Nos: 8374-2345; 8374-2362; 8287-3106
Fax No.: 8287-3106

SM SOUTHMALL
UGF SM Southmall Alabang-Zapote Road, Talon 1, Almanza Las Piñas City
Tel. Nos: 8806-6116; 8806-6119; 8806-3536; 8806-3547
Fax No.: 8806-3548

SOLEMARE
G-11 Solemare Parksuites, 5A Bradco Avenue, Aseana Business Park, Parañaque City
Tel. Nos: 8366-3237; 8366-3219; 8366-3199
Fax No.: 8366-3199

SOLER – 168
G/F R & S Bldg, Soler St., Manila
Tel. Nos: 8242-1041; 8242-1674; 8242-1685
Fax No.: 8242-1041

SOLER – ARRANQUE
#715 T. Alonzo St. near corner CM Recto Avenue, Sta. Cruz, Manila
Tel. Nos: 8983-9496; 8983-9497
Fax No.: 8983-9497

SOUTH TRIANGLE
G/F Sunshine Blvd. Plaza, Quezon Ave. cor. Sct. Santiago and Panay Ave., Bgry. South Triangle, Quezon City
Tel. Nos: 8277-7947; 8277-7948
Fax No.: 8277-7948

STA. MESA
1-B G. Araneta Avenue, Brgy. Doña Imelda, Quezon City
Tel. Nos: 8516-0764; 8516-0765; 8516-0766
Fax No.: 8516-0764

STO. CRISTO
622-39 Sto. Cristo St. Binondo, Manila
Tel. Nos: 8242-4673; 8242-5361; 8241-1243; 8242-5449; 8242-3670; 8242-4668
Fax No.: 8242-4672; 8242-4761

STO. CRISTO – C.M. RECTO
858 Sto. Cristo Street, Manila
Tel. Nos: 8562-9651; 8562-9652; 8254-7227
Fax No.: 8562-9652

STO. DOMINGO AVE.
Sto. Domingo Ave., Quezon City
Tel. Nos: 8251-6005; 8251-5852
Fax No.: 8251-5852

T. ALONZO
Abeleda Business Center 908 T. Alonzo corner Espeleta Streets, Sta. Cruz, Manila
Tel. Nos: 8733-9581; 8733-9582; 8734-3231; 8734-3232; 8734-3233
Fax No.: 8733-9582

TAFT AVE. – NAKPIL
G Square Taft Ave. corner Nakpil St.,
Malate, Manila
Tel. Nos: 8681-2830; 8631-9745
Fax No.: 8681-2830

TAFT AVE. – QUIRINO
2178 Taft Avenue near corner Quirino
Avenue, Malate, Manila
Tel. Nos: 8521-7825; 8527-3285;
8527-6747
Fax No.: 8527-3285

TANDANG SORA – VISAYAS AVE.
#250 Tandang Sora Ave., Quezon City
Tel. Nos: 8426-3818; 8426-3541
Fax No.: 8426-3541

TAYTAY – SAN JUAN
Velasquez St., Sitio Bangiad,
Brgy. San Juan, Taytay, Rizal
Tel. Nos: (028) 8811-0309;
(028) 8811-0312

TAYTAY – ORTIGAS EXENSION
Ortigas Ave. Ext., Taytay, Rizal
Tel. No: 8727-1667
Fax No.: 8727-5873

TIMOG AVE.
G/F Prince Jun Condominium,
42 Timog Ave., Q.C.
Tel. Nos: 8371-4523; 8371-4524;
8371-4522; 8371-4506
Fax No.: 8371-4503

THE MEDICAL CITY
2/F Medical Arts Building,
The Medical City, Ortigas Ave.,
Pasig City
Tel. Nos: 8372-7701; 8372-7716
Fax No.: 8372-7701

TRINOMA
Unit P002, Level P1, Triangle North of
Manila, North Avenue corner EDSA,
Quezon City
Tel. Nos: 7901-5570; 7901-5571;
7901-5572; 7901-5573
Fax No.: 7901-5573

TOMAS MAPUA – LAGUNA
CBC Building, Tomas Mapua St.
Sta. Cruz, Manila
Tel. Nos: 8289-7923
Fax No.: 8711-9849

TOMAS MORATO – E. RODRIGUEZ
1427 Tomas Morato Ave., Quezon City
Tel. Nos: 8470-3037; 8477-1472
Fax No.: 8470-3037

TOMAS MORATO EXTENSION
QY Bldg. Tomas Morato Ave.,
Quezon City
Tel. Nos: 8373-4960; 8373-4961
Fax No.: 8373-4961

999 MALL
Unit 3D-5; 3D-7 999 Shopping Mall Bldg.
2 Recto-Soler Sts.
Binondo, Manila
Tel. Nos: 8523-1216; 8523-1217;
8523-1218; 8523-1219
Fax No.: 8523-1215

TUTUBAN PRIME BLOCK
Rivera Shophouse, Podium Area,
Tutuban Center Prime Block,
C.M. Recto Ave. corner Rivera Street,
Manila
Tel. Nos: 8255-1414; 8255-1415;
8255-5441
Fax No.: 8255-5441

UP TECHNO HUB
UP AyalaLand Techno Hub,
Commonwealth Ave., Quezon City
Tel. Nos: 8441-1331; 8441-1332;
8441-1334; 7738-4800
Fax No.: 8441-1332

UP VILLAGE – MAGINHAWA
LTR Bldg, No. 46 Maginhawa St.,
UP Village, Quezon City
Tel. Nos: 8373-3349; 8373-3354
Fax No.: 8373-3349

V. LUNA
G/F AGGCT Bldg. No. 32 V. Luna
cor. Matapat Sts., Brgy. Pinyahan,
Quezon City
Tel. Nos: 8772-8992; 8772-8564;
8785-6431
Fax No.: 8772-8564

VALENZUELA
CBC-Bldg., Mc Arthur Highway cor. V.
Cordero St., Marulas, Valenzuela City
Tel. Nos: 8293-8920; 8293-6160
8293-5088; 8293-5089;
8293-5090; 3445-0657
Fax No.: 8293-5091

VALENZUELA – GEN. LUIS
AGT Building, 425 Gen. Luis Street
Paso de Blas, Valenzuela City
Tel. Nos: 3443-6160; 3443-6161;
8983-3861; 8983-3862
Fax No.: 3443-6161

VALENZUELA – MALINTA
MacArthur Highway, Brgy. Malinta,
Valenzuela City
Tel. Nos: 8282-2160; 8282-2013
Fax No.: 8282-2013

VISAYAS AVE.
CBC-Building, Visayas Avenue corner
Congressional Ave. Ext., Quezon City
Tel. Nos: 3454-0189; 3455-4334;
3455-4335; 8925-2173
Fax No.: 8925-2155

WEST AVE.
82 West Avenue, Quezon City
Tel. Nos: 8924-3131; 8924-3143;
8924-6363; 8920-6258;
8928-3270; 3411-6010;
3411-6011
Fax No.: 8924-6364

XAVIERVILLE
65 Xavierville Ave., Loyola Heights,
Quezon City
Tel. Nos: 3433-8696; 8929-1265;
8927-9826
Fax No.: 8929-3343

ZOBEL ROXAS
1247 Zobel Roxas Ave. corner
Taal Street, Malate, Manila
Tel. Nos: 8254-4644; 8252-0831
Fax No.: 8254-4644

LUZON

ALBAY
Rizal St. cor. Gov. Reynold Street,
Old Albay District, Legazpi City
Area Code: 052
Tel. Nos: 742-0893; 742-0894
Fax No.: 742-0894

ANGELES CITY
CBC-Building, 949 Henson St.,
Angeles City
Area Code: 045
Tel. Nos: 887-1549; 887-1550;
888-6773; 625-8660;
625-8661
Fax No.: 887-1550; 625-8661

ANGELES CITY – BALIBAGO
Diamond Square, Service Road McArthur
Highway cor. Charlotte St. Balibago,
Angeles City, Pampanga
Area Code: (045)
Tel. Nos: 892-5136; 892-5144
Fax No.: 892-5136

ANGELES CITY – MARQUEE MALL
G/F Marquee Mall, Angeles City,
Pampanga
Area Code: (045)
Tel. Nos: 304-1173; 305-1167

ANGELES – MCARTHUR HIGHWAY
CBC Bldg. San Pablo St. corner
Mc Arthur Highway, Angeles City
Area Code: (045)
Tel. Nos: 323-5793; 887-6028;
625-9362
Fax No.: 887-6029

ANGELES – STO. ROSARIO
Angeles Business Center Bldg.,
Teresa Avenue, Nepo Mart Complex,
Angeles City, Pampanga
Area Code: (045)
Tel. Nos: 888-5175; 322-9596
Fax No.: 888-5175

APALIT
CBC Building, McArthur Highway,
San Vicente, Apalit, Pampanga
Area Code: (045)
Tel. Nos: 652-1131
Fax No.: 302-9560

BAGUIO CITY
G/F Juniper Bldg., A. Bonifacio Rd.,
Baguio City
Area Code: (074)
Tel. Nos: 442-9581; 443-8659;
442-9663
Fax No.: 442- 9581

BAGUIO CITY – KISAD
G/F Paladin Hotel, No. 136 Kisad Road
corner Cariño Street, Baguio City
Area Code: (074)
Tel. Nos: 424-4837; 424-4838
Fax No.: 424-4838

BALANGA CITY
Servicio Filipino Bldg., Paterno St.,
Poblacion, Balanga City, Bataan
Area Code: (047)
Tel. Nos: 237-9388; 237-9389;
791-1779
Fax No.: 791-1779

BALER
Provincial Road, Brgy. Suklayin,
Baler, Aurora
Area Code: (042)
Tel. Nos: 724-0026;
8703-3331 (Manila Line)
Fax No.: 724-0026

BALIWAG
Km. 51, Doña Remedios Trinidad (DRT)
Highway, Baliwag, Bulacan
Area Code: (044)
Tel. Nos: 766-1066; 766-5257;
673-5338
Fax No.: 766-5257

BATAAN – DINALUPIHAN
GNI Building, San Ramon Highway
corner Doña Rosa Street and Mabini Ext.,
Dinalupihan, Bataan
Area Code: (047)
Tel. Nos: 636-1451; 636-1452
Fax No.: 636-1451

BATANGAS CITY
P. Burgos Street, Batangas City
Area Code: (043)
Tel. Nos: 723-0953;
8520-6118 (Manila Line)
Fax No.: 402-9157;
8520-6118 (Manila Line)

BATANGAS – BALAYAN
CBC Building, Barrio Ermita,
Balayan, Batangas
Area Code: (043)
Tel. Nos: 741-5028; 741-5180
Fax No.: 741-5028

BATANGAS – BAUAN
62 Kapitan Ponso St., Bauan, Batangas
Area Code: (043)
Tel. Nos: 702-4481; 702-5383
Fax No.: 702-44 81

BATANGAS – LEMERY
Miranda Building, Ilustre Avenue, Lemery,
Batangas
Area Code: (043)
Tel. Nos: 409-3467; 984-0206
Fax No.: 409-3467

BATANGAS CITY – KUMINTANG ILAYA
CBC Building, Brgy. Kumintang Ilaya,
Batangas City, Batangas
Area Code: (043)
Tel. Nos: 702-6823; 702-6826
Fax No.: 702-6823

BATANGAS – ROSARIO
Dr. Gualberto Ave., Brgy. Namunga,
Rosario, Batangas
Area Code: (043)
Tel. Nos: 312-3748; 312-3776
Fax No.: 312-3748

BATANGAS – SAN JUAN
Rizal St. near corner Gen. Luna St.,
Poblacion, San Juan, Batangas
Area Code: (043)
Tel. Nos: 740-0280; 740-0282
Fax No.: 740-0280

BATANGAS – TANAUAN
J.P. Laurel Highway, Tanauan City,
Batangas
Area Code: (043)
Tel. Nos: 702-8956; 702-8957
Fax No.: 702-8956

BULACAN – BALAGTAS
Mac Arthur Highway, Brgy. San Juan,
Balagtas, Bulacan
Area Code: (044)
Tel. Nos: 769-4376; 769-0359
Fax No.: 769-4376

BULACAN – GUIGUINTO
CBC Building, Cagayan Valley Road,
Brgy. Sta. Rita, Guiguinto, Bulacan
Area Code: (044)
Tel. Nos: 764-0879; 764-0886
Fax No.: 764-0879

BULACAN – PLARIDEL
CBC Building, Cagayan Valley Road,
Plaridel, Bulacan
Area Code: (044)
Tel. Nos: 931-2332; 325-0069
Fax No.: 931-2293

BULACAN – STA. MARIA
J.P Rizal corner C. de Guzman St.,
Poblacion, Sta. Maria
Area Code: (044)
Tel. Nos: 288-2006; 815-2951;
913-0334
Fax No.: 288-2006

CABANATUAN CITY
Paco Roman St., Brgy. Dimasalang,
Cabanatuan City
Area Code: (044)
Tel. Nos: 600-4265; 463-0935;
463-0936
Fax No.: 463-0936

CABANATUAN – MAHARLIKA
CBC-Building, Maharlika Highway
Cabanatuan City
Area Code: (044)
Tel. Nos: 463-8586; 463-8587; 463-7964; 600-3590; 940-2395
Fax No.: 463-8587

CALAPAN CITY
J.P. Rizal St., San Vicente, Calapan City, Oriental Mindoro
Area Code: (043)
Tel. Nos: 288-8978; 288-8508; 441-0382
Fax No.: 441-0382

CAMALANIUGAN
CBC Building, National Highway, Camalaniugan, Cagayan
Area Code: (078)
Tel. Nos: 377-2836; 377-2837
Fax No.: 377-2837

CANDON CITY
CBC Building, National Road, Poblacion, Candon City, Ilocos Sur
Area Code: (077)
Tel. Nos: 674-0574; 674-0554
Fax No.: 674-0574

CARMONA
CBC Building, Paseo de Carmona
Brgy. Maduya, Carmona, Cavite
Area Code: (046)
Tel. Nos: 430-1969; 430-1277; 430-3568; 8475-3941 (Manila line)
Fax No.: 430-1277

CAUAYAN CITY
G/F Prince Christopher Bldg., Maharlika Highway, Cauayan City, Dist. 2, Isabela
Area Code: (078)
Tel. Nos: 652-1849; 652-0061
Fax No.: 652-1849

CAVITE – DASMARIÑAS
G/F CBC Bldg., Gen. E. Aguinaldo Highway, Dasmariñas, Cavite
Area Code: (046)
Tel. Nos: 416-5036; 416-5039; 416-5040; 8584-40-83 (Manila line)
Fax No.: 416-5036

CAVITE – GEN. TRIAS
Lot 12 Brookeside Lane 5 Arnaldo Highway, Brgy. San Francisco, Gen. Trias City, Cavite
Area Code: (046)
Tel. Nos: 482-8993; 482-8995
Fax No.: 482-8995

CAVITE – IMUS
G/F CBC Bldg., Nueno Avenue
Tanzang Luma, Imus, Cavite
Area Code: (046)
Tel. Nos: 970-8726; 970-8764; 471-2637; 471-7094
Fax No.: 471-2637

CAVITE – MOLINO
Patio Jacinto Bldg., Molino National Road, Molino 3, Bacoor, Cavite
Area Code: (046)
Tel. Nos: 431-0632; 484-6295
Fax No.: 431-0901

CAVITE – ROSARIO
G/F CBC Building, Gen Trias Drive, Rosario, Cavite
Area Code: (046)
Tel. Nos: 437-0057; 437-0058; 437-0059
Fax No.: 437-0058

CAVITE – SILANG
CBC Building, J.P Rizal St.
Poblacion, Silang, Cavite
Area Code: (046)
Tel. Nos: 413-5095; 413-4826; 413-5500; 413-5417
Fax No.: 413-5095

CLARK FREEPORT ZONE
Stotsenberg Lifestyle Center, Quirino Sr. cor. N. Aquino Streets, Clark Freeport Zone, Angeles City, Pampanga
Area Code: (045)
Tel. Nos: 499-8060; 499-8062; 499-8063
Fax No.: 499-8063

DAET
Vinzons Avenue, 440-0066, Camarines Norte
Area Code: (054)
Tel. Nos: 440-0066; 440-0067
Fax No.: 440-0066

DAGUPAN – PEREZ
Siapno Building, Perez Boulevard, Dagupan City
Area Code: (075)
Tel. Nos: 522-2562; 522-2563; 522-2564;
Fax No.: 522-8308

DAGUPAN – M.H. DEL PILAR
Carried Realty Bldg., No. 28 M.H. del Pilar Street, Dagupan City
Area Code: (075)
Tel. Nos: 523-5606; 522-8929 632-0430; 632-0583
Fax No.: 523-5606

DOLORES
CBC Bldg., McArthur Highway, Dolores, City of San Fernando, Pampanga
Area Code: (045)
Tel. Nos: 963-3413; 963-3414; 963-3415
Fax No.: 963-1014

ILOCOS NORTE – SAN NICOLAS
National Highway, Brgy. 2 San Baltazar, San Nicolas, Ilocos Norte
Area Code: (077)
Tel. Nos: 600-0994; 600-0995
Fax No.: 600-0995

IRIGA CITY
Highway 1, JP Rizal St., San Roque, Iriga City, Camarines Sur
Area Code: (054)
Tel. Nos: 299-7000; 456-1498
Fax No.: 456-1498

ISABELA – ILAGAN
JHU Golden Grains Center Bldg., Maharlika Highway, Brgy. Baligatan, Ilagan, Isabela
Area Code: (078)
Tel. No: 642-0742
Fax No.: 323-0179

ISABELA – ROXAS
National Road, Brgy. Bantug, Roxas, Isabela
Area Code: (078)
Tel. Nos: 376-0422; 376-0434
Fax No.: 642-0022

GAPAN
G/F Waltermart Center - Gapan, Maharlika Highway, Brgy. Bayanihan, Gapan, Nueva Ecija
Area Code: (044)
Tel. Nos: 486-0217; 486-0434; 486-0695
Fax No.: 486-0434

GUAGUA
Yabut Building, Plaza Burgos, Guagua, Pampanga
Area Code: (045)
Tel. Nos: 458-1043; 458-1045; 458-1046
Fax No.: 458-1043

LA TRINIDAD
G/F SJV Bulasao Building, Km. 4, La Trinidad, Benguet
Area Code: (074)
Tel. Nos: 422-2065; 422-2590
Fax No.: 422-2065

LA UNION – AGOO
CBC Building, National Highway, San Nicolas Sur, Agoo, La Union
Area Code: (072)
Tel. Nos: 682-0350; 682-0391
Fax No.: 682-0391

LA UNION – SAN FERNANDO
Roger Pua Phee Building, National Highway, Brgy. 3, San Fernando, La Union
Area Code: (072)
Tel. Nos: 607-8931; 607-8932; 607-8933; 607-8934
Fax No.: 607-8934

LAGUNA – BIÑAN
G/F Raja Cordelle Bldg.
National Highway, Brgy. San Vicente, Biñan, Laguna
Area Code: (049)
Tel. Nos: 511-3196; 8245-0440 (Manila Line)
Fax No.: 511-3196

LAGUNA – CABUYAO
G/F Centro Mall, Cabuyao City, Laguna
Area Code: (049)
Tel. Nos: 544-2287; 544-2289
Fax No.: 544-2287

LAGUNA – CALAMBA
CBC-Building, National Highway, Crossing, Calamba, Laguna
Area Code: (049)
Tel. Nos: 545-7134; 545-7135; 545-7136; 545-7137; 545-7138
Fax No.: 545-7138

LAGUNA – LOS BAÑOS
National Road, San Antonio, Los Baños, Laguna
Area Code: (049)
Tel. Nos: 557-3223; 557-3224
Fax No.: 557-3223

LAGUNA – SAN PEDRO
No. 365 Brgy. Nueva, National Highway, San Pedro City, Laguna
Tel. Nos: 8816-3864; 8816-4862
Fax No.: 8816-4862

LAGUNA- STA. CRUZ
CBC Building, P. Guevarra Avenue, Poblacion, Sta. Cruz, Laguna
Area Code: (049)
Tel. Nos: 501-4977; 501-4107; 501-4085
Fax No.: 501-4107

LAOAG CITY
Liberato Abadilla Street, Brgy 17, San Francisco, Laoag City
Area Code: (077)
Tel. Nos: 772-1024; 772-1027; 771-4688; 771-4417
Fax No.: 772-1035

LEGAZPI CITY
G/F Emma Chan Bldg., F. Imperial St., Legazpi City
Area Code: (052)
Tel. Nos: 480-6048; 480-6519; 214-3077
Fax No.: 8429-1813 (Manila line)

LIPA CITY – TAMBO
Tambo, Lipa City, Batangas
Area Code: (043)
Tel. Nos: 757-6331; 757-6332
Fax No.: 757-6331

LUCENA CITY
233 Quezon Avenue, Lucena City
Area Code: (042)
Tel. Nos: 373-2317; 373-3872; 373-3880; 373-3887; 660-7861
Fax No.: 373-3879

MABALACAT – DAU
One North Mall, #1 McArthur Highway, Dau, Mabalacat City, Pampanga
Area Code: (045)
Tel. Nos: 892-4969; 892-6040
Fax No.: 892-6040

MALOLOS CITY
G/F Graceland Mall, BSU Grounds, McArthur Highway, Guinhawa, Malolos City, Bulacan
Area Code: (044)
Tel. Nos: 794-5840; 662-2013
Fax No.: 794-5840

MARILAO
G/F, SM City Marilao
Km. 21, Brgy. Ibayo, Marilao, Bulacan
Area Code: (044)
Tel. Nos: 815-8956; 761-3802
Fax No.: 815-8956

MARIVELES – FAB
Tamayo's Building, Avenue of the Philippines Brgy. Malaya, Freeport Area of Bataan (FAB), Mariveles, Bataan
Area Code: (047)
Tel. Nos: 633-9569; 633-9699
Fax No.: 633-9569

MASBATE
Espinosa Bldg., Zurbito St., Masbate City, Masbate
Area Code: (056)
Tel. Nos: 333-2363; 333-2365
Fax No.: 333-2365

MEYCAUAYAN
CBC Building, Malhacan Road, Meycauayan, Bulacan
Area Code: (044)
Tel. Nos: 815-6889; 815-6961; 815-6958
Fax No.: 815-6961

NAGA CITY
Centro- Peñafrancia Street, Naga City
Area Code: (054)
Tel. Nos: 472-1358; 473-7920; 873-0468
Fax No.: 472-1358

NUEVA ECIJA – STA. ROSA
CBC Building, Maharlika Highway, Poblacion, Sta. Rosa, Nueva Ecija
Area Code: (044)
Tel. Nos: 333-6215; 940-1407
Fax No.: 333-6215

OCC. MINDORO – SAN JOSE
Liboro corner Rizal Street, San Jose, Occidental Mindoro
Area Code: (043)
Tel. Nos: 491-0095; 491-0096
Fax No.: 491-0095

OLONGAPO – DOWNTOWN
No. 2 corner 20th St., East Bajac-Bajac, Olongapo City
Area Code: (047)
Tel. No: 610-9826
Fax No.: 610-9826

PANGASINAN – ALAMINOS CITY
Marcos Avenue, Brgy. Palamis,
Alaminos City, Pangasinan
Area Code: (075)
Tel. Nos: 551-3859; 654-0286
Fax No.: 654-0296

PANGASINAN – BAYAMBANG
CBC Building, No. 91, Poblacion Sur,
Bayambang, Pangasinan
Area Code: (075)
Tel. Nos: 632-5776; 632-5775
Fax No.: 632-5776

PANGASINAN – ROSALES
CBC Building, Calle Dewey,
Rosales, Pangasinan
Area Code: (075)
Tel. Nos: 633-3852; 633-3853
Fax No.: 633-3852

PANGASINAN – URDANETA
EF Square Bldg., Mc Arthur Highway,
Poblacion Urdaneta City, Pangasinan
Area Code: (075)
Tel. Nos: 632-2637; 632-0541;
656-2022; 656-2618
Fax No.: 656-2618

PASEO DE STA. ROSA
Unit 3, Paseo 5, Paseo de Sta. Rosa,
Sta. Rosa City, Laguna
Area Code: (049)
Tel. Nos: 837-1831; 502-3016;
502-2859; 827-8178;
8420-8042 (Manila line)
Fax No.: 8420-8042 (Manila line)

QUEZON – CANDELARIA
Pan Philippine Highway cor. Del Valle
Street, Poblacion, Candelaria, Quezon
Area Code: (042)
Tel. Nos: 797-4298; 797-4299
Fax No.: 797-4298

SAN FERNANDO
CBC Bldg., V. Tiomico Street
City of San Fernando, Pampanga
Area Code: (045)
Tel. Nos: 961-3542; 961-3549;
963-5458; 963-5459;
963-5460; 961-5651;
860-1925; 892-3211
Fax No.: 961-8352

SAN FERNANDO – SINDALAN
Jumbo Jenra Sindalan, Brgy. Sindalan, San
Fernando City, Pampanga
Area Code: (045)
Tel. Nos: 455-5561; 455-0569
Fax No.: 455-0569

SAN JOSE CITY
Maharlika Highway, Brgy. Malasin,
San Jose City
Area Code: (044)
Tel. Nos: 958-9094; 958-9096
Fax No.: 958-9094

SAN PABLO CITY
M. Paulino Street, San Pablo City
Area Code: (049)
Tel. Nos: 562-5481; 562-5482;
562-5483; 562-5484
Fax No.: 562-5485

SANTIAGO CITY
Navarro Bldg., Maharlika Highway near
corner Bayaua St., Santiago City, Isabela
Area Code: (078)
Tel. Nos: 682-7024; 682-7025;
682-7026
Fax No.: 682-7026

SM CITY BACOOR
LGF SM City Bacoor
Tirona Highway corner Aguinaldo
Highway, Bacoor, Cavite
Area Code: (046)
Tel. Nos: 417-0572; 417-0746;
417-0623; 417-0645;
Fax No.: 417-0583

SM CITY CABANATUAN
UGF SM City Cabanatuan,
Maharlika Highway
Brgy. H. Concepcion
Cabanatuan City, Nueva Ecija
Area Code: (044)
Tel. Nos: 958-1916; 486-5501
Fax No.: 958-1916

SM CITY CLARK
G/F (Units 172-173) SM City Clark,
M. Roxas St., CSEZ, Angeles City,
Pampanga
Area Code: (045)
Tel. Nos: 499-0252; 499-0253;
499-0254
Fax No.: 499-0254

SM CITY DASMARIÑAS
LGF SM City Dasmariñas, Governor's
Drive, Pala-pala, Dasmariñas, Cavite
Area Code: (046)
Tel. Nos: 424-1134
Fax No.: 424-1133

SM CITY TANZA
G/F (Unit 1061-1062) SM City Tanza, Brgy.
Daang Amaya, Tanza, Cavite
Area Code: (046)
Tel. Nos: 8885-5124 (temporary)

SM CITY LIPA
G/F (Units 1111-1113) SM City Lipa,
J.P. Laurel Highway, Brgy. Maraouy,
Lipa City, Batangas
Area Code: (043)
Tel. Nos: 784-0212; 784-0213
Fax No.: 784-0212

SM CITY NAGA
SM City Naga, CBD II,
Brgy. Triangulo, Naga City
Area Code: (054)
Tel. Nos: 472-1366; 472-1367
Fax No.:

SM CITY OLONGAPO CENTRAL
formerly SM City Olongapo Branch
G/F SM City Olongapo Central, East
Tapinac, Olongapo City, Zambales
Area Code: (047)
Tel. Nos: 602-0039; 602-0040
Fax No.: 602-0038

SM CITY PAMPANGA
Unit AX3 102, Building 4, SM City
Pampanga, Mexico, Pampanga
Area Code: (045)
Tel. Nos: 455-0304; 455-0306;
455-0307
Fax No.: 455-0307

SM CITY SAN JOSE DEL MONTE
UGF SM City San Jose Del Monte,
San Jose Del Monte City, Bulacan
Area Code: (044)
Tel. Nos: 913-1562;
8985-3067(Manila Line)
Fax No.: 913-1562

SM CITY SAN PABLO
G/F SM City San Pablo National Highway,
Brgy. San Rafael,
San Pablo City, Laguna
Area Code: (049)
Tel. Nos: 521-0071; 521-0072
Fax No.: 521-0072

SM CITY STA. ROSA
Unit EXP 1154-1156 G/F SM City Sta.
Rosa, Bo. Tagapo, Sta. Rosa, Laguna
Area Code: (049)
Tel. Nos: 534-4640; 534-4813
Fax No.: 7901-1632 (Manila Line)

SM CITY TELABASTAGAN
SM City Telabastagan,
San Fernando City, Pampanga
Area Code: (045)
Tel. No: 403-9482
Fax No.: 403-9482

SOLANO
National Highway Brgy. Quirino,
Solano, Nueva Vizcaya
Area Code: (078)
Tel. No: 326-6561
Fax No.: 326-6561

SORSOGON
CBC Bldg., Ramon Magsaysay Ave.,
Sorsogon City, Sorsogon
Area Code: (056)
Tel. Nos: 211-1610; 421-5105
Fax No.: 421-5105

SUBIC BAY FREEPORT ZONE
CBC Building., Subic Bay Gateway Park,
Rizal Highway, Subic Bay Freeport Zone
Area Code: (047)
Tel. Nos: 252-1568; 252-1575;
252-1591
Fax No.: 252-1575

TABACO CITY
Ziga Ave. corner Berces Street,
Tabaco City, Albay
Area Code: (052)
Tel. Nos: 487-7150; 830-4178
Fax No.: 429-1811

TAGAYTAY CITY
Foggy Heights Subdivision,
E. Aguinaldo Highway,
Tagaytay City, Cavite
Area Code: (046)
Tel. Nos: 483-0609; 483-0608
Fax No.: 483-0609

TALAVERA
CBC Building, Maharlika Highway,
Marcos District, Talavera,
Nueva Ecija
Area Code: (044)
Tel. Nos: 940-2620; 940-2621
Fax No.: 940-2620

TARLAC
CBC Building, Panganiban near corner
F. Tanedo Street, Tarlac City, Tarlac
Area Code: (045)
Tel. Nos: 982-7771; 982-7772;
982-7773; 982-7774;
982-7775
Fax No.: 982-7772

TARLAC – BAMBAN
National Road, Bgry. Anupul,
Bamban, Tarlac
Area Code: (045)
Tel. No: 925-0402
Fax No.: 925-0402

TARLAC – CAMILING
Savewise Super Market,
Poblacion, Camiling, Tarlac
Area Code: (045)
Tel. Nos: 491-6445; 934-5085;
934-5086
Fax No.: 934-5085

TARLAC – CONCEPCION
G/F Descanzo Bldg., F. Timbol St.
San Nicolas Poblacion, Concepcion, Tarlac
Area Code: (045)
Tel. No: 491-2987
Fax No.: 491-3113

TARLAC – PANIQUI
Cedasco Building, M. H del Pilar St.,
Poblacion, Paniqui, Tarlac
Area Code: (045)
Tel. Nos: 491-8465; 491-8464
Fax No.: 491-8465

TARLAC – SAN RAFAEL
CBC Building, Brgy. San Rafael,
Tarlac City, Tarlac
Area Code: (045)
Tel. Nos: 456-0150; 456-0121;
Fax No.: 456-0121

THE DISTRICT IMUS
G/F The District Imus Ayala Mall,
Anabu II-D, Imus City, Cavite
Area Code: (046)
Tel. Nos: 416-1417; 416-4294;
416-4212
Fax No.: 416-4212

TRECE MARTIRES
G/F Waltermart, Governor's Drive corner
City Hall Road, Brgy. San Agustin,
Trece Martires City, Cavite
Area Code: (046)
Tel. Nos: 460-4897; 460-4898;
460-4899
Fax No.: 460-4898

TUGUEGARAO CITY
A. Bonifacio Street, Tuguegarao,
Cagayan
Area Code: (078)
Tel. Nos: 844-0175; 844-0831;
846-1709
Fax No.: 844-0836

TUGUEGARAO – BALZAIN
Balzain Highway, Tuguegarao City,
Cagayan
Area Code: (078)
Tel. Nos: 396-2207; 396-2208
Fax No.: 396-2207

VIGAN CITY
Burgos Street near corner Rizal Street,
Vigan City, Ilocos Sur
Area Code: (077)
Tel. Nos: 722-6968, 674-2272
Fax No.: 722-6948

VIRAC
G/F MQS Bldg., Quezon Avenue,
Brgy. Salvacion, Virac, Catanduanes
Area Code: (052)
Tel. No: 811-4321
Fax No.: 811-4321

ZAMBALES – BOTOLAN
National Highway, Brgy. Batonlapoc
Botolan, Zambales
Area Code: (047)
Tel. Nos: 811-1322; 811-1372
Fax No.: 811-1322

VISAYAS

ANTIQUE – SAN JOSE
Felrosa Building, Gen. Fullon St. corner
Cerdena St., San Jose, Antique
Area Code: (036)
Tel. Nos: 540-7095; 540-7097
Fax No.: 540-7096

BACOLOD – ARANETA
CBC-Building, Araneta corner
San Sebastian Streets, Bacolod City
Area Code: (034)
Tel. Nos: 435-0648; 433-3818;
709-1618; 704-2480;
445-5814
Fax No.: 704-1400

BACOLOD – LACSON
Soliman Bldg., Lacson corner Luzurriaga
Sts. Bacolod City, Negros Occidental
Area Code: (034)
Tel. No: 474-2451
Fax No.: 474-2451

BACOLOD – LIBERTAD
Libertad Street, Bacolod City, Negros Occidental
Area Code: (034)
Tel. Nos: 435-1645; 435-1646; 703-9605
Fax No.: 435-1646

BACOLOD – MANDALAGAN
COFA Bldg., Lacson Street, Mandalagan, Bacolod City, Negros Occidental
Area Code: (034)
Tel. Nos: 441-0500; 441-0388; 709-0067
Fax No.: 709-0067

BACOLOD – NORTH DRIVE
Anesa Bldg., B.S. Aquino Drive, Bacolod City
Area Code: (034)
Tel. Nos: 435-0063 to 65; 709-1658
Fax No.: 435-0064

BAYBAY
Magsaysay Avenue, Baybay, Leyte
Area Code: (053)
Tel. Nos: 335-2899; 335-2898; 563-9228
Fax No.: 563-9228

BORONGAN
Balud II, Poblacion, Borongan, Eastern Samar
Area Code: (055)
Tel. Nos: 560-9948; 560-9938; 261-5888
Fax No.: 560 9938

CALBAYOG CITY
Cajurao cor. Gomez Sts., Balud, Calbayog Dist., Calbayog City, Samar
Area Code: (055)
Tel. Nos: 209-1358; 533-8842
Fax No.: 533-8842

CATARMAN
Cor. Rizal & Quirino Sts., Jose P. Rizal St, Catarman, Northern, Samar
Area Code: (055)
Tel. Nos: 251-8802; 251-8821; 500-9921
Fax No.: 500-9921

CATBALOGAN
CBC Bldg. Del Rosario St. cor. Taft Avenue, Catbalogan City, Samar
Area Code: (055)
Tel. No: 543-8121
Fax No.: 543-8121

CEBU – AYALA
Unit 101 G/F Insular Life Cebu Business Center, Mindanao Ave. cor. Biliran Road, Cebu Business Park, Cebu City
Area Code: (032)
Tel. Nos: 262-1839; 260-6524
Fax No.: 260-6524

CEBU – BANAWA
G/F The J Block, Duterte St., Banawa, Guadalupe, Cebu City, Cebu
Area Code: (032)
Tel. Nos: 340-9561; 416-3827
Fax No.: 416-3827

CEBU – BANILAD
CBC Bldg., AS Fortuna St., Banilad, Cebu City
Area Code: (032)
Tel. Nos: 346-5870; 346-5881; 416-1001
Fax No.: 344-0087

CEBU- BASAK – SAN NICOLAS
G/F Bai Center, N. Bacalso Ave. Basak San Nicolas, Cebu City, Cebu
Area Code: (032)
Tel. Nos: 340-8113; 414-4742
Fax No.: 414-4742

CEBU – BOGO
Sim Building, P. Rodriguez Street, Bogo City, Cebu
Area Code: (032)
Tel. Nos: 434-7119; 266-3251
Fax No.: 434-7119

CEBU BUSINESS CENTER
CBC Bldg., Samar Loop corner Panay Road, Cebu Business Park, Cebu City
Area Code: (032)
Tel. Nos: 239-3760; 239-3761; 239-3762; 239-3763; 239-3764
Fax No.: 238-1438

CEBU – CARCAR
Dr. Jose Rizal St., Poblacion I, Carcar, Cebu
Area Code: (032)
Tel. Nos: 487-8103; 487-8209; 266-7093
Fax No.: 487-8103

CEBU – CONSOLACION
G/F SM City Consolacion, Brgy. Lamac, Consolacion, Cebu
Area Code: (032)
Tel. Nos: 260-0024; 260-0025
Fax No.: 423-9253

CEBU – ESCARIO
Units 3 & 5 Escario Central, Escario Road, Cebu City
Area Code: (032)
Tel. Nos: 416-5860; 520-9229
Fax No.: 520-9229

CEBU – F. RAMOS
F. Ramos Street, Cebu City
Area Code: (032)
Tel. Nos: 253-9463; 254-4867; 412-5858
Fax No.: 253-9461

CEBU – GORORDO
No 424. Gorordo Ave., Bo. Camputhaw, Lahug District, Cebu City, Cebu
Area Code: (032)
Tel. Nos: 414-0509; 239-8654
Fax No.: 239-8654

CEBU – GUADALUPE
CBC Building, M. Velez Street, cor. V. Rama Ave., Guadalupe, Cebu City
Area Code: (032)
Tel. Nos: 254-7964; 254-8495; 254-1916
Fax No.: 416-5988

CEBU – IT PARK BRANCH
G/F The Link, Cebu IT Park, Apas, Cebu City, Cebu
Area Code: (032)
Tel. Nos: 266-2559; 262-0982
Fax No.: 266-2559

CEBU – LAHUG
JY Square Mall, No. 1 Salinas Dr., Lahug, Cebu City
Area Code: (032)
Tel. Nos: 417-2122; 233-0977; 234-2062; 238-9243; 887-0140
Fax No.: 234-2062

CEBU – LAPU LAPU PUSOK
G/F Goldberry Suites, President Quezon National Highway, Pusok, Lapu-Lapu City
Area Code: (032)
Tel. Nos: 340-2098; 494-0631; 340-2099
Fax No.: 340-2098

CEBU – LAPU LAPU CENTRO
G.Y dela Serna St., Opon, Poblacion, Lapu Lapu City, Cebu
Area Code: (032)
Tel. Nos: 231-3247; 493-5078
Fax No.: 231-3247

CEBU – MAGALLANES BRANCH (MAIN)
CBC Bldg., Magallanes corner Jakosalem Sts., Cebu City
Area Code: (032)
Tel. Nos: 255-0022; 255-0023; 255-0025; 255-0028; 253-0348;255-6093; 255-0266; 412-1877
Fax No.: 255-0026

CEBU – MANDAUE
SV Cabahug Building 155-B SB Cabahug Street, Brgy. Centro, Mandaue City, Cebu
Area Code: (032)
Tel. Nos: 346-5636; 346-5637; 346-2083; 344-4335; 422-8188
Fax No.: 346-2083

CEBU – MANDAUE – CABANCALAN
M.L. Quezon St., Cabancalan, Mandaue City, Cebu
Area Code: (032)
Tel. Nos: 421-1364; 505-9908
Fax No.: 421-1364

CEBU – MANDAUE – J CENTRE MALL
LGF J Centre Mall, A.S Fortuna Ave., Mandaue City, Cebu
Area Code: (032)
Tel. Nos: 520-2898; 421-7067
Fax No.: 520-2898

CEBU – MANDAUE NORTH ROAD
G/F Units G1-G3, Basak Commercial Building (Kel-2) Basak, Mandaue City
Area Code: (032)
Tel. Nos: 345-8861; 345-8862; 420-6767
Fax No.: 420-6767

CEBU – MANDAUE NRA
G/F Bai Hotel Cebu Ouano Ave. cor. Seno Blvd, North Reclamation Area, Mandaue City, Cebu
Area Code: (032)
Tel. Nos: 272-6985; 342-2419
Fax No.: 272-6985

CEBU – MINGLANILLA
Unit 9, Plaza Margarita Lipata, Minglanilla, Cebu
Area Code: (032)
Tel. Nos: 239-7234; 490-6025
Fax No.: 239-7235

CEBU – NAGA
Leah's Square, National South Highway, East Poblacion, Naga City, Cebu
Area Code: (032)
Tel. Nos: 238-7623; 489-8218
Fax No.: 489-8218

CEBU – SM CITY BRANCH
Upper G/F, SM City Cebu, Juan Luna cor. A. Soriano Avenue, Cebu City
Area Code: (032)
Tel. Nos: 232-0754; 232-0755; 231-9140; 412-9699
Fax No.: 232-1448

CEBU – SM SEASIDE CITY
LGF SM Seaside City Cebu, South Road Properties, 6000, Cebu City, Cebu
Area Code: (032)
Tel. No: 262-1772
Fax No.: 262-1772

CEBU – SUBANGDAKU
G/F A.D. Gothong I.T. Center, Subangdaku, Mandaue City, Cebu
Area Code: (032)
Tel. Nos: 344-6561; 344-6621; 260-1377; 424-0391
Fax No.: 344-6621

CEBU – TALAMBAN
Unit UG-7 Gaisano Grand Mall, Brgy. Talamban, Cebu City
Area Code: (032)
Tel. Nos: 236-8944; 418-0796
Fax No.: 236-8944

CEBU – TALISAY
CBC Bldg., 1055 Cebu South National Road, Bulacao, Talisay City, Cebu
Area Code: (032)
Tel. Nos: 272-3342; 272-3348; 491-8200
Fax No.: 272-3346

DUMAGUETE CITY
CBC Bldg., Real Street, Dumaguete City, Negros Oriental
Area Code: (035)
Tel. Nos: 422-8058; 225-5442; 225-5441; 225-4284; 225-5460
Fax No.: 422-5442

NEGROS OCC. – KABANKALAN
CBC Building, National Highway, Brgy. 1, Kabankalan, Negros Occidental
Area Code: (034)
Tel. Nos: 471-3349; 471-3364; 471-3738
Fax No.: 471-3738

ILOILO – IZNART
Iznart corner J. de Leon Streets, Brgy. Magsaysay, Iloilo City 5000
Area Code: (033)
Tel. Nos: 337-9477; 337-9566; 511-1742
Fax No.: 337-9477

ILOILO – JARO
CBC Building, E. Lopez St. Jaro, Iloilo City, Iloilo
Area Code: (033)
Tel. Nos: 320-3738; 320-3791
Fax No.: 503-2955

ILOILO – MABINI
A. Mabini Street, Iloilo City
Area Code: (033)
Tel. Nos: 335-0295; 335-0370; 522-0599
Fax No.: 335-0370

ILOILO – MANDURRIAO
G/F The Grid, Donato Pison cor. Pacencia Pison Avenues, Atria Park District, San Rafael, Mandurriao, Iloilo City
Area Code: (033)
Tel. Nos: 333-3988; 333-4088
Fax No.: 501-6078

ILOILO – RIZAL
CBC Building, Rizal cor. Gomez Streets, Brgy. Ortiz, Iloilo City
Area Code: (033)
Tel. Nos: 336-0947; 338-2136; 509-8838
Fax No.: 338-2144

KALIBO
Aklan Catholic College, Arch. Gabriel M. Reyes Street, Kalibo, Aklan
Area Code: (036)
Tel. Nos: 500-8088; 500-8188; 268-2988
Fax No.: 500-8188

MAASIN CITY
G/F SJC Bldg., Tomas Oppus St., Brgy. Tunga-Tunga, Maasin City, Southern Leyte
Area Code: (053)
Tel. Nos: 381-2287; 381-2288; 570-8488
Fax No.: 570-8488

NEGROS OCC. – SAN CARLOS
Rizal corner Carmona Streets,
San Carlos, Negros Occidental
Area Code: (034)
Tel. Nos: 312-5819; 729-3276
Fax No.: 729-3276

ORMOC CITY
CBC Building, Real cor. Lopez Jaena Sts.,
Ormoc City, Leyte
Area Code: (053)
Tel. Nos: 255-3651; 255-3652; 255-3653
Fax No.: 561-8348

PUERTO PRINCESA CITY
Malvar Street near corner Valencia Street
Puerto Princesa City, Palawan
Area Code: (048)
Tel. Nos: 434-9891; 434-9892; 434-9893
Fax No.: 434-9892

ROXAS CITY
1063 Roxas Ave. cor. Bayot Drive,
Roxas City, Capiz
Area Code (036)
Tel. Nos: 621-3203; 621-1780; 522-5775
Fax No.: 621-3203

SILAY CITY
Rizal St., Silay City, Negros Occidental
Area Code: (034)
Tel. Nos: 714-6400; 495-5452; 495-0480
Fax No.: 495-0480; 495-0480

TACLOBAN CITY
Uytingkoc Building, Avenida Veteranos,
Tacloban City, Leyte
Area Code: (053)
Tel. Nos: 325-7706; 325-7707; 325-7708; 523-7700; 523-7800
Fax No.: 523-7706

TAGBILARAN CITY
0178 G/F BQ Builderware Bldg., Carlos P.
Garcia Avenue, Tagbilaran City, Bohol
Area Code: (038)
Tel. Nos: 501-0688; 508-0677; 411-2484

MINDANAO

BUTUAN CITY BRANCH
CBC Building J.C. Aquino Avenue
Butuan City
Area Code: (085)
Tel. Nos: 341-5159; 341-7445; 815-3454; 815-3455; 225-2081
Fax No.: 815-3455

SM CDO DOWNTOWN PREMIER
G/F SM CDO Downtown Premier,
Cagayan de Oro City
Area Code: (088)
Tel. Nos: 857-2212; 857-3742; 859-1063; 859-1054
Fax No.: 857-2212

CAGAYAN DE ORO – CARMEN
G/F GT Realty Building, Max Suniel St.
corner Yakal St., Carmen,
Cagayan de Oro City
Area Code: (088)
Tel. Nos: 858-3902; 858-3903
Fax No.: 858-3903

CAGAYAN DE ORO – DIVISORIA
RN Abejuela St., South Divisoria,
Cagayan de Oro City
Area Code: (088)
Tel. Nos: 2272-2641; 857-5759
Fax 857-4200

CAGAYAN DE ORO – LAPASAN
CBC Building, Claro M. Recto Avenue,
Lapasan, Cagayan de Oro City
Area Code: (088)
Tel. Nos: 859-1651; 859-1645; 856-1325
Fax No.: 859-1651; 856-1325

CAGAYAN DE ORO – PUERTO
Luis A.S. Yap Building, Zone 6,
Brgy. Puerto, Cagayan de Oro City,
Misamis Oriental
Area Code: (088)
Tel. Nos: 880-7183; 880-7185
Fax No.: 880-7185

CDO – GAISANO CITY MALL
G/F Gaisano City Mall, C. M. Recto
corner Corrales Extension,
Cagayan de Oro City
Area Code: (088)
Tel. Nos: 880-1051; 880-1052
Fax No.: 2274-5880

COTABATO CITY
No. 76 S.K. Pendatun Avenue,
Cotabato City, Maguindanao
Area Code: (064)
Tel. Nos: 421-4686; 421-4653
Fax No.: 421-4685

DAVAO – BAJADA
B.I. Zone Building, J.P. Laurel Ave.,
Bajada, Davao City
Area Code: (082)
Tel. Nos: 221-0184; 221-0319; 221-0568
Fax No.: 224-8370

DAVAO – BUHANGIN
VG Building, Km. 5, Buhangin
Davao City
Area Code: (082)
Tel. Nos: 300-8335; 227-9764; 221-5970
Fax No.: 221-5970

DAVAO CITY – CALINAN
G/F TNE Bldg., Davao-Bukidnon, National
Highway, Calinan District, Davao City
Area Code: (082)
Tel. Nos: 224-9229; 224-9135
Fax No.: 224-9229

DAVAO – INSULAR VILLAGE
Insular Village I, Km. 8, Lanang,
Davao City
Area Code: (082)
Tel. Nos: 300-1892; 234-7166; 234-7165
Fax No.: 315-3392

DAVAO-MA-A
G/F Lapeña Building, Mac Arthur
Highway, Matina, Davao City
Area Code: (082)
Tel. Nos: 295-0472; 295-1072
Fax No.: 295-1072

DAVAO – MATINA
Km. 4 McArthur Highway,
Matina, Davao City
Area Code: (082)
Tel. Nos: 297-4288; 297-4455; 297-5880; 297-5881
Fax No.: 297-5880

DAVAO – MONTEVERDE
Doors 1 & 2, Sunbright Bldg.,
Monteverde Ave., Brgy. 27-C,
Poblacion District, Davao City
Area Code: (082)
Tel. Nos: 225-3680; 225-3679
Fax No.: 225-3680

DAVAO – PANABO
Grajeda Bldg (Major Building),
Quezon St., Brgy New Pandan,
Panabo City, Davao Del Norte
Area Code: (084)
Tel. Nos: 628-4057; 628-4065
Fax No.: 628-4053

DAVAO – RECTO
CBC Bldg., C.M. Recto Ave.
cor. J. Rizal St., Davao City
Area Code: (082)
Tel. Nos: 221-4481; 221-7028; 221-6921; 226-3851
Fax No.: 221-8814

DAVAO – STA. ANA
R. Magsaysay Avenue corner F. Bangoy
Street, Sta. Ana District, Davao City
Area Code: (082)
Tel. Nos: 227-9501; 227-9551; 227-9601; 221-1054; 221-1055; 221-6672
Fax No.: 226-4902

DAVAO – SM LANANG
G/F SM Lanang Premier, J. P. Laurel
Avenue, Davao City
Area Code: (082)
Tel. Nos: 285-1064; 285-1053
Fax No.: 285-1520

DAVAO – TAGUM
Davao Central Warehouse Club, Inc.
Building, Magugpo East, Lower Apokon,
Tagum City, Davao del Norte
Area Code: (084)
Tel. Nos: 655-9561; 655-9560; 655-6306; 655-6307
Fax No.: 655-9560

DAVAO – TORIL
McArthur Highway corner St. Peter
Street, Crossing Bayabas,
Toril, Davao City
Area Code: (082)
Tel. Nos: 303-3068; 295-2334; 295-2332
Fax No.: 295-2332

DIPOLOG CITY BRANCH
CBC Building, Gen Luna corner Gonzales
Streets, Dipolog City
Area Code: (065)
Tel. Nos: 212-6768; 212-6769; 908-2008
Fax No.: 212-6769

GEN. SANTOS CITY
CBC Bldg., I. Santiago Blvd.,
Gen. Santos City
Area Code: (083)
Tel. Nos: 553-1618; 552-8288
Fax No.: 553-2300

GEN. SANTOS CITY – DADIANGAS
M. Roxas Ave. corner Lapu-Lapu Street,
Brgy. Dadiangas East, Gen. Santos City,
South Cotabato
Area Code: (083)
Tel. Nos: 552-8576
Fax No.: 552-8290

ILIGAN CITY
Lai Building, Quezon Avenue Extension
Pala-o, Iligan City
Area Code: (063)
Tel. Nos: 221-5477; 221-5479; 492-3009; 221-3009
Fax No.: 492-3010

ILIGAN CITY – SOLANA DISTRICT
Andres Bonifacio Hi-way, Brgy. San
Miguel, Iligan City, Lanao del Norte
Area Code: (063)
Tel. Nos: 224-7664; 224-7665
Fax No.: 224-7664

KIDAPAWAN CITY
Datu Ingkal St., Brgy. Poblacion,
Kidapawan City
Area Code: (064)
Tel. Nos: 577-3509; 577-3510
Fax No.: 577-3510

KORONADAL CITY
Gen. Santos Drive corner Aquino St.,
Koronadal City, South Cotabato
Area Code: (083)
Tel. Nos: 228-7838; 228-7839; 520-1788
Fax No.: 228-7839

MALAYBALAY CITY
Bethelda Building, Sayre Highway,
Malaybalay City, Bukidnon
Area Code: (088)
Tel. Nos: 813-3372
Fax No.: 813-3373

MIDSAYAP
CBC Building, Quezon Ave.,
Poblacion 2, Midsayap, Cotabato
Area Code: (064)
Tel. No: 229-9700
Fax No.: 229-9750

OZAMIZ CITY
Gomez corner Kaamino Streets,
Ozamiz City
Area Code: (088)
Tel. Nos: 521-2658; 521-2659; 521-2660
Fax No.: 521-2659

PAGADIAN CITY
Marasigan Building, F.S. Pajares Avenue,
Pagadian City
Area Code: (062)
Tel. Nos: 215-2781; 215-2782; 925-1116
Fax No.: 214-3877

SM CITY CDO UPTOWN
G/F SM City CDO Uptown, North Wing
Bldg., Las Ramblas St., Masterson Ave.,
Pueblo De Oro Business Park, Cagayan
De Oro City, Misamis Oriental
Tel. Nos: (088) 565-0919; 565-0916

SURIGAO CITY
CBC Building, Amat St.,
Barrio Washington, Surigao City,
Surigao del Norte
Area Code: (086)
Tel. Nos: 826-3958; 826-3968
Fax No.: 826-3958

VALENCIA
A. Mabini Street, Valencia, Bukidnon
Area Code: (088)
Tel. Nos: 828-2048; 828-2049
Fax No.: 828-2048

ZAMBOANGA CITY
CBC-Building, Gov. Lim Avenue
corner Nuñez Street, Zamboanga City
Area Code: (062)
Tel. Nos: 991-2978; 991-2979; 991-1266
Fax No.: 991-1266

ZAMBOANGA – GUIWAN
G/F Yang's Tower, M.C. Lobregat National
Highway, Guiwan, Zamboanga City
Area Code: (062)
Tel. Nos: 984-1751; 984-1754
Fax No.: 984-1751

ZAMBOANGA – SAN JOSE GUSU
Yubenco Supermarket, San Jose Gusu,
Zamboanga City, Zamboanga del Sur
Area Code: (062)
Tel. Nos: 995-6154; 955-6155
Fax No.: 955-6154

China Bank Business Offices

2-1

CONSUMER BANKING CENTERS

CBG BACOLOD CENTER
China Bank - Bacolod Araneta
2/F CBC Bldg., Araneta St.
Bacolod City
Tel. No.: (034) 435-0647
(034) 435-0250
Email: ihsaplagio@chinabank.ph
Center Head: **Ivy H. Saplagio**

CBG BATANGAS CENTER
China Bank - Batangas City
3/F CBC Bldg., P. Burgos St.
Batangas City, Batangas
Tel. Nos.: (043) 723-7127
(043) 723-4294
(02) 8520-6161
Email: jdlacorte@chinabank.ph
Center Head: **Jonnalyn D. Lacorte**

CBG CABANATUAN CENTER
China Bank - Cabanatuan City
2/F CBC Bldg., Paco Roman St.
Brgy. Dimasalang, Cabanatuan City
Nueva Ecija
Tel. Nos.: (044) 600-1575
(044) 4631063
(044) 464-0099
Email: ergatdula@chinabank.ph
Center Head: **Emilie R. Gatdula**

CBG CAGAYAN DE ORO CENTER
China Bank Cagayan de Oro Divisoria
2/F CBC Bldg. R.N. Abejuela St.
Divisoria, Cagayan de Oro City
Tel. Nos.: (088) 859-1232
(088) 856-2409
Email: mmdcarpio@chinabank.ph
Center Head: **Ma. Melody D. Carpio**

CBG CEBU CENTER
China Bank - Cebu Business Park
2/F CBC Corporate Center,
Samar Loop cor. Panay Road
Cebu Business Park, Cebu City
Tel. Nos.: (032) 416-1606
(032) 346-4448
(032) 416-1915
(032) 239-3733
Email: khltan@chinabank.ph
Center Head:
Kinard Hutchinson L. Tan

CBG DAGUPAN CENTER
China Bank - Dagupan-Perez
Siapno Bldg., Perez Boulevard
Dagupan City
Tel. Nos.: (075) 522-8471
(075) 522-8472
Email: mpmacaranas@chinabank.ph
Center Head: **Maricris P. Macaranas**

CBG DAVAO CENTER
China Bank - Davao-Recto
2/F CBC Bldg., C.M. Recto
cor. J. Rizal Sts., Davao City
Tel. Nos.: (082) 226-2103
(082) 221-4163
(082) 222-5761
(082) 222-5021
Email: rdmatela@chinabank.ph
Center Head: **Rhea D. Matela**
OIC

CBG ILOILO CENTER
China Bank - Iloilo-Rizal
2/F CBC Bldg., Rizal cor. Gomez Sts.
Brgy. Ortiz, Iloilo City
Tel. Nos.: (033) 336-7918
(033) 503-2845
(033) 336-7909
Email: mdcelajes@chinabank.ph
Center Head: **Marvin D. Celajes**

CBG PAMPANGA CENTER
China Bank - San Fernando
2/F CBC Bldg., V. Tiomico St.
Sto. Rosario Poblacion, City of
San Fernando, Pampanga
Tel. Nos.: (045) 961-5344
(045) 961-0467
Email: cjdbautista@chinabank.ph
Center Head:
Carlo Juan D. C. Bautista

WEALTH MANAGEMENT OFFICES

MAKATI HEAD OFFICE
15F, China Bank Bldg.,
8745 Paseo de Roxas cor. Villar Sts.,
Makati City
Tel Nos. 8885-5693; 8885-5690
8885-5694
Email: tgescolin@chinabank.ph

Contact Person:
Therese G. Escolin

GREENHILLS OFFICE
2/F Chinabank GH-Ortigas Branch
14 Ortigas Avenue
Greenhills, San Juan City
Tel Nos.: 8721-4396; 8727-7884
8727-7645; 8724-0413
Email: mvgpantaleon@chinabank.ph

Contact Person:
Ma. Victoria G. Pantaleon

QUEZON CITY OFFICE
2F, 82 West Ave., Quezon City
Tel Nos.: 8426-6980; 8441-4685
8441-4690
Email: jaydeetan@chinabank.ph

Contact Person:
Jaydee Cheng Tan

BINONDO OFFICE
6F China Bank Bldg.
Dasmariñas cor. Juan Luna,
Binondo, Manila
Tel No.: 8241-1452; 8241-7086
Email: ictanlimco@chinabank.ph

Contact Person:
Irene C. Tanlimco

KALOOKAN OFFICE
167 Rizal Ave., Extension
Kalookan City
Tel Nos.: 8366-8669; 8352-3789
Email: jymacariola@chinabank.ph

Contact Person:
Jennifer Y. Macariola

SAN FERNANDO OFFICE
2F V. Tiomico, San Fernando City,
Pampanga
Tel No.: (045) 961-0486
Email: mcdpuno@chinabank.ph

Contact Person:
Ma. Cristina D. Puno

ALABANG OFFICE
2F, Unit D, CBC Bldg.,
Acacia Ave., Madrigal Business Park,
Ayala Alabang, Muntinlupa City
Tel Nos.: 8659-2463; 8659-2464
Email: clramirez@chinabank.ph

Contact Person:
Claire L. Ramirez

CEBU OFFICE
7F Chinabank Corporate Center
Samar Loop cor Panay Road
Cebu Business Park, Cebu City
Tel Nos.: (032) 415-5881
(032) 239-3741 up to 44
Email: edrosales@chinabank.ph

Contact Person:
Eleanor D. Rosales

BACOLOD OFFICE
2F Soliman Bldg.,
Bacolod Lacson Branch
Lacson cor. Luzurriaga Sts.,
Bacolod City
Tel No.: (034) 431-5549
Email: jramanuel@chinabank.ph

Contact Person:
Julie Rose A. Manuel

China Bank Savings Branches

2-1

ACACIA ESTATES – SAVEMORE
Acacia Taguig Town Center
Acacia Estates, Ususan, Taguig City
Te. Nos.: (632) 8633-5472
8633-3245

ALABANG HILLS
Alabang Commercial Citi Arcade
Don Jesus Boulevard, Alabang,
Muntinlupa City
Tel. Nos.: (632) 8828-4854
8403-2801

AMANG RODRIGUEZ
Amang Rodriguez Avenue corner
Evangelista Street, Santolan, Pasig City
Tel. Nos.: (632) 7964-1323
8645-4710

ANGONO
Manila East, Road
corner Don Benito Street,
Brgy. San Roque, Angono, Rizal
Tel. Nos.: (632) 8651-1779
8651-1782

ANTIPOLO
EMS Building, M.L. Quezon corner
F. Dimailig Street, Brgy. San Roque,
Antipolo City, Rizal
Tel. Nos.: (632) 8869-70224
8869-71066

ARANETA CENTER COD – SAVEMORE
Gen. Romulo Street, Araneta Center
Cubao, Quezon City
Tel. Nos.: (632) 8921-3149
7502-1437
Mobile No.: 0917-8099670

AYALA AVENUE
VGP Center, 6772 Ayala Avenue,
Makati City
Tel. Nos.: (632) 8988-9555
Local 8100, 8101, 8103,
8104; (632) 250-6985
Mobile No.: 0927-9071716

BACLARAN
3751 Quirino Avenue
corner Sta. Rita Street,
Baclaran, Parañaque City
Tel Nos.: (632) 8816-1956
7975-2172
Mobile No.: 0917-7032503

BANAWE
247-249 Banawe Street,
Sta. Mesa Heights,
Brgy. Lourdes, Quezon City
Tel. Nos.: (632) 8412-6249
8256-4941

BANGKAL
Amara Building,
1661 Evangelista Street,
Bangkal, Makati City
Tel. Nos.: (632) 7621-3459
7621-3461

BF HOMES
284 Aguirre Avenue, B.F. Homes,
Parañaque City
Tel. Nos.: (632) 8553-5412
8553-5414 / 7964-1292
8988-9555 local 74873
Mobile No.: 0917-510-5911

BINONDO – JUAN LUNA
694-696 Juan Luna Street,
Binondo, Manila
Tel Nos.: (632) 7964-1327
8254-7337

BLUMENTRITT
Blumentritt Street, near Oroquieta
Street, Sta. Cruz Manila
Tel Nos.: (632) 7968-4759
8562-0953; 8256-3840
Mobile No.: 0917- 8273205

BONI AVENUE
Raymond Tower Boni, 615 Boni Avenue
Plainview, Mandaluyong City
Tel. Nos.: (632) 8636-5072
7316-5983

BUENDIA – MAIN
CBS Building
314 Sen. Gil Puyat Avenue, Makati City
Tel. No.: (632) 8884-7645
Trunkline: (632) 8988-9555
locals 73901 and 73902
Mobile No.: 0917-8099638

COMMONWEALTH AVE.
JocFer Building, Commonwealth
Avenue, Brgy. Holy Spirit, Quezon City
Tel. Nos.: (632) 8282-5946
7957-0559

CAINTA
CK Square Mall, Ortigas Avenue
Extension, Brgy. San Juan,
Cainta, Rizal
Tel. No. 8659-4083
Mobile No. : 0928-5143750

CUBAO
Fernandina 88 Condominium
222 P. Tuazon Boulevard
Araneta Center, Cubao, Quezon City
Tel. Nos.: (632) 8913-4903
8913-5209

DEL MONTE
392 Del Monte Avenue,
Brgy. Sienna, Quezon City
Tel. No.: (632) 8741-8285
8741-2447

E. RODRIGUEZ SR. AVENUE
Hemady Square, E. Rodriguez Avenue
corner Doña Hemady Street,
New Manila, Quezon City
Tel. Nos.: (632) 8531-9676
8531-9680; 7987-4966
Mobile No.: 0917-8085214

ESPAÑA – SUNMALL
Sun Mall, España Boulevard corner
Mayon Street, Brgy. Sta. Teresita,
Quezon City
Tel. Nos.: (632) 8244-2477
7987-4962
Mobile No: 0917-8103097

FELIX HUERTAS – JT CENTRALE
Unit 103 JT Centrale Mall
Fugoso corner Felix Huertas Street,
Sta. Cruz, Manila
Tel. Nos.: (632) 8247-3177
Mobile No: 0917-5538446

FILINVEST
BC Group Building, East Asia Drive
near corner Commerce Avenue,
Filinvest Corporate City,
Alabang, Muntinlupa City
Tel. Nos.: (622) 8511-1145
7217-3069
Mobile No.: 0917-8046443

FTI HYPERMARKET TAGUIG
DBP Avenue, Food Terminal
Incorporated, Western Bicutan,
Taguig City
Tel. Nos.: (622) 8834-0408
7507-4090
Mobile No.: 0917-5615131

G. ARANETA
195 G. Araneta Avenue, Quezon City
Tel Nos.: (622) 8978-6448
8711-7822
Mobile No.: 0917-8287829

GIL PUYAT BAUTISTA
Lot 25 Blk 74 Bautista Street corner
Sen. Gil Puyat Avenue, Makati
Tel. No.: (632) 8838-2312
8541-3514; 8354-5923

GREENHILLS – ORTIGAS AVENUE
VAG Building, Ortigas Avenue
Greenhills, San Juan City
Tel. Nos.: (632) 8721-0105
8724-7528; 8353-4656

KALOOKAN
Augusto Building, Rizal Avenue
Grace Park, Kalookan City
Tel. Nos.: (632) 8363-2752
8365-7593

KALOOKAN – MABINI
AJ Building, 353 A. Mabini Street,
Kalookan City
Tel. No.: (632) 8961-2628

KATIPUNAN AVE.
One Burgundy Condominium
Katipunan Avenue, Loyola Heights,
Quezon City
Tel. Nos.: (632) 7211-7882
8988-9555 local 74782
Mobile No.: 0917-6283318

LAGRO
Bonaza Building, Quirino Highway
Greater Lagro, Novaliches, Quezon City
Tel. Nos.: (632) 8936-4988
8461-7214

LAS PIÑAS – ALMANZA UNO
Alabang - Zapote Road, Almanza Uno,
Las Piñas City
Tel. Nos.: (622) 8551-4724
8551-4051
7966-9001
Mobile No.: 0917-8173526

MAKATI – CHINO ROCES
Graceland Plaza,
2176 Chino Roces Avenue
Pio del Pilar, Makati City
Tel. Nos.: (622) 7964-1322
8831-0477
Mobile No.: 0917-5106078

MAKATI – J.P. RIZAL
882 J.P. Rizal Street,
Poblacion, Makati City
Tel. No.: (622) 8890-1027
Mobile No.: 0917-5105919

MALABON – FRANCIS MARKET-SAVEMORE
Francis Market, Governor Pascual
corner M.H. Del Pilar Street,
Malabon City
Tel. Nos.: (622) 8931-6323
7507-4053
Mobile No.: 0917-5614811

MANDALUYONG
Paterno's Building,
572 New Panaderos Street
Brgy. Pag-asa, Mandaluyong City
Tel. Nos.: (632) 7238-3745
7238-3744

MANDALUYONG – SHAW BLVD.
500 Shaw Tower, 500 Shaw Boulevard
Mandaluyong City
Tel. Nos.: (632) 8941-9231
8941-9412
Mobile No.: 0917-5806593

MARIKINA
33 Bayan-Bayanan Avenue
Brgy. Concepcion 1, Marikina City
Tel. Nos.: (632) 8477-2445 / 7907-2418
Mobile No.: 0917-8108618

MARIKINA – GIL FERNANDO AVENUE
CTP Building, Gil Fernando Avenue,
Marikina City
Tel. Nos.: (632) 8681-2810
8645-8169

MUÑOZ – JACKMAN
Jackman Plaza, Lower Ground Floor
EDSA – Muñoz, Quezon City
Tel. Nos.: (632) 8442-4829
79684697
Mobile No.: 0917-8005128

NEPA-Q MART – SAVEMORE
770 Saint Rose Building, EDSA and
K-G Street , West Kamias, Quezon City
Tel. No.: (632) 88351-4884
Mobile No.: 0917-8636069

NINOY AQUINO AVENUE
G/F Skyfreight Building, Ninoy
Aquino Avenue corner Pascor Drive,
Parañaque City
Tel. Nos.: (632) 8843-2447
7239-0574

N.S. AMORANTO AVE.
Unit 101 R Place Building
255 N.S. Amoranto Sr. Avenue,
Quezon City
Tel. Nos.: (632) 8251-6592
8251-6594; 7966-9075
Mobile. No.: 0917-8056964

ONGPIN
Ramada Manila Central Hotel
Quintin Paredes Road, Binondo, Manila
Tel. No. 8247-3299

ORTIGAS CENTER
Hanston Square, San Miguel Avenue
Ortigas Center, Pasig City
Tel. Nos.: (632) 8477-3439
8637-9778
Mobile No.: 0917-8078394

PARAÑAQUE – BETTER LIVING
90 Doña Soledad Avenue,
Better Living Subdivision
Bicutan, Parañaque City
Tel. Nos.: (632) 8551-3600
8831-8507
Mobile No.: 09175615576

PARAÑAQUE – JAKA PLAZA
Jaka Plaza Center, Dr. A. Santos
Avenue (Sucat Road)
Brgy. San Isidro, Parañaque City
Tel. Nos.: (632) 8820-6093
8820-6091

PARAÑAQUE – LA HUERTA
1070 Quirino Avenue, La Huerta,
Parañaque City
Tel. Nos.: (632) 8893-1226
7587-6205
Mobile No.: 0917-5788058

PARAÑAQUE – MOONWALK
Kassel Residence, E. Rodriguez
Avenue, Moonwalk, Parañaque City
Tel. Nos.: (632) 7957-2339
8664-1923
Mobile No.: 0917-6218321

PASAY – LIBERTAD
533 Cementina Street,
Libertad, Pasay City
Tel. Nos.: (632) 7907-4246
8541-1698
Mobile No.: 0917-8080695

PASIG – CANIOGAN
KSN Building, C. Raymundo Avenue
Caniogan, Pasig City
Tel. Nos.: (632) 7957-0817
8988-9555 local 74786
Mobile No.: 0917-5206966

PASIG MUTYA
Richcrest Building, Caruncho corner
Market Avenue, San Nicolas, Pasig City
Tel. Nos.: (632) 8640-7085
8642-2870 / 7906-3129
Mobile No.: 0917-8173133

PASIG – PADRE BURGOS
114 Padre Burgos Street,
Kapasigan, Pasig City
Tel. No.: (632) 8650-336
Mobile No.: 0917-5747874

PASO DE BLAS
Andoks Building, 629 Gen. Luis Street
Malinta Interchange – NLEX
Paso de Blas, Valenzuela City
Tel.Nos.: (632) 3443-5069
8984-8258

PATEROS
Unit CC1, East Mansion Townhomes
Elisco Road, Sto. Rosario, Pateros City
Tel. Nos.: (632) 8641-9556
8655-2349
Mobile No.: 0917-8130535

PATEROS – ALMEDA
120 M. Almeda Street, Pateros City
Tel. Nos.: (632) 8641-6760
8641-6768

PEDRO GIL
LKE Building, Pedro Gil Street corner
Pasaje Rosario, Paco, Manila
Tel. Nos.: (632) 8521-4056
7502-7101
Mobile No.: 0917-8636307

PLAZA STA. CRUZ
MBI Building, Plaza Sta. Cruz,
Sta. Cruz, Manila
Tel. Nos.: (632) 8734-0534
7618-2241
Mobile No.: 0917-5965826

QUEZON AVENUE
GJ Building, 385 Quezon Avenue
West Triangle, Quezon City
Tel. No.: (632) 8332-2638
Mobile No.: 0917-5382423

QUEZON AVENUE – PALIGSAHAN
1184-A Ben-Lor Building
Brgy. Paligsahan, Quezon City
Tel. Nos.: (632) 8376-4546
8376-4548

QUIAPO – ECHAGUE
Carlos Palanca corner P. Gomez Street
Echague, Quiapo, Manila
Tel. No.: (632) 8959-4450

RADA
HRC Center, 104 Rada Street
Legaspi Village, Makati City
Tel. Nos.: (632) 8810-9369
8810-9370

ROOSEVELT
342 Roosevelt Avenue, Quezon City
Tel Nos.: (632) 7957-0796
8663-7563; 8688-9146

SAN JUAN
Madison Square,
264 N. Domingo Street
Brgy. Pasadena, San Juan City
Tel. No.: (632) 8637-4759
Mobile No.: 0917-561-5639

SAVEMORE ANONAS
Maamo Street,
Road Lot 30, V. Luna Street and
Anonas Extension, Sikatuna,
Quezon City
Tel. No.: (632) 8351-4928
Mobile No.: 0917-8636157

SOUTH TRIANGLE
Sunnymede IT Center, Quezon Avenue
South Triangle, Quezon City
Tel. Nos.: (632) 7959-4515
8256-3881 / 8256-4841
Mobile No.: 0917-8431722

STA. ANA MANILA
Savemore Pedro Gil Street,
Sta. Ana, Manila
Tel. Nos.: (632) 8523-8574
7987-4975
Mobile No.: 0917-8140390

STA. MESA
4128 Ramon Magsaysay Boulevard
Sta. Mesa, Manila
Tel Nos.: (632) 8252-3286
7507-6515
Mobile No.: 0917-8353352

TAFT – QUIRINO AVENUE
Esther Building, 1945 Taft Avenue,
Malate, Manila
Tel. Nos.: 8525-6286
7219-4390
Mobile No.: 0917-5807061

TANDANG SORA
Cecile Ville Building III, 670 Tandang
Sora Avenue corner General Avenue,
Tandang Sora, Quezon City
Tel. No.: (632) 7968-4719
Mobile No.: 0917-8017585

TAYTAY
C. Gonzaga Building II
Manila East Road, Taytay, Rizal
Tel. Nos.: (632) 8650-3367
8623-6113
Mobile No.: 0917-5786978

TAYUMAN
1925-1929 Rizal Avenue
near corner Tayuman Street,
Sta. Cruz, Manila
Tel. Nos.: (632) 7586-1618
8230-3091
Mobile No.: 0917-8325078

TIMOG
Jenkinsen Towers Condominium
80 Timog Avenue, Quezon City
Tel. Nos.: (632) 8371-8303
8371-8305

TWO ECOM
Two E-Com Center Tower B
Ocean Drive corner Bayshore Drive
Mall of Asia Complex, Pasay City
Tel. Nos.: (6322) 8802-3068
7587-4753

UN AVENUE
552 United Nations Avenue,
Ermita, Manila
Tel. Nos.: (632) 8400-5467
8400-5468
Mobile No.: 0917-5382421

VALENZUELA – MARULAS
92 J Ong Juanco Building
MacArthur Highway, Marulas,
Valenzuela City
Tel. Nos.: (632) 8291-6541
8709-4641

VISAYAS AVE.
Wilcon City Center Mall,
Upper Ground Floor, Visayas Avenue,
Quezon City
Tel. No.: (632) 8990-6543

WILSON
219 Wilson Street, Greenhills,
San Juan City
Tel. Nos.: (632) 8584-5946
7748-7625

NORTH LUZON

ANGELES – RIZAL AVENUE
639 Rizal Street, Angeles City
Tel. Nos.: (045) 323-4303
(045) 888-4971

ARAYAT
Cacutud, Arayat, Pampanga
Tel. Nos.: (045) 885-2390
(045) 409-9559

BAGUIO
B 108 Lopez Building, Session Road
corner Assumption Road, Baguio City
Tel. No.: (074) 446-3993
Mobile No.: 0917-8493218

BALAGTAS
Ultra Mega Supermarket,
MacArthur Highway
Burol 1st , Balagtas, Bulacan
Tel.No.: (044) 693-1849

BALANGA
D.M. Banzon Street,
Balanga City, Bataan
Tel. Nos.: (047) 237-3666
(047) 237-3667

BALIBAGO
JEV Building, MacArthur Highway
Balibago, Angeles City
Tel. No.: (045) 892-3325

BALIUAG
713 Naning Street, Poblacion
Baliuag, Bulacan
Tel. Nos.: (044) 673-1338
(044) 766-2014

CABANATUAN – BAYAN
Duran Building, Burgos Avenue,
Cabanatuan City
Tel. Nos.: (044) 463-0441
(044) 600-2888

DAGUPAN
Lyceum-North Western University,
Ground Floor, Tapuac District,
Dagupan City
Tel. No.: (075) 522-9586

DAU
MacArthur Highway, Dau, Mabalacat,
Pampanga
Tel. Nos.: (045) 892-2216
(045) 892-2216

DOLORES
STCI Building, MacArthur Highway
Brgy. San Agustin, City of San
Fernando, Pampanga
Tel. No.: (045) 649-3724
(045) 649-3150

GUAGUA
Plaza Burgos, Guagua, Pampanga
Tel. Nos.: (045) 9010-966
(045) 9010-640

GUIGUINTO – RIS
RIS-5 Industrial Complex
68 Mercado Street, Tabe,
Guiguinto, Bulacan
Tel. No.: (044) 235-79630
Mobile No.: 0917-8485249

LA UNION
A.G. Zambrano Building,
Quezon Avenue
San Fernando City, La Union
Tel. No.: (072) 242-0414

LAOAG CITY
LC Square Building, J.P. Rizal corner
M.V. Farinas Streets,
Laoag City, Ilocos Norte
Tel. Nos.: (077) 600-1008
(077) 600-1009

LINGAYEN
The Hub - Lingayen Building
Poblacion, Lingayen, Pangasinan
Tel. Nos.: (075) 523-4955
(075) 523-4953
Mobile No.: 0917-8486063

MACABEBE
Poblacion, Macabebe, Pampanga
Tel. No.: (045) 435-5507
Mobile No.: 0917-8218102

MALOLOS
Canlapan Street, Sto. Rosario
City of Malolos, Bulacan
Tel. No.: (044) 794-2793
Mobile No.: 0917-8354684

MALOLOS – CATMON
Paseo Del Rosario, Catmon,
City of Malolos, Bulacan
Tel. Nos.: (044) 791-2461
(044) 662-7819

MEYCAUAYAN
Mancon Building, MacArthur Highway
Calvario, Meycauayan, Bulacan
Tel. No.: (044) 228-2416

MOUNT CARMEL
Km. 78 MacArthur Highway,
Brgy. Saguin, City of San Fernando,
Pampanga
Tel. No.: (045) 435-6055

OLONGAPO
City View Hotel Building,
25 Magsaysay Drive
New Asinan, Olongapo City
Tel. No.: (047) 222-1891
Mobile No.: 0917-8078509

ORANI
National Road, Balut, Orani, Bataan
Tel. No.: (047) 638-1282

PLARIDEL
0226 Cagayan Valley Road
Banga 1st, Plaridel, Bulacan
Tel. No.: (044)795-0105

PORAC
Cangatba, Porac, Pampanga
Tel. No.: (045) 329-3188
Mobile No.: 0917-8703305

SAN FERNANDO
Khy Trading Building,
Jose Abad Santos Avenue
City of San Fernando, Pampanga
Tel. Nos.: (045) 961-1415
(045) 961-1416

SAN FERNANDO – BAYAN
JSL Building, Consunji Street
City of San Fernando, Pampanga
Tel. Nos.: (045) 961-8168
(045) 961-4575

SAN ILDEFONSO
Savemore Building, Cagayan Valley
Road, Poblacion, San Ildefonso,
Bulacan
Tel. Nos.: (044) 797-0742
(044) 797-0974

SAN JOSE DEL MONTE
Giron Building, Gov. Halili Avenue,
Tungkong Mangga, City of San Jose
del Monte, Bulacan
Tel. Nos.: (044) 815-6616
(044) 233-6501
Mobile No.: 0917-8354675

SAN MIGUEL
Norberto Street, San Miguel, Bulacan
Tel. Nos.: (044) 764-0826
(044) 764-0162

SAN NARCISO
Brgy. Libertad, San Narciso, Zambales
Tel. Nos.: (047) 913-2245
(047) 913-2288

SAN RAFAEL
Cagayan Valley Road corner Cruz na
Daan, San Rafael, Bulacan
Tel. Nos.: (044) 815-8915
(044) 913-7629

SANTIAGO – VICTORY NORTE
JECO Building, Maharlika Highway
corner Quezon Street, Victory Norte
Santiago City, Isabela
Tel. Nos.: (078) 305-0260
(078) 305-0252

STA. ANA
Poblacion, Sta. Ana,Pampanga
Tel. Nos.: (045)409-9818
(045) 409-0335

STA. MARIA
Gen. Luna corner De Leon Street
Poblacion, Sta. Maria, Bulacan
Tel. Nos.: (045) 409-9818
(045) 409-0335

STA. RITA
San Vicente, Sta. Rita, Pampanga
Tel. No.: (045) 900-0658

SUBIC
Baraca, Subic, Zambales
Tel. Nos.: (047) 232-6105
(047) 232-6104

TARLAC
MacArthur Highway,
San Nicolas, Tarlac City
Tel. No.: (045) 982-9652
Mobile No.: 0905-6793720

TUGUEGARAO
Metropolitan Cathedral Parish Rectory
Complex Rizal Street, Tuguegarao City
Tel. No.: (078) 844-0484

URDANETA
MacArthur Highway, Nancayasan
Urdaneta City, Pangasinan
Tel No.: (075) 656-2331

VIGAN
Agdamag Building, Quezon Avenue
corner Calle Mabini, Vigan City,
Ilocos Sur
Tel No.: (077) 674-0300

SOUTH LUZON

BACOOR – TALABA
Coastal Road corner Aguinaldo
Highway, Brgy. Talaba,
City of Bacoor, Cavite
Tel. Nos.: (046) 4175-930
(046) 512-6315
Mobile No.: 0917-8354691

BATANGAS
No. 4 Burgos Street, Batangas City
Tel. No.: (043) 723-7652
Mobile No.: 0917-8173606

BIÑAN
Nepa Highway, San Vicente,
Biñan City, Laguna
Tel.Nos.: (049) 511-3638
(632) 8429-4878

CALAMBA
HK Building II, National Highway
Brgy. Halang, Calamba City, Laguna
Mobile No.: 0917-8173609

CAVITE CITY
485 P. Burgos Street
Barangay 34, Caridad, Cavite City,
Cavite
Tel. Nos.: (046) 417-3102
(046) 235-7537
Mobile No: 0917-5615780

DARAGA
N & H Building, Rizal Street
Brgy. San Roque, Daraga, Albay
Tel. Nos.: (052) 483-0706
(052) 204-0024
(052) 204-0025

DASMARIÑAS
Veluz Plaza Building,
Zone 1, Aguinaldo Highway
Dasmariñas City, Cavite
Tel. Nos.: (046) 416-0510
(046) 416-0501

IMUS
OLMA Building, Aguinaldo Highway
Tanzang Luma, Imus City, Cavite
Tel. Nos.: (046) 471-4715
(046) 476-0927

GENERAL TRIAS
VCentral Mall, Governor's Drive,
Gen. Trias City
Tel. No.: (046) 443-0997

LAGUNA – STA. CRUZ
E & E Building, Pedro Guevarra Avenue
Sta. Cruz, Laguna
Tel. No.: (049) 501-3084
Mobile No.: 0917-5615715

LEGAZPI CITY
F. Imperial Street, Barangay Bitano
Legazpi City, Albay
Tel. Nos.: (052) 225-5155
(052) 431-0820
Mobile No.: 0917-836-0093

LIPA
China Bank Savings Building
C.M Recto Avenue, Lipa City
Tel. Nos.: (043) 756-1022
(043) 756-1414

LOS BAÑOS CROSSING
Lopez Avenue, Batong Malake,
Los Baños, Laguna
Tel. Nos.: (049) 536-2596
(049) 536-0549

LUCENA
Merchan corner Evangelista Street,
Lucena City
Tel. Nos.: (042) 710-69-64
(042) 660-6964

MOLINO
Avon Building, 817 Molino Road
Molino III, City of Bacoor, Cavite
Tel Nos.: (046) 431-9907
(046) 235-7542
(632) 8988-9555
loc. 74878
Mobile No.: 0917-5615883

NAGA
ELS Building. Panganiban Drive,
Concepcion Pequeña, Naga City
Tel.No.: (054) 472-1947

SAN PABLO
China Bank Savings Building
Rizal Avenue corner A. Fule Street,
San Pablo City
Tel. Nos.: (049) 503-2890
(049) 562-0697

SAN PEDRO
Gen-Ber Building, National Highway
Landayan, San Pedro City, Laguna
Tel. Nos.: (632) 8847-0585
8869-8221

SAVEMORE TAGAYTAY – MENDEZ
Mendez Crossing West, Tagaytay-
Nasugbu Highway corner Mendez-
Tagaytay Road, Tagaytay City
Tel. No.: (046) 413-387
Mobile No.: 0917-5615334

STA. ROSA
Sta. Rosa-Tagaytay Highway,
Sta. Rosa City, Laguna
Tel. No.: (049) 502-9134
Mobile No.: 0917-5105951

STA. ROSA – BALIBAGO
Old National Highway corner Roque
Lazaga Street, Sta. Rosa City, Laguna
Tel. Nos.: (049) 534-1167
(632) 520-8448

STO. TOMAS
The Lifestyle Strip, Maharlika Highway
San Antonio, Sto. Tomas, Batangas
Tel. No.: (043) 778-3247
Mobile No.: 0917-8164577

China Bank Savings Business Offices

SORSOGON
God is Good Commercial Building
Rizal Street, Purok 5, Piot,
West District, Sorsogon City, Sorsogon
Tel. No: (056) 311-5786
Mobile No: 0917-8351685

TANAUAN CITY
China Bank Savings Building
Jose P. Laurel National Highway
Darasa, Tanauan City, Batangas
Tel. No.: (043) 726 2758
Mobile No.: 0917-863-6160

VISAYAS – MINDANAO

BACOLOD
Fordland Annex I Building,
Lacson Street, Bacolod City,
Negros Occidental
Tel. No.: (034) 435-7143
Mobile No: 0977-8027452

BUTUAN
JMC Building, J.C. Aquino Avenue
Brgy. Lapu Lapu, Butuan City,
Agusan Del Norte
Tel. No: (085) 818-6665
Mobile No: 0917-8341071

CAGAYAN DE ORO
Sergio Osmeña Street
Cogon District, Cagayan de Oro City
Tel. Nos.: (088) 859-0740
(088) 852-2066

CEBU LAHUG
Skyrise IT Building,
Brgy. Apas, Lahug, Cebu City
Tel. No.: (032) 236-0810

CEBU – MANGO AVENUE
JSP Mango Realty Building,
Gen. Maxilom Avenue
corner Echavez Street, Cebu City
Tel. Nos.: (032) 231-4736
(032) 231-4304

CEBU MANDAUE BASAK
Cebu North Road, Basak,
Mandaue City, Cebu
Tel. No.: (032) 346-8814

DAVAO
8990 Corporate Center,
Quirino Avenue, Davao City
Tel. No.: (082) 221-3873

DAVAO RECTO
C. Villa Abrille Building
C.M. Recto Avenue, Davao City
Tel. Nos.: (082) 324-5724
(082) 305-5808
Mobile No.: 0917-8095808

GENERAL SANTOS
Go Chay Ching Building
I. Santiago Boulevard,
General Santos City
Tel. No.: (083) 552-6330

ILOILO – IZNART
Golden Finance Building,
Iznart Street, Iloilo City
Tel. No.: (033) 335-0213
Mobile No.: 0917-8078378

ILOILO – JARO
Lopez Jaena corner El 98 Street,
Jaro, Iloilo
Tel. No.: (033) 320-0370

KALIBO
across from Kalibo Public Market
Lot 3459-E-1, Toting Reyes Street,
Kalibo, Aklan
Tel. No.: (036) 268-4379
Mobile No.: 0917-8047837

MANDAUE
A. Del Rosario Avenue
Mantuyong, Mandaue City, Cebu
Tel. No.: (032) 520-2770

ROXAS AVE. CAPIZ – CITYMALL
CityMall-Roxas City, Roxas Avenue
Barangay VI, Roxas City, Capiz
Tel. No.: (036) 620-1177

SAVEMORE TALISAY NEGROS OCCIDENTAL
Savemore Talisay, Mabini Street,
Zone 12, Paseo Mabini, Talisay City,
Negros Occidental
Tel. Nos.: (034) 441-6267
(034) 441-6264
(034) 441-6264

TACLOBAN
YVI Center Building A,
Fatima Village, Tacloban City
Tel. Nos.: (053) 832-2066
(053) 832-9174

TAGUM
CityMall, Maharlika Highway
corner Lapu- Lapu Extension,
Brgy. Magugpo, Tagum City
Tel. No.: (08) 216-8117
Mobile No.: 0917-8497228

ZAMBOANGA
CityMall, Don Alfaro Street,
Tetuan, Zamboanga City
Tel. No.: (062) 955-8709

SME LENDING OFFICES

MAIN OFFICE
SME Lending Group
CBS Building, 314 Sen. Gil J. Puyat
Avenue, Makati City
Tel. Nos.: (632) 8988-9555
locals 75065, 75066,
75068, 75109, 75110,
75142, 75150, 75156,
73044 and 73045

NORTH LUZON

BAGUIO
Room D-303, Lopez Building
Session Road cor. Assumption Road,
Baguio City
Tel. No.: (632) 8884-7600
local 74231

LA UNION
2nd Floor AG Zambrano Building
Catbangen, San Fernando City,
La Union
Tel. Nos.: (632) 8884-7600
locals 74227 and 74106

PLARIDEL
2nd Floor, CBS Building
Banga 1st, Plaridel, Bulacan
Tel. Nos.: (632) 8884-7600
locals 74251, 74261
and 74130

PAMPANGA BUSINESS CENTER
2nd Floor, JSL Building, Consuji St.
Sto Rosario, City of San Fernando,
Pampanga
Tel. Nos.: (632) 8884-7600
locals 74103 and 74104

URDANETA
Brgy Nancayasan, MacArthur Highway
Urdaneta City, Pangasinan
Tel. No.: (632) 8884-7600
local 74372

SOUTH LUZON

IMUS
CBS Imus - Tanzang Luma Branch,
OLMA Building, Aguinaldo Highway,
Tanzang Luma II, Imus, Cavite
Tel. Nos.: (046) 416-4992
(046) 471-4715
(632) 8884-7600
locals 74868, 77848
and 73038

LIPA
2nd Floor, China Bank Savings
Building, CM Recto Avenue, Lipa City
Tel. Nos.: (043) 756-5003
(632) 8988-9555
locals 74253 and 74130

LEGAZPI
F. Imperial St., Barangay Bitano
Legazpi City, Albay
Tel. Nos.: (632) 8884-7600
local 74273

MARIKINA
3rd Floor, CTP Building
5A Gil Fernando Avenue
Brgy. San Roque, Marikina City
Tel. Nos.: (02) 8465 9819
(632) 8884-7600
local 74238

SAN PABLO
2nd Floor, China Bank Savings
Building, Rizal Avenue
cor. A. Fule St., San Pablo City
Tel. Nos.: (049) 800-3917
(632) 8988 9555
local 74127

VISAYAS – MINDANAO

CEBU BUSINESS CENTER
2nd Floor, JSP Building
General Maxilom Avenue, Cebu City
Tel. Nos.: (032) 232 6263
(032) 232-2435
(632) 8988-9555
locals 74206 and 73014

DAVAO BUSINESS CENTER
8990 Corporate Center
Quirino Avenue, Davao City
Tel. Nos.: (082) 298-4569
(082) 227-6013 /
(632) 8988-9555
locals 74217 and 74214

GEN. SANTOS
Go Ching Chay Building
Santiago Boulevard, Gen. Santos City
Tel. Nos.: (632) 8988-9555
local 75110

ILOILO
2nd Floor, CBS Iloilo Branch
Lopez Jaena cor. El 98 St.
Jaro, Iloilo City
Tel. Nos.: (033) 514 4463
(632) 8884-7600
local 74225

APD SALARY LOAN OFFICES

NCR - QUEZON AVENUE
2nd floor, G.J. Building
385 Quezon Avenue, Quezon City
Tel. No.: (02) 8372-7926
Mobile No.: 0917- 8223514

BACOLOD
Fordland 1 Annex Building
Lacson Street, Bacolod City
Tel. No.: (034) 474-2261
Mobile No.: 0922-8112680

BAGUIO
B108 Lopez Building
Session Road cor. Assumption Road,
Baguio City
Tel. No.: (074) 619-2097
Mobile No.: 0917-861941

BATANGAS
2nd Floor, No. 3 P. Burgos Street,
Batangas City
Mobile No.: 0917-8769938
0931-0224769

BOGO CITY – CEBU
2nd Floor SIM Bldg.
P Rodriguez Street
Brgy. La Purisima, Conception,
Bogo City
Mobile No.: 0918-9208760

BOTOLAN – ZAMBALES
Casa Bien Building,
Barangay Batonlapoc
Botolan, Zambales
Tel. Nos.: (02) 8988 - 9555
local 78686

BUTUAN
JMC Building, JC Aquino Avenue
Butuan City, Agusan Del Norte
Tel. No.: (02) 8988-9555
local 4843

CABANATUAN
2nd Floor Dumar Building
Padre Burgos Avenue
Cabanatuan City
Mobile Nos.: 0917-8740488
(044) 940-2679

CABARROGUIS
Purok 1 Gundaway, Cabarroguis,
Quirino Province
Mobile Nos.: 0918-9649437

CAGAYAN DE ORO
2nd Floor, Sergio Osmeña Street
Cogon District, Cagayan De Oro City
Mobile Nos.: 0917-8619281
(088) 890-6443

CALBAYOG CITY – SAMAR
Rosales corner Rueda Street
Tel. No.: 055 8370323
Mobile No.: 0918-9852240

CEBU
2F Unit 204 & 205 JSP Mango Realty
Building, Gen. Maxilom Avenue
cor. Echavez Street, Cebu City
Tel. No.: (032) 238-7820

DAVAO
8990 Corporate Center
Quirino Avenue, Davao City
Tel. No.: (082) 287-6824
Mobile No.: 0917-8619403

DIGOS CITY – DAVAO DEL SUR
CPP Building II, Rizal Avenue, Zone 1
Zone 1, Digos City, Davao del Sur
Mobile No.: 0918-9485586

ESTANCIA – ILOILO
Sitio Poblacion, Highway
Cano-an, Estancia, Iloilo
Mobile No.: 0918-9432088

GEN. SANTOS
Go Chay Ching Building
Santiago Boulevard,
General Santos City
Tel. No.: (083) 554-0211
(02) 8988-9555 loc 4129
Mobile No.: 0907-8815270

GLAN – SARANGANI
Ruiz Building
Hombrebueno Street, Brgy. Poblacion
Glan, Saranggani Province
Mobile No.: 0918-9853901

GUIMARAS
Piazza Zemarcato Building
San Miguel, Jordan, Guimaras
Tel. No.:033-3294751
Mobile Nos.: 0917-7733601
0918-9656964

GUMACA
RM Building
Maharlika Highway, A. Bonifacio
Barangay Tabing Dagat,
Gumaca, Quezon
Mobile No.: 0918-9645464

ILIGAN CITY – LANAO DEL NORTE
Quezon Ave. Extension,
Barangay Villaverde, Poblacion,
Iligan City, Lanao del Norte
Mobile No.: 0918-9397659

ILOILO – IZNART
Golden Commercial Building,
Iznart, Iloilo City
Tel. Nos.: (033) 320-5309
094-9648417

IMUS
Gen. Emilio Aguinaldo Highway
Anabu II, Imus, Cavite City.
Tel. No.: (046) 416-1405
Mobile No.: 0917-8038045

IRIGA CITY – CAMARINES SUR
Everest Plaza Building
Zone 5, Highway 1, San Miguel
Iriga City, Camarines Sur
Mobile No.: 0918-9677626

KABANKALAN CITY – NEGROS OCCIDENTAL
Dinsay Building, National Highway,
Mabinay, Kabankalan City,
Negros Occidental
Mobile No.: 0918-9068711

KALIBO
Lot 3459-E-1, Toting Reyes Street,
Kalibo, Aklan
Mobile No.: 0917-8163655

KORONADAL CITY – SOUTH COTABATO
MCM Villamor Building
Gen. San Drive, Zone 2
Koronadal City, South Cotabato
Mobile No.: 0918-9634815

LA HUERTA
Quirino Avenue, La Huerta,
Parañaque City
Mobile No.: 0918-5272535

LA UNION
A.G. Zambrano Building,
Quezon Avenue, San Fernando City,
La Union
Tel. Nos.: (072) 687-2218
(02) 8988-9555 loc 8654

LEGAZPI
2nd floor, Lot 4-6 Blk 20 PCS-1617
Sol's Subdivision, Purok 5,
37 Bitano, Legazpi City
Mobile No.: 0917-8059102

LINGAYEN
The Hub Building, G/F Unit 5&6,
Solis Street, Brgy. Poblacion,
Lingayen, Pangasinan
Tel. No.: (02) 8988-9555 loc 4132

LIPA
2nd Floor CBS Building
CM Recto Avenue
Brgy 4., Lipa City
Tel. No.: (043) 277-5315
Mobile No.: 0917-8277152

LUCENA
Merchan cor Evangelista Street,
Lucena City
Tel. No.: (042) 717-9387
Mobile No.: 0917-8619387

MALAYBALAY – BUKIDNON
Fortich Street, Barangay 9
Malaybalay City, Bukidnon
Mobile No.: 0918-9651095

MALOLOS
Canlapan Street, Sto. Rosario
Malolos City, Bulacan
Tel. No.: (044) 794-1648

MATI CITY – DAVAO ORIENTAL
Madaway Distributor Inc.,
Rizal Extension, Mati City,
Davao Oriental
Mobile No.: 0918-9628744

NAGA
2nd floor RI Building
Panganiban Street, Lerma, Naga City
Tel. No.: (054) 881-2557
Mobile No.: 0917-8619406

ORANI
Brgy. Balut
Orani, Bataan

ORMOC – LEYTE
Real Street
District 22, Ormoc City, Leyte

PAMPANGA
JSL Building, Consunji Street
San Fernando, Pampanga
Tel. Nos.: (045) 4039971
(045) 403-9970
Mobile No.: 0917-5523389

PASSI CITY – ILOILO
M. Palmares Street, Brgy. Poblacion
Ilawod, Passi City, Iloilo
Mobile No.: 0918-9067075

ROXAS
Ground floor, T-114 CityMall Roxas
Roxas Avenue, Brgy. VI,
Roxas City, Capiz
Tel. Nos.: (036) 620-0094
(02) 8988-9555 loc 4144
Mobile No.: 0917-8064432

SAN CARLOS CITY – NEGROS OCCIDENTAL
V. Gustilo Street, San Carlos City,
Negros Occidental
Mobile No.: 0918-9083793

SAN JOSE DE BUENAVISTA – ANTIQUE
AML Building 1corner Dalipeatabay
San Jose de Buenavista, Antique
Mobile No.: 0918-9175291

SAN NICOLAS – ILOCOS NORTE
VYV Building, Valdez Center,
Barangay 1, San Nicolas, Ilocos Norte
Mobile No.: 0918-9572802

SAN PABLO
Rizal Avenue cor Lopez Jaena Street,
San Pablo City
Tel. No.: (049) 521-3991
Mobile No.: 0917-8046178

SANTIAGO
JECO Building Maharlika Highway
cor Quezon Avenue
Victory Norte Santiago City, Isabela
Tel. No.: (078) 305-0064

SORSOGON
2nd Floor God is Good Building
Rizal Street, Piot, Sorsogon
Mobile No.: 0917-8161361

TACLOBAN
YVI Center, Building A, Baybay
S. Road, Brgy. 77, Fatima Village,
Marasbaras, Tacloban City
Tel. No.: (053) 832-1874
Mobile No.: 0917-8267612

TAGUM
CityMall, Maharlika Highway
cor. Lapu-Lapu Extension
Brgy. Magugpo, Tagum City
Tel. No.: (084) 216-8245 loc 8658
Mobile No.: 0925-5421223

TANAUAN
Jose P. Laurel National Highway
Darasa, Tanauan City, Batangas
Mobile No.: 0977-2647091

TAYTAY
2nd floor, Gonzaga Building
Manila East Road, Taytay, Rizal
Tel. Nos.: (02) 7586-3739
8633-3988
Mobile No.: 0917-8158627

TUGUEGARAO
Metropolitan Cathedral Parish
Rectory Complex, Rizal Street,
Tuguegarao City
Tel. No.: (078) 375-4471
Mobile No.: 0917-8169491

URDANETA CITY – PANGASINAN
Alexander Street cor. Belmonte Street
Poblacion, Urdaneta City, Pangasinan
Mobile No.: 0918-9673831

VIGAN
Maestro Convention Center
Florentino Street, Brgy 1, Vigan City
Tel. No.: (077) 674-6062

Subsidiaries and Affiliate

China Bank Savings

CBS Building, 314 Sen. Gil Puyat Avenue, Makati City
Tel. No.: (632) 8988-9555
www.cbs.com.ph

China Bank Savings, Inc. (CBS) began operations on September 8, 2008 following the acquisition of Manila Bank by China Bank in 2007. Subsequent mergers with Unity Bank and Planters Development Bank bolstered CBS as a leading thrift bank in the industry. With a nationwide retail banking network and strong platform for auto, housing, teachers and enterprise finance, CBS is dedicated to servicing the needs of entry-level customers, the broad consumer market and small business owners. CBS is committed to promoting financial inclusiveness and uplifting the quality of life of consumers and entrepreneurs, in line with its *Easy Banking for You* brand of service.

BOARD OF DIRECTORS

Chairman
Ricardo R. Chua

Vice Chairman
Nancy D. Yang

Directors
James Christian T. Dee
Romeo D. Uyan, Jr.*
Herbert T. Sy, Jr.
Jose L. Osmena
Patrick D. Cheng

Independent Directors
Antonio S. Espedido, Jr.
Philip S.L. Tsai
Claire Ann T. Yap
Genaro V. Lapez

Corporate Secretary
Atty. Arturo Jose M. Constantino III

MANAGEMENT COMMITTEE

President
James Christian T. Dee

Consumer Lending Group Head
Jan Nikolai M. Lim

Controllership Group Head
Luis Bernardo A. Puhawan

Asset Recovery Group Head
Mary Grace F. Guzman

Branch Banking Group Head
Jaydee P. Caparas

APD Lending Group Head
Niel C. Jumawan

Human Resources Division Head
Atty. Josephine F. Fernandez

Risk Management Division Head
Raymond C. Apo

WITH INTERLOCKING POSITION IN CHINA BANK

Administrative Services Division Head
Baldwin A. Aguilar

Chief Security Officer
Nestor Jayson V. Camba

Human Resources Group Head
Tani Michelle M. Cruz**

Information Security Officer
Hanz Irvin S. Yoro

Chief Technology Officer
Francis Andre Z. De Los Santos***

Retail Banking Business Segment Head
Jose L. Osmena

**Effective March 16, 2023; replaced William C. Whang*
***Effective January 16, 2023; replaced Maria Rosanna Catherina L. Testa*
****Effective September 1, 2022*

Chinabank Capital

28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 8885-5798
cbcapital@chinabank.ph

China Bank Capital Corporation (China Bank Capital) is the wholly owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house in 2015 as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. China Bank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions.

BOARD OF DIRECTORS

Chairman
Ricardo R. Chua

Vice Chairman
Romeo D. Uyan, Jr.

Directors
William C. Whang
Lillian Yu
Magnolia Luisa N. Palanca
Ryan Martin L. Tapia

Independent Directors
Margarita L. San Juan
Philip S. L. Tsai
Claire Ann T. Yap

Corporate Secretary
Atty. Wilfred Francis B. Martinez

MANAGEMENT TEAM

President
Ryan Martin L. Tapia

Head of Origination and Client Coverage
Michael L. Chong

Head of Execution and Treasurer
Atty. Juan Paolo E. Colet

Head of Distribution
Ma. Martha S. Javelosa

Head of Compliance and Risk Management
Jason Eric G. Jamias

CHINABANK SECURITIES

28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: 02 8230 6660 to 64

China Bank Securities Corporation (China Bank Securities) is the wholly-owned stock brokerage subsidiary of China Bank Capital Corporation. China Bank Securities complements China Bank Capital's equity underwriting activities covering the distribution of issues under initial and/or follow-on offerings and providing research and related equity services.

CBSC operates as a stock brokerage licensed by the SEC to engage in dealing, for its own and for its customers' accounts, securities listed in the Philippine Stock Exchange. The company is eligible to trade dollar-denominated securities or DDS, real estate investment trust or REITs and also offers an online stock trading platform.

BOARD OF DIRECTORS

Chairman
William C. Whang

Vice Chairman
Romeo D. Uyan, Jr.

Directors
Marisol M. Teodoro
Ryan Martin L. Tapia
Gerald O. Florentino

Independent Director
Genaro V. Lapez
Claire Ann T. Yap

Corporate Secretary
Atty. Ma. Hildelita P. Alano

MANAGEMENT TEAM

President and Chief Executive Officer
Marisol M. Teodoro

Treasurer and Business Operations Director
Mary Antonette E. Quiring

Sales & Trading Director
Julius M. German

Research Director
Rastine Mackie D. Mercado

Associated Person and Compliance & Risk Director
Minnie I. Formales

CHINABANK INSURANCE BROKERS, INC.

2nd Floor, VGP Center, 6772 Ayala Avenue
Makati City, 1226, Philippines
Tel. No.: (632) 8885-5555
VGP Center: (632) 8751-6000

Chinabank Insurance Brokers, Inc. (CIBI) Incorporated on November 03, 1998 as a full-service insurance broker, providing 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/Surety, Construction All Risk / Engineering Lines, Liability, Financial Lines such as Directors & Officers Liability, Professional Indemnity, Trade Credit, Cyber Liability, Travel and Group Personal Accident for the Bank clients including non- mortgaged accounts. CIBI is 100% owned by the Bank.

BOARD OF DIRECTORS

Chairman
Patrick D. Cheng

Directors
William C. Whang
Frankie G. Panis

Independent Directors
Philip S.L. Tsai
Margarita L. San Juan

Corporate Secretary
Atty. Belenette C. Tan

MANAGEMENT TEAM

President
Frankie G. Panis

Corporate Treasurer
Maria Primitiva Carmela D. Canceran*

Risk and Compliance Officer
Freedom A. Gaviola

Account Management Head (CBC)
Anne Roselle A. Buna

Account Management Head (CBS)
Deofel F. Jover

Accounting Head
Maria Victoria A. Dagucon

Operations Head
Arleen B. Gallano

OIC - Claims Head
Richelle S. Ayuro

CIBI Branches Head/ Central and North Luzon Branch Head
Herschel Fitzgerald G. Tumibay

South Luzon Branch Head
Roberto D. Consul

Cebu Branch Head
Maria Carolina B. Ylanan

Davao Branch Head
Richelle R. Aguilon

**Effective January 1, 2023*

CHINABANK ASSETS ONE

28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 8885-5798

CBC Assets One (SPC) Inc. was incorporated in the Philippines on June 15, 2016 as a special purpose corporation engaged primarily in the securitization of assets which shall include, but is not limited to receivables, mortgage loans and other debt instruments. The company is a wholly-owned subsidiary of China Bank Capital Corporation.

BOARD OF DIRECTORS

Chairman
Ryan Martin L. Tapia

Directors
Atty. Juan Paolo E. Colet
Roberto A. Cabusay

Independent Directors
Atty. Ma. Cecilia A. Gironella
Ariel A. Soner

Corporate Secretary
Atty. Wilfred Francis B. Martinez

Assistant Corporate Secretary
Atty. Steven Angelo C. Sy

MANAGEMENT TEAM

President and Chief Executive Officer
Ryan Martin L. Tapia

Legal Counsel and Treasurer
Atty. Juan Paolo E. Colet

Operations Officer
Roberto A. Cabusay

Compliance Officer
Mary Grace M. Velasco

CHINABANK PROPERTIES AND COMPUTER CENTER, INC.

4F and 15F China Bank Building,
8745 Paseo de Roxas cor. Villar St., Makati City
Tel. Nos.: (632) 8885-5555; 8885-5053; 8885-5060
8885-5051; 8885-5052
Fax No.: (632) 8885-5047; 8885-9458

CBC Properties and Computer Center, Inc. (CBC-PCCI) was created on April 14, 1982. It provides computer-related services solely to the China Bank group. It manages the Bank's electronic banking and e-commerce requirements, including sourcing, developing and maintaining software and hardware, financial systems, access devices and networks to foster the safety and soundness of China Bank's technology infrastructure and keep its processing capabilities in top shape.

BOARD OF DIRECTORS

Chairman
Gilbert U. Dee

Directors
Peter S. Dee
Ricardo R. Chua
William C. Whang
Delfin Jay M. Sabido IX*

Corporate Secretary
Atty. Rikki Daniele Louis A. Dela Paz

MANAGEMENT TEAM

President
Peter S. Dee

Treasurer
William C. Whang

General Manager
Manuel C. Tagaza

Chief Technology Officer
Francis Andre Z. De Los Santos**

**Effective January 1, 2023*
***Effective September 1, 2022*

Resurgent Capital

28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 8885-5798

Resurgent Capital (FISTC-AMC) Inc. (RECAP) is a special purpose subsidiary of China Bank Capital. It was incorporated on September 6, 2021, with the primary purpose of investing in or acquiring non-performing assets of financial institutions as contemplated under Republic Act No. 11523 or the Financial Institutions Strategic Transfer (FIST) Act and its implementing rules and regulations.

BOARD OF DIRECTORS

Chairman
Romeo D. Uyan, Jr.

Directors
Lilian Yu
Rhodin Evan O. Escolar
Atty. Juan Paolo E. Colet
Ryan Martin L. Tapia

Independent Directors
Margarita L. San Juan
Claire Ann T. Yap

Corporate Secretary
Atty. Wilfred Francis B. Martinez

Assistant Corporate Secretary
Atty. Steven Angelo C. Sy

MANAGEMENT TEAM

President and Chief Executive Officer
Ryan Martin L. Tapia

Vice President, Treasurer, and Legal Counsel
Atty. Juan Paolo E. Colet

Compliance Officer
Mary Grace M. Velasco

Associate Compliance Officer
Juancho Jeff J. Uy

Manulife China Bank LIFE ASSURANCE CORPORATION

a joint venture between Manulife Philippines and China Banking Corporation

10th Floor NEX Tower
6786 Ayala Avenue,
Makati City 1229, Philippines
Customer Care: (632) 8884-7000
Domestic Toll-free: 1-800-1-888-6268
E-mail : phcustomercare@manulife.com
www.manulife-chinabank.com.ph

Manulife China Bank Life Assurance Corporation (MCBLife) is a strategic alliance between Manulife Philippines and China Bank. MCBLife provides a wide range of innovative insurance products and services to China Bank and China Bank Savings customers. MCBLife aims to ensure that every client receives the best possible solution to meet his or her individual financial and insurance needs. In 2014, China Bank raised its equity stake to 40% in MCBLife.

DIRECTORS AND OFFICERS

Chairperson
Sachin Shah

Director/President & CEO Manulife
Rahul Hora*

Director/President & CEO MCBL
Neil Bowyer**

Directors
Rahul Hora
Neil Bowyer
William C. Whang
Patrick D. Cheng
Matthew Lawrence

Independent Directors
Janette L. Peña
Rhoda Regina R. Rara
Conrado Favorito

Corporate Secretary
Atty. Abbiegail D. Sac

Assistant Corporate Secretary
Atty. Mara Kristina Herrera

Treasurer and Controller
Edwin Magpantay

Chief Legal and Compliance Officer
Atty. Fritzie P. Tangkia-Fabricante

Head of Training
Juan Miguel Javellana

Bancassurance Strategy Head
Jared Anthony N. Uichico

RBB Channel Heads
Jannette Pasion-Domingo
Jennifer Sanchez

Data Privacy Officer
Atty. Anna Elizza Bustos-De Leon

**Effective October 3, 2022*
***Effective July 14, 2022*

Products and Services

2-6

PESO DEPOSITS

Checking Account
- *ChinaCheck Plus*
  An affordable interest-bearing checking account that comes with an ATM card.

Savings Account
- *ATM Savings*
  An interest-earning Peso-denominated savings account that comes with an ATM card.
- *MoneyPlus Savings*
  An account that gives you flexibility and liquidity. Build your account balance and be rewarded.
- *Young Savers*
  An interest-earning savings account for children 17 years old and below.

Time Deposit
- *Regular Time Deposit*
  For a low minimum placement, you can earn higher interest than in a regular savings account.
- *Diamond Savings Account*
  A high-yield fixed-term deposit account evidenced by a passbook.
- *Money Lift Plus*
  A 5-year term deposit that offers floating interest rate.

FOREIGN CURRENCY DEPOSITS

Savings
- *Foreign Currency Savings Account*
  A Passbook-based, low initial deposit and maintaining balance savings deposit account offered in US Dollar, Euro, Chinese Yuan, and Japanese Yen.
- *Premium Savings Account*
  A Passbook-based savings account offered in US Dollar. It optimizes your funds for better earnings and with monthly crediting of interest.

Time Deposit
- *Foreign Currency Time Deposit Account*
  A time deposit account offered in US Dollar and Euro which comes with a certificate of deposit, and renewal options.

DEPOSIT-RELATED SERVICES

Cash Card
A peso denominated re-loadable prepaid card with no maintaining balance. Offers the convenience of an ATM card without the need to open a deposit account.

SSS Pensioner's Account
A savings account for SSS pensioners for the purpose of crediting pensions and other SSS benefits.

Gift Check
A thoughtful gift for weddings, birthdays, graduations, and other special occasions.

Manager's Check
This is another way for clients to make payments where checks are issued by the Bank in exchange for their cash or debit from current/savings account – these checks are also considered "good as cash".

Demand Draft
A check issued by the Bank against its own account with our correspondent banks for use of clients to transfer funds.

Safety Deposit Box
For the safekeeping / storage of valuables / possessions and other important documents under lock and key.

Night Depository Services
An overnight drop box service that allows accountholders, usually small businesses, to makes deposits after regular banking hours.

Cash Delivery and Deposit Pick-Up Services
A convenient deposit pick-up and cash delivery solution for secure cash handling. Cash is transported via Bank armoured car and all deposits are processed in a secure bank facility where cash deposits are credited the same day.

ONLINE KABABAYAN SERVICES

International Remittance
Safe and affordable remittance service to the Philippines through China Bank's remittance partners abroad. The remittances may be credited to a China Bank account or any other bank account, picked-up in cash from China Bank / CBS branches and payout partners, or delivered to the beneficiary in cash.

Domestic Remittance
Safe, fast, and convenient way for China Bank depositors to send cash to their beneficiaries via cash pick-up from any China Bank branch or any M. Lhuillier or LBC branch, or via cash delivery through the Pay to Cash service within the China Bank mobile app.

Online Kababayan Savings (OKS) Account (PHP)
A Peso-denominated, no-initial deposit, and no maintaining balance account for Overseas Filipinos and their beneficiaries that makes saving and sending /receiving remittances more secure and convenient.

Online Kababayan Savings (OKS) Account (USD)
A US dollar-denominated, lower initial deposit, and no maintaining balance account for Overseas Filipinos and their beneficiaries for a more secure and convenient way of easier sending/receiving remittances.

LOANS AND CREDIT FACILITIES

Omnibus Line
A revolving master facility offered to borrowers with subfacilities, including trade and loan lines that may be shared with related or affiliated companies.

Loan Line
A revolving facility under which funds may be drawn, repaid and re-drawn at any point within the loan tenor (usually renewable on a yearly basis).

Term Loan
A non-revolving facility to be repaid within a specified period. A term loan may have single or multiple drawdowns, but once repaid, the amounts cannot be re-drawn.

Trade Finance
Issuance of Trust Receipt and Letter of Credits ("LC"), including Standby LC, Usance LC, Sight LC, or Cash LC, Import LC or Export LC, and which could be revocable or irrevocable.

Factoring Receivable
A credit facility offered to institutions where the Bank purchases trade/account receivables at a discounted rate.

Consumer Loans
- *China Bank HomePlus*
  A loan for the purchase, construction, and renovation of residential units, refinancing of housing loans with on-time payments, and reimbursement within a year of purchase.
- *China Bank AutoPlus*
  A loan for the purchase of brand new, pre-owned vehicles, and fleet requirements of companies and reimbursement of purchase cost of brand new vehicles within 30 days from purchase date.
- *Contract-to-Sell Facility*
  A Purchase of Receivables facility that is granted to eligible real estate developers for the purpose of liquefying their receivables arising from their installment sales covered by Contracts to Sell (CTS).

Credit Cards

- *China Bank Wealth Mastercard*
  The premier card designed exclusively for Wealth Management clients offering luxurious experiences, exceptional privileges, and personalized premium service befitting an elite lifestyle.
- *China Bank World Mastercard*
  The total luxury card that provides world-class privileges such as access to a wide spectrum of lifestyle events, global perks, VIP lounges, and personal concierge.
- *China Bank Platinum Mastercard*
  The ultimate travel companion card that rewards cardholders when they travel, shop, and dine anywhere in the world.
- *China Bank Prime Mastercard*
  The everyday card that elevates convenient cashless spending through exciting perks, installment offers, and rewards.
- *China Bank Cash Rewards Mastercard*
  The must-have card that allows cardholders to save as they spend with up to 6% cash rebates.
- *China Bank Freedom Mastercard*
  The card that offers perpetual waiver on annual membership fees with access to rewards and delightful deals.

INTERNATIONAL BANKING

Letter of Credit
An irrevocable written undertaking by the Issuing Bank on behalf of the Applicant to pay the Beneficiary against presentation of complying documents as stipulated in the credit.

Standby Letter of Credit
An irrevocable written undertaking by the Issuing Bank on behalf of the Applicant to pay the Beneficiary in case the Applicant defaults on performance of the agreement.

Shipping Guarantee
A document issued by a bank at the request of Applicant, addressed to the shipping line, requesting to release stated merchandise to the importer in lieu of submission of the original bill of lading upon arrival of goods.

Documents against Payment
A bank to bank transaction in which the exporter sends documents to the Exporter's bank with accompanying instruction to release documents to the importer once payment was received by the Importer's bank.

Documents against Acceptance
A bank to bank transaction in which the exporter sends documents to the Exporter's bank with accompanying instruction to release documents to the importer only upon submission of signed bill of exchange payable at a future date.

Advance Payment
Payments made in advance by the importer/buyer to the exporter/supplier prior to receiving the goods or services.

Open Account
An arrangement wherein the exporter directly sends the documents to the importer and ships the merchandise for payment at a future date (minimum of 30 days from shipment date).

Trust Receipt Loans
A document executed by an importer in favor of a bank to finance an import transaction.

Export Bills Purchase
The Bank advances the receivables to the exporter at a discount.

Export Collections
An arrangement wherein the Presenting Bank sends the documents to the Collecting Bank on collection basis. Payment to the Exporter is made upon receipt of proceeds from the Importer.

Customs and Duties Tax Payments
Collection and remittance of taxes, duties and other levies to the Bureau of Customs.

Advising of Letters of Credit and Standby Letters of Credit
Letters of Credit and/or Standby Letters of Credit received from the Issuing Bank which are checked by the Advising Bank for its authenticity and workability for further advise to the Beneficiary.

Purchase and Sale of Foreign Exchange
Buy and/or sell of foreign exchange to service trade and non-trade requirements.

Inward and Outward Remittance Service - Domestic and International
Send and receive money within the Philippines or to and from other countries.

Foreign Currency Loans
Working capital loans to help strengthen cash flow or help fund day to day operations.

TRUST

Unit Investment Trust Fund (UITF)

- *China Bank Money Market Fund*
  A Peso-denominated UITF classified as a money market fund, invested in a diversified portfolio of marketable fixed-income securities comprised of deposits, tradable money market instruments, government securities, and corporate bonds and notes. The Fund's average duration is not more than one year and caters to investors with moderate risk appetite.
- *China Bank Cash Fund*
  A Peso-denominated UITF classified as a money market fund, invested primarily in special savings deposits. The Fund's average duration is not more than one year and caters to conservative investors.
- *China Bank Short-Term Fund*
  A Peso-denominated UITF classified as a money market fund, invested primarily in a diversified portfolio of marketable financial instruments including deposits, money market instruments, government securities, and corporate bonds/notes and preferred shares of stock (classified as debt). The Fund's average duration is not more than one year and caters to moderate investors.
- *China Bank Intermediate Fixed-Income Fund*
  A Peso-denominated UITF classified as an intermediate bond fund, invested primarily in a diversified portfolio of high-grade marketable fixed-income securities comprised of deposits, tradable money market instruments, government securities, corporate bonds and notes and preferred shares of stock (classified as debt). The Fund's average duration is not more than three years and caters to investors with moderate risk appetite.
- *China Bank Fixed Income Fund*
  A Peso-denominated UITF classified as a long-term bond fund, invested primarily in a diversified portfolio of high-grade marketable fixed-income securities such as government securities, tradable corporate bonds and notes of varying tenors, as well as bank deposits and money market placements. The Fund's average duration is not more than ten years and caters to investors with moderate risk appetite.
- *China Bank Balanced Fund*
  A Peso-denominated UITF classified as a balanced fund, invested in a diversified portfolio of high-grade tradable fixed-income securities issued by the Philippine government and local corporations, and choice equity issues listed in the Philippine Stock Exchange

(PSE). The equity component of the Fund shall not exceed 60% of the portfolio at any given time with an average duration of not more than ten years for the fixed-income investments. The Fund caters to aggressive investors.

- *China Bank Equity Fund*
  A Peso-denominated UITF classified as an equity fund, invested in a diversified portfolio of choice equity issues listed in the PSE. The Fund caters to aggressive investors with its equity component not exceeding 95% of the portfolio at any given time.
- *China Bank High Dividend Equity Fund*
  A Peso-denominated UITF classified as an equity fund, invested in a diversified portfolio of choice common and preferred equity issues listed in the PSE which have regular dividend payment policy and/or dividend payment track record. The Fund caters to aggressive investors with its equity component not exceeding 95% of the portfolio at any given time.
- *China Bank Dollar Fund*
  A US Dollar-denominated UITF classified as a long-term bond fund, invested primarily in a diversified portfolio of high-grade marketable securities comprised mainly of Philippine sovereign bonds and US treasury bonds of varying tenors. The Fund's average duration is not more than ten years and caters to investors with moderate risk appetite.
- *China Bank Dollar Cash Fund*
  A US Dollar-denominated UITF classified as a money market fund, invested in fixed-income securities, mostly time deposits, special savings accounts and government securities. The Fund's average duration is not more than one year and caters to conservative investors.
- *China Bank Philippine Equity Index Tracker Fund*
  A Peso-denominated UITF classified as an equity index tracker fund, invested in a diversified portfolio of stocks representative of the Philippine Stock Exchange Index (PSEi) composition and its corresponding weights. The Fund caters to aggressive investors and aims to mirror the returns of its benchmark, the PSEi.

Investment Management Arrangement
China Banking Corporation-Trust and Asset Management Group (CBC-TAMG) handles the administration and investment of funds and assets of an individual in order to meet his objectives. The arrangement may be discretionary wherein CBC-TAMG has full authority to make investment decisions based on pre-agreed investment guidelines, or non-discretionary wherein investment decisions require prior client consent.

Personal Management Trust
A living trust arrangement wherein CBC-TAMG acts as a trustee to manage the client's wealth or estate, generally for the preservation of assets/properties for future use of the beneficiaries, which may or may not be a third party, and/or to answer for current needs. CBC-TAMG shall ensure fair and equitable distribution of wealth in accordance with the client's wishes and defined instructions.

Escrow Services Arrangement
An arrangement wherein CBC-TAMG acts as an independent third party or an escrow agent to safeguard the interest of the parties to a transaction on assets, documents or funds while the terms and conditions of the contract are being fulfilled. The following types of escrow services are available: CGT, Buy & Sell, POEA, DHSUD, and PAGCOR.

Employee Benefit Fund Management
A cost-effective corporate arrangement where CBC-TAMG helps the company set up and manage its retirement fund to benefit its employees, avoid unnecessary cash flow disruptions brought about by payment of retirement benefits, and avail of possible tax savings.

Corporate Fund Management
CBC-TAMG acts as an Investment Manager authorized to administer the funds of a corporation in accordance with pre-agreed investment guidelines based on the company's objectives, liquidity requirements, yield expectation, and risk tolerance. The arrangement may either be discretionary or non-discretionary.

Facility Agency Arrangement
CBC-TAMG acts as a liaison between a corporate borrower and a group of lenders to primarily ensure compliance by the parties with all the terms and conditions in syndicated loan facilities. The arrangement may also cover receipt from and disbursement of loan payments to the parties, dissemination of notices and information to all concerned, and coordination of creditors' meetings, among others.

Security Trusteeship Arrangement
CBC-TAMG acts as a trustee over the properties or assets offered as collateral or are the subject of mortgage in favor of a syndicate of creditors. The arrangement may include the monitoring of required collateral value, custodianship of security documents such as agreements, titles to properties, and insurance policies.

Collecting and Paying Agency Arrangement
CBC-TAMG facilitates the collection of payment and prompt disbursement of amounts due to a syndicate of lenders.

TREASURY

Investments

- *Local currency-denominated Government and Corporate Bond Issues and Perpetual Notes*
  Peso-denominated debt Instruments issued by the National Government or select corporate entities with fixed interest rates paid quarterly or semi-annually, subject to final withholding tax.
- *Foreign currency denominated Government and Corporate Bond Issues and Perpetual Notes*
  Foreign currency-denominated (US Dollar, Euro, Japanese Yen, Chinese Renminbi) debt Instruments issued by the Philippine National Government, other sovereign entities, or select local and foreign Corporate entities with fixed interest rates paid semi-annually.
- *China Bank Bond*
  Peso-denominated debt instruments issued by China Banking Corporation with fixed interest rate paid monthly, subject to final withholding tax.

Deposits and Deposit Substitutes

- *Long Term Negotiable Certificate of Deposit (LTNCD)*
  LTNCD issued by the Bank with a tenor of at least five years with quarterly interest payments; available in Philippine Peso.
- *Treasury Certificate of Deposit (TCD)*
  Short term deposits (overnight to one year) evidenced by a certificate of deposit; available in Philippine Peso, US Dollar or Euro.
- *Promissory Note*
  Short term deposits substitute (overnight to one year) evidenced by a PN Certificate; available in Philippine Peso; not covered by PDIC.

Foreign Exchange & Derivatives

- *Foreign Exchange*
  Spot, Forward and FX Swaps - an agreement to buy/sell a currency for another currency.
- *Derivatives*
  Interest Rate and Cross Currency Swaps - a bilateral agreement to exchange periodic cash flows for a specific period of time, based on an agreed notional amount.

PAYMENT & SETTLEMENT

China Bank Automated Teller Machine (ATM)
Self-service terminal that provides 24/7 banking services like cash withdrawal (including cardless – fulfillment of transactions staged in the China Bank Mobile App), balance inquiry, bills payment, funds transfer, and more. Selected China Bank ATMs are also equipped for beep™ card reloading and load balance inquiry.

China Bank Cash Accept Machine (CAM)
Deposit-taking terminal that facilitates cardless transaction and real-time crediting of deposits to a China Bank account.

China Bank TellerPhone
A phone banking facility that allows customers to perform banking transactions via landline or mobile phone.

China Bank Online
An internet-based banking channel that provides customers direct access to their accounts via their personal computer, laptop, tablet, or mobile phone to do various banking transactions.

China Bank Mobile Banking App
A free mobile application downloadable from the App Store and Google Play that enables customers to securely access their China Bank accounts and bank on the go. The App has unique features like RFID reloading, Emergency Cash/No card On Withdrawal (NOW) for cardless withdrawal thru China Bank ATMs, Pay To Mobile/Just Use your Mobile Phone (JUMP) for fund transfers to anyone using only the recipient's mobile number, Shake to Scan for easy fund transfers via QR, and more.

Point-Of-Sale (POS)
A local PIN-based payments solution using a POS terminal that allows ATM cardholders to use their cards as payment for goods or services in select stores.

CASH MANAGEMENT

China Bank Online Corporate
An internet-based banking channel for the business banking needs of corporate customers. China Bank Online Corporate securely facilitates basic banking services, self-service functionalities, and Cash Management Solutions.

Liquidity Management via China Bank Online Corporate
- *Sure Sweep*
  Enables faster and more efficient consolidation or distribution of funds for easier disbursement and better yields.
- *Corporate Inter-Bank Fund Transfer*
  Transfer funds online and real-time from your China Bank account to accounts in other banks.
- *Multi-Bank SOA Concentration*
  Access account balances, transaction reports, and account statements of your china bank accounts and other bank accounts.

Receivables Management
- *Automatic Debit Arrangement (ADA)*
  Electronically initiate collections from customers' or subscribers' enrolled deposit accounts.
- *Check Depot*
  Enjoy the convenience of automatic crediting of post-dated checks (PDCs) as they fall due.
- *Bills Pay Plus*
  Provide your customers with convenient payment options through China Bank's vast network of branches nationwide and 24/7 electronic banking channels.
- *Referenced Deposit Solution*
  Provide your customers with convenient payment options, while making use of a deposit reference number, through China Bank's vast network of branches nationwide.
- *Smart Cash Safe Solution*
  Deposit cash 24/7 via a cash accepting machine installed in your premises.

Payables Management
- *Direct Debit Arrangement*
  Manage your recurring payments to select utility companies via direct debit from your China Bank account.
- *Auto Credit Arrangement (ACA)*
  Electronically remit same day or future dated payment instructions to the china bank accounts of your payees.
- *Check Writing Services*
  Free your company of the tedious task of manually preparing a large number of checks.
  - *Check Write plus Software* - a stand-alone solution that automates the preparation of checks, vouchers, and reports.
  - *Check Write Plus Outsourcing* - Outsource the printing and releasing of your corporate checks or China Bank manager's checks.
  - *Check Write Plus Self-Service* - A web-based solution that automates the preparation of checks, vouchers, and reports.
- *Payroll Services*
  Reduce administrative and manual processes involved with paying your employee's salaries.
  - *Payroll Crediting* - A web-based solution for crediting your employees' China Bank payroll accounts directly.
  - *Payroll Processing* - Outsource your entire payroll activity, from the calculation of gross salary based on attendance report up to generation of net pay, pay slips, internal and statutory reports.
  - *China Pay Software* - A stand-alone payroll & timekeeping program that automates salary computation and pay slip and report generation.
  - *Payroll 2.0* – a fully digital and cloud-based payroll processing solution accessible via web or mobile app.

POS Solutions
- *Debit POS*
  Equip your business with the flexibility to accept ATM and debit card payments.
- *POS Cash Out*
  Provide your customers with the convenience of cash withdrawals via a POS device, and at the same time, have an additional income channel.

Trade and Settlement Solutions
- *SCCP Broker's Solution*
  Settle stock transactions with the Securities Clearing Corporation of the Philippines via an electronic platform. This solution facilitates net settlement of daily stock trade among stock brokerage firms of the PSE.
- *Electronic Invoicing & Payment Solution (Available Soon)*
  Reduce the time and cost of processing invoices. This solution automates and streamlines the presentation, reconciliation, and settlement of electronic invoices/receivables.

Government Payments and Collections
- *Easy Tax Filing and Payment Solution*
  Electronically file and pay real property taxes.
- *Tax Payment Solution*
  File and pay Bureau of Internal Revenue (BIR) taxes.
- *eGov Payments*
  File and pay monthly contributions and loan payments to Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and Pag-IBIG.
- *SSS Sickness, Maternity, and Employee Compensation (SSS SMEC)*
  Receive the SSS sickness, maternity and compensation benefit reimbursements of your employees via direct credit to your company's China Bank account.

INVESTMENT BANKING (CHINA BANK CAPITAL)

Equity Capital Markets
Originates, structures, executes, and distributes equity and equity-linked solutions for corporate clients, including initial public offerings, follow on offerings, stock right offerings, preferred shares, and convertibles.

Debt Capital Markets
Assists corporate clients, financial institutions, and the government access various sources of capital through debt financing products, including corporate notes, retail bonds, commercial papers and promissory notes.

Loans, Project Finance, and Structured Finance
Advises and works with clients with complex financing solutions to support a diverse range of purposes, projects, and transaction.

Advisory
Advises clients on mergers and acquisitions, divestitures, joint ventures, valuation, securitizations, tender offers, share buybacks, and other corporate transactions.

STOCK BROKERAGE (CHINA BANK SECURITIES)

Trading Account
Trader-assisted trading of stocks listed at the Philippine Stock Exchange (PSE), covering peso and dollar-denominated securities.

Online Trading

- *ChinaBankSecOnline*
  Take the lead when buying and selling PSE-listed stocks with ChinaBankSec Online. Easily open an online trading account online, access your account using multiple devices, and get access to top-notch trading tools and services.
- *ChinaBankSec Alpha*
  For the active and more sophisticated stock investor, gain access to more advanced trading tools and information, feel the market, pick the right stocks and do conditional trades.

Research Services
Coverage of listed companies, industry sectors, market outlook, daily/weekly market updates, strategy reports, among others.

Other Equity-related Services
Distribution of Initial Public/Follow-on Offerings (IPOs/FOOs), stabilization agent, among others.

INSURANCE (CHINA BANK INSURANCE BROKERS AND MANULIFE CHINA BANK LIFE)

Personal Assets

- *China Bank Residential Fire Insurance*
  Protection against fire and lightning, natural disasters, riot, strike, malicious damage; provides extended cover such as smoke, falling aircraft, vehicle impact, and explosion.
- *China Bank Motor Insurance*
  Protection against own damage and theft, acts of nature (earthquake fire & shock, typhoon, and Flood), third party bodily injury and property damage; provides medical expenses for driver and passengers and offers Compulsory Third Party Liability (CTPL) as LTO requirement.
- *China Bank Personal Accident Insurance*
  Protection in case of accidental death, disablement, and dismemberment; provides reimbursement for medical expenses due to accident, special cover for sickness related cases (such as Dengue, Chikungungya, Covid-19 and leptospirosis), and 24/7 protection on and off work or school.
- *China Bank Travel Insurance*
  Protection for a passenger hours before the flight and for the whole duration of trip (domestic or international travel) for accidental death and disablement; provides cashless medical cover, and protection against travel inconveniences such as baggage loss, trip cancellation, trip termination, etc.
- *China Bank Medical Insurance*
  Health coverage for individuals to protect against financial exposure due to medical expenses as a result of accident or illness which includes: cashless in-patient and outpatient coverage including pandemic-related cases, reimbursement of medical expenses due to accident or sickness, and hospital income benefit.

Business Assets

- *China Bank Commercial and Industrial Property Insurance*
  Provides comprehensive protection against fire and lightning; natural disasters (earthquake fire & shock, typhoon and flood); riot, strike and malicious damage; extended cover such as smoke, falling aircraft, vehicle impact and explosion; bursting and overflowing of tanks, apparatus & pipes, sprinkler leakage, and spontaneous combustion among others; machinery breakdown and business interruption (as extension cover).
- *China Bank Motor Fleet Insurance*
  Protects the owner against loss or damage of vehicle and trucks due to own damage and theft, acts of Nature (earthquake fire & shock, typhoon and flood); provides medical expenses for driver and passengers and Third Party Bodily Injury and Property Damage coverage.
- *China Bank Group Personal Accident Insurance*
  Provides coverage protection for your employees and key personnel and their beneficiaries in case of accidental death, disablement and Dismemberment; provides reimbursement for medical expenses incurred due to accident and or sickness, special cover for sickness related cases (such as Dengue, Chikungungya, Covid-19 and leptospirosis), burial benefit, motorcycling cover, and 24/7 protection on and off work or school.
- *China Bank Travel Insurance*
  Protection for a passenger hours before the flight and for the whole duration of trip (domestic or international travel) for accidental death and disablement; provides cashless medical cover, and protection against travel inconveniences such as baggage loss, trip cancellation, trip termination, etc.; insurance as requirement for VISA purposes (Schengen countries).
- *China Bank Medical Insurance*
  Offers health coverage for employees of the company against financial exposure due to medical expenses as a result of accident or illness which includes: in patient and outpatient coverage including pandemic related cases, reimbursement of medical expenses due to accident or sickness, hospital income benefit, third party administration for company's medical fund.

- *China Bank Comprehensive General Liability Insurance*
  Covers payment for accidental property damage or bodily injury to a third party including legal fees, if necessary, that happens in the course of business operations, including medical expenses and other liability caused by negligence of the assured / company, customer damage to property, legal expenses.
- *China Bank Electronic Equipment Insurance*
  Provides accident insurance on an "all risks" basis, covering sudden and unforeseen loss or damage to the insured equipment such as: Electronic data processing (EDP) and office equipment, communication and radio equipment, graphics industry equipment, broadcast and television equipment, and other miscellaneous electronic equipment.
- *China Bank Money, Securities and Payroll Insurance*
  Protection against loss of money used for business operations as a result of robbery, burglary or brigandage.
- *China Bank Fidelity Guarantee Insurance*
  Protection against financial loss due to dishonest or fraudulent acts of employee.
- *China Bank Property Floater*
  Covers loss or damage to mobile equipment or moveable properties such as construction equipment or machines, portable electronic equipment or even paintings or other personal items among others against all risk.
- *China Bank Contractors All Risks Insurance (CARI)*
  Comprehensive insurance protection against physical loss or damage for construction works, contract works, civil engineering works, construction plant and equipment; liability to third party bodily injury or property damage.
- *China Bank Erection All Risks Insurance (EARI)*
  Protection for contract works involving electro-mechanical works, installation of machinery and equipment, and the like. Aside from contract works, EARI may also cover testing and commissioning once erection or installation is successfully completed.
- *China Bank Marine Cargo*
  Covers various hazards related to the movement of goods or cargo via air, land or sea. The insurance can cover all stages of delivery - from the time the goods leave the warehouse, throughout the course of transit, until its delivery to the consignee's final warehouse.
- *China Bank Marine Hull*
  Provides coverage for marine vessels and their machinery against Loss or Damage. Coverage can range from comprehensive "All Risks" to limited "Total Loss" only.
- C*hina Bank Surety Bonds*
  To guarantee the principal's responsibility towards the obligee as required by law or contract.
- *China Bank Cyber Insurance*
  Covers the insured for liability to third party from losses caused by a security breach in the insured's system plus other direct losses the insured may incur as a result of the breach.
- *China Bank Professional Indemnity Insurance*
  Provides coverage to professionals as a group for loss or damage to third party as a result of negligence, misrepresentation or wrongful advice.
- *China Bank Sabotage and Terrorism Insurance*
  Provides cover against financial losses directly resulting from politically motivated violence or terrorism and sabotage events.
- *China Bank Kidnap and Ransom Insurance*
  Protection against financial loss due to ransom and extortion expenses; covers response consultant fees, legal liability, personal accident Insurance.
- *China Bank Directors and Officers Liability Insurance*
  Covers individual directors and officers of the company from claims made against them while performing their duties as officer or director. The policy covers negligent acts or omission causing damage or loss to third party individual or corporation.

Health
- *MCBL Healthflex*
  A whole life health insurance plan that allows you to customize your critical illness coverage according to your health needs and your budget. It also offers extensive health coverage with protection from up to 112 critical illnesses and add-on benefits.

Protection
- *MCBL Enrich Starter*
  For as low as P15,000 per year, get protection coverage plus an opportunity to start saving to achieve your financial goals.
- *MCBL Legacy Secure*
  Protect and secure yourself and your family until you reach 100.
- *MCBL Base Protect / Base Protect Plus*
  Choose the insurance coverage you need: one year (yearly renewable) or five years.

Savings
- *MCBL FutureBoost*
  Affordable life insurance plan with investments, designed to hustle with you and reward you with bonuses so you can secure every stage of your life.
- *MCBL Invest*
  A life insurance plan packed with potential wealth-building value. Choose among different funds that invest in some of the largest and most profitable companies in the world.
- *MCBL Assure Max*
  Protect yourself for 20 years or up to age 65 with a life insurance benefit equal to 200% of your basic coverage.

Wealth
- *MCBL WealthOne*
  Variable life insurance options that let you invest in a variety of funds while keeping you protected from life's uncertainties.

Group
- *MCBL SecurePinoy*
  For about Php 1/day* or Php 500/year, you can enjoy Php 35,000 worth of life protection coverage or Php 200,000 for accidental death plus Php 10,000 worth of medical reimbursement.
- *MCBL Group Life Insurance*
  Provide your employees' families monetary support in case of the demise of the employee. Employees can enjoy the benefits as long as they are with the company.
- *MCBL Group Health Insurance*
  Provide extra health coverage and financial benefits for your employees.
- *MCBL Group Credit Life*
  Protect your company from financial losses from unpaid loans. This plan ensures that loans are settles, whatever happens.
- *MCBL Group Personal Accident Insurance*
  Secures employees from out-of-pocket expense in case of accidents.

Topic Boundary

3-1

OUR CAPITAL	TOPIC	BOUNDARY	DISCLOSURE REFERENCE
Financial and Manufactured Capital	Economic Performance	Business Operations, Customers, Employees, Shareholders, Suppliers, Communities, Government and Regulators	GRI 3-3, 201-1
	Contribution to the SDGs		GRI 3-3, 203-1, 203-2, SASB FN-CB-240A.1, FN-CB-240A.4
Human and Intellectual Capital	Human Resources	Employees	GRI 3-3, 2-7, 2-8
	Finding the Right Talents		GRI 3-3, 401-1
	Promoting Diversity and Equal Opportunity		GRI 405-1, 406-1
	Providing Fair and Competitive Compensation		GRI 201-3, 401-2, 401-3
	Maintaining Strong Employee Relationship through CBA		GRI 2-30
	Developing Talents		GRI 404-1, 404-2
	Recognizing and Rewarding Hard Work		GRI 404-3
	Managing Employee Turnover		GRI 2-25, 401-1
	Health and Safety		GRI 3-3, 403-1, 403-2, 403-6, 403-7, 403-8
	Spreading Health and Safety Awareness		GRI 403-3
	Ensuring Covid-19 Protection		GRI 403-6
	Promoting Health And Wellness		
Social and Relationship Capital	Financial Inclusion	Business Operations, Customers, Employees, Communities, Government and Regulators	GRI 3-3, 413-1, SASB FN-CB-240A.1
	Lowering the Barriers to Account Opening		
	Enabling Fast and Secure Digital Payments		
	Making Stock Investing Easy		
	Making Insurance Affordable		
	Developing A Culture of Saving		
	Investing in Our Communities		GRI 3-3, 413-1
	Consumer Protection		GRI 3-3
	Managing Customer Interactions		
	Measuring Customer Satisfaction		
	Assisting Customers		
	Data Privacy and Cyber Security		GRI 3-3, 418-1, SASB FN-CB-230A.2
	Keeping Up with Data Privacy Laws		
	Managing Customer Data		
	Reinforcing Cyber Security		
Natural Capital	Environmental Footprint	Business Operations and Employees	GRI 3-3
	Managing Fuel Consumption		GRI 302-1
	Managing Water Consumption		GRI 303-5
	Managing Electricity Consumption and Indirect Emission		GRI 305-1, 305-2

GRI Content Index

CONTENT INDEX ESSENTIALS SERVICE 2023

Statement of use China Banking Corporation has reported in accordance with the GRI Standards for the period of January 1, 2022 to December 31, 2022.

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI STANDARD	DISCLOSURE		PAGE NUMBER AND/ OR DIRECT ANSWERS
GRI 1 USED:	**GRI 1 Foundation 2021**		**NA**
General Disclosures			
GRI 2: General Disclosures 2021	**The organization and its reporting practices**		
	2-1	Organizational details	4-7
	2-2	Entities included in the organization's sustainability reporting	4-7, 100-109
	2-3	Reporting period, frequency and contact point	2
	2-4	Restatements of information	46, 47, 60
	2-5	External assurance	No external assurance has been provided for the report
	Activities and workers		
	2-6	Activities, value chain, and other business relationships	4-7, 8-13, 14-15, 73-77, 145-150
	2-7	Employees	43-48
	2-8	Workers who are not employees	43
	Governance		
	2-9	Governance structure and composition	62, 63-65, 70-71
	2-10	Nomination and selection of the highest governance body	66
	2-11	Chair of the highest governance body	70-71
	2-12	Role of the highest governance body in overseeing the management of impacts	62, 63-65, 70-71
	2-13	Delegation of responsibility for managing impacts	70-71
	2-14	Role of the highest governance body in sustainability reporting	34
	2-15	Conflicts of interest	73
	2-16	Communication of critical concerns	73-77
	2-17	Collective knowledge of the highest governance body	68
	2-18	Evaluation of the performance of the highest governance body	68
	2-19	Remuneration policies	68, 76
	2-20	Process to determine remuneration	Confidentiality constraints. While the bank believes that its process for determining remuneration is appropriate, it is constrained to disclose its process.
	2-21	Annual total compensation ratio	Confidentiality constraints. While the bank believes that its annual total compensation ratio is appropriate, it is constrained to disclose the ratio.

GRI STANDARD	DISCLOSURE		PAGE NUMBER AND/ OR DIRECT ANSWERS
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	8-13, 33
	2-23	Policy commitments	4-7, 33, 73-77
	2-24	Embedding policy commitments	34
	2-25	Processes to remediate negative impacts	35, 48
	2-26	Mechanisms for seeking advice and raising concerns	35
	2-27	Compliance with laws and regulations	Confidentiality constraints. While the bank is not subject to any significant fines or non-monetary sanctions, it is constrained to disclose the number of pending discussions.
	2-28	Membership associations	See list on page 154
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	35, 126-141
	2-30	Collective bargaining agreements	46
Material Topics			
GRI 3: Material Topics 2021	**3-1**	Process to determine material topics	2, 36, 151
	3-2	List of material topics	36
Health and Safety			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	49-50
GRI 403: Occupational Health And Safety 2018	**403-1**	Occupational health and safety management system	49-50
	403-2	Hazard identification, risk assessment, and incident investigation	49-50
	403-3	Worker training on occupational health and safety	50
	403-6	Promotion of worker health	49-50
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49-50
	403-8	Workers covered by an occupational health and safety management system	49-50
Business Ethics			
GRI 2: General Disclosures 2021	**2-22**	Statement on sustainable development strategy	8-13, 33
	2-23	Policy commitments	4-7, 33, 73-77
	2-24	Embedding policy commitments	34
	2-25	Processes to remediate negative impacts	35, 48
	2-26	Mechanisms for seeking advice and raising concerns	35
Corporate Governance			
GRI 2: General Disclosures 2021	**2-9**	Governance structure and composition	62, 63-65, 70-71
	2-10	Nomination and selection of the highest governance body	66
	2-11	Chair of the highest governance body	70-71
	2-12	Role of the highest governance body in overseeing the management of impacts	62, 63-65, 70-71
Talent Attraction and Retention			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	43-48
GRI 401: Employment 2016	**401-1**	New employee hires and employee turnover	44, 48
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46
	401-3	Parental leave	46

GRI STANDARD		DISCLOSURE	PAGE NUMBER AND/ OR DIRECT ANSWERS
Anti Corruption and Anti-bribery			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	73-77
GRI 205: Anti-Corruption 2016	**205-1**	Operations assessed for risks related to corruption	73-77
Digitalization			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	57-59
GRI 418: Customer Privacy 2016	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	57-59
Labor Standards			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	45
GRI 405: Diversity and Equal Opportunity 2016	**405-1**	Diversity of governance bodies and employees	45
GRI 406: Non-discrimination 2016	**406-1**	Incidents of discrimination and corrective actions taken	45
Training And Education			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	46-47
GRI 404: Training and Education 2016	**404-1**	Average hours of training per year per employee	46-47
	404-2	Programs for upgrading employee skills and transition assistance programs	46-47
	404-3	Percentage of employees receiving regular performance and career development reviews	47
Innovation			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	51-54
GRI 413: Local Communities 2016	**413-1**	Operations with local community engagement, impact assessments, and development programs	51-54
Economic Performance			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	8-13, 40, 42
GRI 201: Economic Performance 2016	**201-1**	Direct economic value generated and distributed	42
	201-3	Defined benefit plan obligations and other retirement plans	46
GRI 203 : Indirect Economic Impacts 2016	**203-1**	Infrastructure investments and services supported	40-41
	203-2	Significant indirect economic impacts	40-41
Energy, Water and Emissions			
GRI 3: Material Topics 2021	**3-3**	Management of material topics	60
GRI 302: Energy 2016	**302-1**	Energy consumption within the organization	60
GRI 303: Water and Effluents 2018	**303-5**	Water consumption	60
GRI 305: Emissions 2016	**305-1**	Direct (Scope 1) GHG emissions	60
	305-2	Energy indirect (Scope 2) GHG emissions	60

Membership Associations:
Trust Officers Association of the Philippines; ACI Philippines; Association of Bank Compliance Officers, Inc.; Association of Bank Remittance Officers, Inc.; Association of Philippine Correspondent Banking Officers, Inc.; Bankers' Association of the Philippines; Bankers' Institute of the Philippines, Inc.; Bank Marketing Association of the Philippines; Business Continuity Managers Association of the Philippines; Chamber of Thrift Banks; Credit Card Association of the Philippines; Credit Management Association of the Philippines; Financial Executives of the Philippines; Fund Managers Association of the Philippines; Good Governance Advocates and Practitioners of the Philippines; Information Security Officers Group; Investment House Association of the Philippines; Money Market Association of the Philippines; Personnel Management Association; Philippine Association of National Advertisers; Philippine Business for the Environment; Philippine Payments Management, Inc.; Public Relations Society of the Philippines; UNISDR Private Sector Alliance for Disaster Resilient Societies; Various Local Business Clubs

SASB Content Index

TOPIC	ACOUNTING METRIC	CODE	PAGE NUMBERS
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	No significant data privacy breach recorded
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	57-59
Financial Inclusion and Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	38-39, 51-54
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	Not disclosed
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Not disclosed
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	38
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	Not disclosed
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	61
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	100-109
	Description of whistleblower policies and procedures	FN-CB-510a.2	75
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	Not applicable
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	80

Investor Information

ANNUAL STOCKHOLDERS' MEETING

April 20, 2023, Thursday, 4:00 p.m.
conducted virtually via
https://www.chinabank.ph/asm2023

China Bank cares for the health and safety of our stockholders, employees and involved participants in the Stockholders' Meeting. The Bank's 2023 Annual Stockholders' Meeting will be an online event.

SHAREHOLDER SERVICES

For inquiries or concerns regarding dividend payments, account status, change of address or lost or damaged stock certificates, please get in touch with:

Stocks and External Relations
Office of the Corporate Secretary
China Banking Corporation
11/F China Bank Building
8745 Paseo de Roxas cor. Villar St.
Makati City 1226, Philippines

Contact persons:
Atty. Wilfred Francis B. Martinez
Atty. Steven Angelo C. Sy
Jaime G. Dela Cruz

Tel. No.: (+632) 8230-6987; 8885-6890; 8885-5135
Fax No.: (+632) 8403-5813
Email: wfbmartinez@chinabank.ph
sacsy@chinabank.ph
ocsstocks@chinabank.ph

Stock Transfer Service, Inc.
Unit 34-D Rufino Pacific Tower
6784 Ayala Ave.
Makati City 1226, Philippines

Contact persons:
Antonio M. Laviña
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Tel. Nos.: (+632) 8403-2410; 8403-2412; 5310-3671
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INVESTOR INQUIRIES

We welcome inquiries from investors, analysts, and the financial community. For information about the developments at China Bank, please contact:

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Website: *www.chinabank.ph*

CUSTOMER INFORMATION

We welcome letters or all such communications on matters pertaining to the management of the Bank, stockholders' rights, or any other bank-related issues of importance. Stockholders who wish to communicate with any or all of the members of the China Bank Board of Directors may send letters to:

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11/F China Bank Building
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CUSTOMER ASSISTANCE CHANNELS

Aside from China Bank branches nationwide, our customers and the public can reach us though the following:

Customer Contact Center Hotline
Metro Manila: 888-55-888
Domestic Toll-Free: 1-800-1888-5888 (PLDT)
International Toll-free: Visit www.chinabank.ph for the list of countries and toll-free numbers
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Since 1920

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THE CORE OF OUR MISSION

2022 NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

1. CORPORATE INFORMATION

China Banking Corporation (the Parent Company) is a publicly listed universal bank incorporated in the Philippines. The Parent Company acquired its universal banking license in 1991. It provides expanded commercial banking products and services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury products, trust products, foreign exchange, corporate finance and other investment banking services through a network of 479 and 477 local branches as of December 31, 2022 and 2021, respectively.

The Parent Company acquired its original Certification of Incorporation issued by the Securities and Exchange Commission (SEC) on July 20, 1920. 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 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
	2022	2021		
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
Resurgent Capital (FIST-AMC) Inc,*	**100.00%**	100.00%	Philippines	FIST Corporation

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 22.51% as of December 31, 2022 and 2021.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit or loss (FVTPL), derivative contracts designated as hedges 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 and each of thesubsidiaries is the Philippine peso, except for the FCDU of the Parent Company and CBSI whose functional currency is USD.

<u>Statement of Compliance</u>
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 asset 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 obtained by 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 consolidated financial statements 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 which became effective as of January 1, 2022. 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:

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.

Significant Accounting Policies

Foreign Currency Translation
The consolidated financial statements are presented in Philippine peso.

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.

RBU
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, derivative contracts designated as hedges 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 agreements (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. An asset corresponding to the cash paid, including accrued interest, is recognized in the balance sheet as SPURA. The difference between the purchase price and the 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 from banks and customers and 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); and
- 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; unless a change in business model has taken place, in which case, reclassification is necessary.

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 the statement of income when these investments are derecognized or impaired, as well as through the amortization process. The expected credit losses (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 and redemptions of these instruments are included in 'Gains (losses) on disposal and redemption of investment securities at amortized cost' in the statement of income.

The Group's financial assets at amortized cost are presented in the balance sheet 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, derivatives, and equity securities which are held for trading purposes.

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 in the fair value (mark-to-market) 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 the statement of income under ‘Interest income’ account while dividend income is reported in the 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), cross currency swaps (CCS), futures, 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, CCS, futures 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 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 gain (loss) on financial assets at FVOCI’ 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 allowance for ECL recognized in OCI.

On derecognition, 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 represents credit losses that reflect an unbiased and probability-weighted measure of expected cash shortfalls, discounted at 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 pertains to credit losses that result 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 recognize 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 recognize 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 financial asset or a portfolio of financial assets. 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 exposures 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 Group's models for PD, EAD, and LGD.

The calculation of ECL, 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 unlikeliness to pay are categorized as impaired accounts and are moved to Stage 3.

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; and
- 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.

The Parent Company applies the IBOR reform Phase 1 reliefs to hedging relationships directly affected by IBOR reform during the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (RFR). A hedging relationship is affected if IBOR 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 reliefs require that for the purpose of determining whether a forecast transaction is highly probable, it is assumed that the IBOR on which the hedged cash flows are based is not altered as a result of IBOR reform.

IBOR reform Phase 1 also requires that for hedging relationships affected by IBOR reform, the Parent Company must assume that, for the purpose of assessing expected future hedge effectiveness, the interest rate is not altered as a result of IBOR reform. Further, the Parent Company is not required to discontinue the hedging relationship. The hedge ineffectiveness must be recognized in profit or loss, as normal.

The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from IBOR reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item, if the hedging relationship is discontinued, or once amounts in the cash flow hedge reserve have been released.

IBOR reform Phase 2 provides temporary reliefs that allow the Parent Company's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Parent Company to amend the hedge designations and hedge documentation.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI as cash flow hedge reserve (Note 26) presented under 'Hedge-related reserve' in the balance sheet, 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. For 2022 and 2021, there is no ineffective portion recognized in the statement of income.

When foreign exchange forward contracts are used in hedging relationships, the Parent Company can designate the instrument in its entirety or exclude the forward element by designating the spot element only. The forward element in a foreign exchange forward contract is the difference between the spot and forward prices. When only the spot element is designated, the Parent Company has a choice to apply the cost of hedging accounting to the excluded forward element. In applying the cost of hedging accounting to the forward element of the foreign exchange forward contract, the change in the fair value of the forward element is recognized in OCI and accumulated in a separate component of equity. In case of a time period-related hedged item, the forward element that exists at inception is amortized from the separate component of equity to profit or loss on a systematic and rational basis. The unamortized portion of the cost of hedging is presented under 'Hedge-related reserve' in the balance sheet.

As of December 31, 2022, the Parent Company has interest rate swaps and foreign exchange forward contracts that have been designated as hedging instruments in cash flow hedges (Note 26). As of December 31, 2021, the Parent Company has interest rate swaps that have been designated as hedging instruments in cash flow hedges (Note 26).

<u>Financial Liabilities</u>
Financial liabilities which include deposit liabilities, bills payable, bonds payable, derivative liabilities, 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, except derivative liabilities, are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. All interest-related charges incurred on financial liabilities are recognized as an expense in the statements of income under '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 statement of income over the period of the borrowings using the effective interest method.

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as SSURA included in 'Bills payable' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

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.

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; and
- 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 and a gain or loss on derecognition of the "old" financial asset is recognized in the statements of income, if any. 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 purchased or 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.

In the context of IBOR reform, the Group's assessment of whether a modification is substantial or not is made after applying the practical expedient introduced by IBOR reform Phase 2. The IBOR reform Phase 2 amendments allow as a practical expedient for changes to the basis for determining contractual cash flows to be treated as changes to a floating rate of interest, provided certain conditions are met. The conditions include that the change is necessary as a direct consequence of IBOR reform and that the transition takes place on an economically equivalent basis.

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 the Group is required, over the duration of the commitment, 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 balance sheet. 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 'Other 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 the 'Miscellaneous income' account in the statement of income.

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

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

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

Dividends earned on this investment are recognized 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 against 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 Non-financial Assets
At each reporting date, the Group assesses whether there is any indication that its non-financial 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 non-financial 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
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 Non-financial 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 branch 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.

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.

<u>*Revenues outside the scope of PFRS 15*</u>

Interest income
For all interest-bearing financial assets, interest income is recorded either (i) at EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability, or (ii) 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.

Operating expenses

Operating expenses constitute costs which arise in the normal business operation and are recognized when incurred.

Taxes and licenses

This includes all other taxes, local and national, including gross receipts taxes (GRT), documentary stamp taxes, real estate taxes, licenses, and permit fees. Taxes and licenses 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 and remeasurements 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 2022. 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, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  o Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  o Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

- 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; and
  - 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. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

Effective beginning on or after January 1, 2025

- 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

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

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).

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 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 and 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 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; unless a change in business model has taken place, in such case, reclassification is necessary.

In 2022, 2021, and 2020, investment securities at amortized cost held by the Parent Company were either redeemed or sold. The disposals were assessed by the Parent Company as not inconsistent with the portfolios' business models considering the conditions and reasons for which the disposals were made. Further, the 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. The details of and the reasons for the disposals and redemptions are disclosed in Note 9.

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 and FVOCI 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.

d. Hedge accounting
In 2020, the Parent Company designated the hedge relationship between its floating rate bond payable (see Note 18) and an interest rate swap as a cash flow hedge. In 2021, the Parent Company designated the hedge relationships between (i) the interest rate risk component of its Treasury time deposits and Retail Banking Business Segment (RBB) time deposits and (ii) interest rate swaps as cash flow hedges. In 2022, the Parent Company designated the hedge relationship between (i) the foreign exchange risk component of certain foreign exchange spot transactions and of future interest payments and (ii) and the spot element of certain foreign exchange forward contracts.

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 transactions are described in Note 26.

The Parent Company applies the temporary reliefs provided by the IBOR reform Phase 1 amendments, which enable its hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an alternative nearly RFR. For the purpose of determining whether a forecast transaction is highly probable, the reliefs require it to be assumed that the IBOR on which the hedged cash flows are based is not altered as a result of the IBOR reform. The reliefs end when the Parent Company judges that the uncertainty arising from IBOR reform is no longer present for the hedging relationships referenced to IBORs. This applies when the hedged item has already transitioned from IBOR to an RFR and also to exposures that have transitioned or will transition via fallback to an RFR when LIBOR ceases. The one-week and two-month LIBOR ceased on January 1, 2022. The overnight and 1-, 3-, 6-, and 12-month USD LIBOR will cease immediately after June 30, 2023. The cessation of these LIBORs does not have an impact on the Parent Company's existing hedge relationships.

The IBOR reform Phase 2 provides temporary reliefs to enable the Parent Company's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR.

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 ECL to be recognized in the balance sheet and any changes thereto in the statement of income. 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;
- 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;
- sufficiency and appropriateness of data used and relationships assumed in building the components of the Group's expected credit loss models; and
- 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 and branch licenses*
The Group performs impairment review of goodwill and branch licenses with indefinite useful life annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill and branch licenses by assessing the recoverable amount of the cash generating unit (CGU) to which the goodwill and branch licenses are attributed. The recoverable amount of the CGU is determined based on a value in use (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 and branch licenses have 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 and branch licenses are disclosed in Note 14.

c. *Present value of defined benefit obligation and retirement expense*
The determination of the Group's net present value of defined benefit obligation 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, which take into account the inflation, seniority and promotion

The present value of the defined benefit obligation, including the details of the assumptions used in the calculation, are disclosed in Note 25.

d. *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.

e. *Impairment on non-financial assets*
The Group assesses impairment on its non-financial 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 non-financial assets is determined based on the asset's value in use whose computation 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 non-financial 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	
	2022	2021	**2022**	2021
Financial assets				
Cash and other cash items	**₱13,689,421**	₱16,024,863	**₱10,073,767**	₱13,649,247
Financial assets at FVTPL	**4,727,580**	7,209,667	**3,514,576**	5,457,804
Derivative contracts designated as hedge	**6,203,379**	1,139,233	**6,203,379**	1,139,233
Financial assets at FVOCI	**43,316,757**	28,672,240	**41,151,125**	26,523,712
Financial assets at amortized cost				
Due from BSP	**107,100,295**	124,283,115	**92,920,540**	114,528,773
Due from other banks	**13,614,609**	10,694,312	**12,347,169**	9,897,264
Interbank loans receivables and SPURA	**43,564,970**	36,559,224	**41,597,949**	35,030,997
Investment securities at amortized cost	**357,985,926**	242,353,729	**351,802,877**	236,347,682
Loans and receivables	**699,594,789**	609,006,732	**613,197,254**	544,171,738
Accrued interest receivable	**9,781,803**	7,616,692	**8,730,710**	6,428,565
Other assets (Note 15)	**3,736,308**	3,366,335	**1,662,648**	1,728,412
	1,235,378,700	1,033,880,139	**1,122,259,147**	948,133,431
Total financial assets	**₱1,303,315,837**	₱1,086,926,142	**₱1,183,201,994**	₱994,903,427

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Financial liabilities				
Other financial liabilities:				
Deposit liabilities	**₱1,065,914,677**	₱862,859,897	**₱959,418,569**	₱782,218,900
Bonds payable	**28,312,870**	42,473,558	**28,312,870**	42,473,558
Bills payable	**70,375,267**	65,806,274	**70,375,267**	65,806,274
Accrued interest and other expenses*	**5,811,342**	4,478,140	**5,224,797**	4,175,537
Manager's check	**1,550,669**	1,854,606	**1,296,109**	1,466,359
Other liabilities (Note 21)	**15,620,840**	12,530,441	**12,988,527**	9,748,858
	1,187,585,665	990,002,916	**1,077,616,139**	905,889,486
Financial liabilities at FVTPL:				
Derivative liabilities	**1,549,561**	998,721	**1,549,561**	998,721
Derivative contracts designated as hedge	**4,156,612**	162,399	**4,156,612**	162,399
Total financial liabilities	**₱1,193,291,838**	₱991,164,036	**₱1,083,322,312**	₱907,050,606

*Accrued interest and other expenses excludes accrued taxes and other licenses. (Note 20).

5. FAIR VALUE MEASUREMENT

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

As of December 31, 2022 and 2021, 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:

	2022			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	₱229,958,237	₱221,875,352	₱224,469,204	₱216,648,069
Private bonds	128,027,689	118,225,116	127,333,673	117,575,907
	357,985,926	340,100,468	351,802,877	334,223,976
Loans and receivables (Note 10)				
Corporate and commercial lending	538,008,002	529,819,391	523,005,015	512,983,314
Consumer lending	144,021,855	144,355,710	73,041,104	63,792,006
Trade-related lending	17,452,061	17,500,762	17,132,202	17,148,707
Others	112,871	119,095	18,933	21,936
	699,594,789	691,794,958	613,197,254	593,945,963
Sales contracts receivable (Note 15)	1,406,217	1,529,793	180,659	191,276
	701,001,006	693,324,751	613,377,913	594,137,239
	₱1,058,986,932	₱1,033,425,219	₱965,180,790	₱928,361,215
Non-financial Assets				
Investment properties (Note 13)				
Land	₱2,395,362	₱7,015,136	₱571,111	₱4,605,181
Buildings and improvements	1,519,529	2,448,238	916,147	923,011
	₱3,914,891	₱9,463,374	₱1,487,258	₱5,528,192
Financial Liabilities				
Time deposit liabilities (Note 17)	₱492,474,358	₱467,484,286	₱431,055,393	₱410,538,638
Bills payable (Note 19)	70,375,267	68,992,828	70,375,267	68,992,828
Bonds payable (Note 18)	28,312,870	27,560,343	28,312,870	27,560,343
	₱591,162,495	₱564,037,457	₱529,743,530	₱507,091,809

	2021			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	₱120,586,399	₱122,959,933	₱115,324,372	₱117,746,647
Private bonds	121,767,330	143,693,145	121,023,310	142,961,778
	242,353,729	266,653,078	236,347,682	260,708,425
Loans and receivables (Note 10)				
Corporate and commercial lending	476,742,179	474,629,406	461,837,893	458,204,469
Consumer lending	119,942,290	120,952,674	70,464,116	64,940,408
Trade-related lending	12,208,008	12,382,913	11,849,967	11,998,905
Others	114,255	121,352	19,762	22,077
	609,006,732	608,086,345	544,171,738	535,165,859
Sales contracts receivable (Note 15)	1,101,891	1,210,464	213,399	228,098
	610,108,623	609,296,809	544,385,137	535,393,957
	₱852,462,352	₱875,949,887	₱780,732,819	₱796,102,382
Non-financial Assets				
Investment properties (Note 13)				
Land	₱2,610,210	₱5,074,992	₱682,648	₱2,559,622
Buildings and improvements	1,383,128	2,392,864	696,722	901,235
	₱3,993,338	₱7,467,856	₱1,379,370	₱3,460,857
Financial Liabilities				
Time deposit liabilities (Note 17)	₱307,650,145	₱303,288,548	₱270,271,411	₱265,926,690
Bills payable (Note 19)	65,806,274	64,358,633	65,806,274	64,358,633
Bonds payable (Note 18)	42,473,558	42,249,623	42,473,558	42,249,623
	₱415,929,977	₱409,896,804	₱378,551,243	₱372,534,946

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 directly or indirectly either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.

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

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

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

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

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

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

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

Other liabilities – 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, 2022 and 2021, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

	Consolidated			
	2022			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱202,348	₱180,513	₱–	₱382,861
Treasury notes	–	563,548	–	563,548
Treasury bills	–	201,779	–	201,779
Private bonds	760,600	–	–	760,600
Quoted equity shares	700,112	–	–	700,112
Financial assets designated at FVTPL	949,032	153,986	–	1,103,018
Derivatives with Positive Fair Value Held for Trading	–	1,015,662	–	1,015,662
Derivative Contract Designated as Hedge	–	6,203,379	–	6,203,379
FVOCI financial assets				
Government bonds	9,189,227	18,258,420	–	27,447,647
Quoted private bonds	15,236,902	–	–	15,236,902
Quoted equity shares	603,898	–	–	603,898
	₱27,642,119	₱26,577,287	₱–	₱54,219,406

(Forward)

	Consolidated			
	2022			
	Level 1	Level 2	Level 3	Total
Derivative liabilities	₱–	₱1,549,561	₱–	₱1,549,561
Derivative contracts designated as hedge	–	4,156,612	–	4,156,612
	₱–	₱5,706,173	₱–	₱5,706,173
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱221,875,352	₱–	₱–	221,875,352
Private bonds	67,100,457	–	51,124,658	118,225,116
Loans and receivables				
Corporate and commercial loans	–	–	529,819,391	529,819,391
Consumer loans	–	–	144,355,710	144,355,710
Trade-related loans	–	–	17,500,762	17,500,762
Others	–	–	119,095	119,095
Sales contracts receivable	–	–	1,529,793	1,529,793
Fair values of non-financial assets carried at cost				
Investment properties				
Land	–	–	7,015,136	7,015,136
Buildings and improvements	–	–	2,448,238	2,448,238
	₱288,975,809	₱–	₱753,917,055	₱1,042,892,864
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	–	–	467,484,286	467,484,286
Bills payable	–	–	68,992,828	68,992,828
Bonds payable	–	–	27,560,343	27,560,343
	₱–	₱–	₱564,037,457	₱564,037,457

	Consolidated			
	2021			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱156,736	₱23,173	₱–	₱179,909
Treasury notes	–	58,684	–	58,684
Treasury bills	–	1,790,306	–	1,790,306
Private bonds	1,334,070	1,550,793	–	2,884,863
Quoted equity shares	1,063,897	–	–	1,063,897
Financial assets designated at FVTPL	151,209	–	–	151,209
Derivative assets	–	1,080,799	–	1,080,799
Derivative contract designated as hedge	–	1,139,233	–	1,139,233
FVOCI financial assets			–	
Government bonds	6,251,539	11,461,512	–	17,713,051
Quoted private bonds	10,305,710	–	–	10,305,710
Quoted equity shares	635,114	–	–	635,114
	₱19,898,275	₱17,104,500	₱–	₱37,002,775

(Forward)

	Consolidated			
	2021			
	Level 1	Level 2	Level 3	Total
Derivative liabilities	₱–	₱998,721	₱–	₱998,721
Derivative contracts designated as hedge	–	162,399	–	162,399
	₱–	₱1,161,120	₱–	₱1,161,120
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱122,959,933	₱–	₱–	₱122,959,933
Private bonds	71,209,566	–	72,483,579	143,693,145
Loans and receivables				
Corporate and commercial loans	–	–	474,629,406	474,629,406
Consumer loans	–	–	120,952,674	120,952,674
Trade-related loans	–	–	12,382,913	12,382,913
Others	–	–	121,352	121,352
Sales contracts receivable	–	–	1,210,464	1,210,464
Fair values of non-financial assets carried at cost				
Investment properties				
Land	₱–	₱–	₱5,074,992	₱5,074,992
Buildings and improvements	–	–	2,452,510	2,452,510
	₱288,975,809	₱–	₱753,917,055	₱1,042,892,864
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱303,288,548	₱303,288,548
Bills payable	–	–	64,358,633	64,358,633
Bonds payable	–	–	42,249,623	42,249,623
	₱–	₱–	₱409,896,804	₱409,896,804

	Parent Company			
	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	**₱202,348**	**₱180,513**	**₱–**	**₱382,861**
Treasury notes	**–**	**563,548**	**–**	**563,548**
Treasury bills	**–**	**201,779**	**–**	**201,779**
Private bonds	**760,600**	**–**	**–**	**760,600**
Quoted equity shares	**590,126**	**–**	**–**	**590,126**
Derivatives with Positive Fair Value Held for Trading	**–**	**1,015,662**	**–**	**1,015,662**
Derivatives with Positive Fair Value Held for Hedging	**–**	**6,203,379**	**–**	**6,203,379**
FVOCI financial assets				
Government bonds	**7,196,313**	**18,258,420**	**–**	**25,454,732**
Quoted private bonds	**15,088,429**	**–**	**–**	**15,088,429**
Quoted equity shares	**588,192**	**–**	**–**	**588,192**
	₱24,426,008	**₱26,423,301**	**₱–**	**₱50,849,308**

(Forward)

	Parent Company			
	2022			
	Level 1	Level 2	Level 3	Total
Derivative liabilities	₱–	₱1,549,561	₱–	₱1,549,561
Derivative contracts designated as hedge	–	4,156,612	–	4,156,612
	₱–	₱5,706,173	₱–	₱5,706,173
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱216,648,069	₱–	₱–	₱216,648,069
Private bonds	66,451,249	–	51,124,658	117,575,907
Loans and receivables				
Corporate and commercial loans	–	–	512,983,314	512,983,314
Consumer loans	–	–	63,792,006	63,792,006
Trade-related loans	–	–	17,148,707	17,148,707
Others	–	–	21,936	21,936
Sales contracts receivable	–	–	191,276	191,276
Fair values of non-financial assets carried at cost				
Investment properties				
Land	–	–	4,605,181	4,605,181
Buildings and improvements	–	–	923,011	923,011
	₱283,099,318	₱–	₱650,790,089	₱933,889,407
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	–	–	410,538,638	410,538,638
Bills payable	–	–	68,992,828	68,992,828
Bonds payable	–	–	27,560,343	27,560,343
	₱–	₱–	₱507,091,809	₱507,091,809

	Parent Company			
	2021			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱156,736	₱23,173	₱–	₱179,909
Treasury notes	–	58,684	–	58,684
Treasury bills	–	1,790,306	–	1,790,306
Private bonds	1,334,070	–	–	1,334,070
Quoted equity shares	1,014,037	–	–	1,014,037
Derivative assets	–	1,080,798	–	1,080,798
Derivative contract designated as hedge	–	1,139,233	–	1,139,233
FVOCI financial assets				
Government bonds	4,192,999	11,461,512	–	15,654,511
Quoted private bonds	10,245,868	–	–	10,245,868
Quoted equity shares	604,968	–	–	604,968
	₱17,548,678	₱15,553,706	₱–	₱33,102,384

(Forward)

	Parent Company			
	2021			
	Level 1	Level 2	Level 3	Total
Derivative liabilities	₱–	₱998,721	₱–	₱998,721
Derivative contracts designated as hedge	–	162,399	–	162,399
	₱–	₱1,161,120	₱–	₱1,161,120
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱117,746,647	₱–	₱–	₱117,746,647
Private bonds	70,478,199	–	72,483,579	142,961,778
Loans and receivables				
Corporate and commercial loans	–	–	458,204,469	458,204,469
Consumer loans	–	–	64,940,408	64,940,408
Trade-related loans	–	–	11,998,905	11,998,905
Others	–	–	22,077	22,077
Sales contracts receivable	–	–	228,098	228,098
Fair values of non-financial assets carried at cost				
Investment properties				
Land	–	–	2,559,622	2,559,622
Buildings and improvements	–	–	901,235	901,235
	₱188,224,846	₱–	₱611,338,393	₱799,563,239
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱265,926,690	₱265,926,690
Bills payable	–	–	64,358,633	64,358,633
Bonds payable	–	–	42,249,623	42,249,623
	₱–	₱–	₱372,534,946	₱372,534,946

There were no transfers into and out of Level 3 fair value measurements in 2022 and 2021.

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

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 amortized 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:

	Valuation Techniques	Significant Unobservable Inputs
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Land and Building	Market Data Approach and Cost Approach	Reproduction Cost New

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.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

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

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

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

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

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

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

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

The Operational Risk Assessment Program and IT Risk Frameworks require the Parent Company to undergo periodic operational risk assessment and for all business units & allied businesses to conduct risk and control self-assessments. These enable determination of priority risk areas, assessment of mitigating controls in place, and institutionalization of additional measures to ensure both a controlled operating environment and proper handling of IT risk exposures. RMG maintains and updates the Parent Company's Centralized Loss Database wherein all reported incidents of losses shall be encoded to enable assessment of weaknesses in the processes and come up with viable improvements to avoid recurrence.

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

Liquidity and interest rate risk exposures are measured and monitored through the Maximum Cumulative Outflow and Earnings-at-Risk reports from the Asset and Liability Management (ALM) system. It was implemented in 2013 and was upgraded in 2018 to a new version which includes modules for calculating Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The system also has a Funds Transfer Pricing module used by the Treasury Group and Corporate Planning Group.

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

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

On June 1, 2022, the BOD approved the 2022 ICAAP document for submission to the BSP. 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 June 29, 2022.

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.

Business Continuity Management

In the aftermath of the pandemic in the past three years, the Group has built its business resilience around policies that would ensure that the Group is able to service and respond to the requirements of its clients, to perform its functions as a Domestic Systemically Important Bank (DSIB) and to continue to fulfill the transaction cycle in its operations.

The Group implemented "The New Normal Work Force and Work Management Plan for the COVID-19 Pandemic" to provide general direction and guidance in sustaining the operations of the Group through the pandemic. The plan put in place health and safety protocols which along with the implementation of the buddy branch system ensured the uninterrupted delivery of services. On April 1, 2022, select personnel from Head Office and subsidiaries were transferred to the SM Mega Tower extension office providing the different business units with the capacity of splitting their teams and operate in two different sites to make certain that the services continue in the event of business interruptions brought about by a pandemic or similar occurrence. Changes in the processes of business units arising from the implementation of the plan and the establishment of the extension office are continuously updated and incorporated in the risk and control self-assessment and business impact analysis tools to reflect the changes in the risk profile. Appropriate measures are also updated and implemented in light of these changes.

Credit Risk

Credit risk is the risk of financial loss on account of a counterparty to a financial product failing to honor its debt 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 periodic 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.

RMG also continued to run approximations of the increase in NPL under Base, Moderate, and Severe scenarios and presented the results to the Risk Oversight Committee. Apart from considering the expert judgment of the lending units, the assumptions were modified to take into account the improving economic condition and the fact that the borrowers who had been severely affected by the pandemic have already been identified and booked as non-performing. The condition of accounts that were restructured or with terms modification continued to be monitored and those with high risk rating were considered in the NPL approximations. Lastly, the accounts that can potentially default from their debt obligations based on the assessment of the regulators were added in the assumptions.

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, and for sovereign counterparties. In addition, it has two credit scoring models for auto and housing loan applicants and recently implemented the eligibility scorecard for CTS without recourse borrowers.

Credit risk for corporate borrowers with total assets, total facilities, or total credit exposures amounting to 15 million and above is measured through the Internal Credit Risk Rating System (ICRRS). The model was designed within the technical requirements defined under BSP Circular No. 439. It has two components, namely: a) Borrower Risk Rating which provides an assessment of the creditworthiness of the borrower, without considering the proposed facility and security arrangements, and b) Loan Exposure Rating which provides an assessment of the proposed facilities as mitigated or enhanced by security arrangements.

For retail small and medium entities and individual non-consumer loan accounts, the credit scoring system used is the Borrower Credit Score (BCS). The Group also has a rating system that is designed to specifically assess Philippine universal, commercial, thrift, rural and cooperative banks as well as foreign financial institutions. Furthermore, the Group has a sovereign risk rating scorecard which is being used to assess the strength of a country in reference to its economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events.

For auto and housing loans, the Group uses application scorecards to determine the acceptability of a borrower. This is implemented through internally developed software interfaces. In addition, the Group implemented an eligibility scorecard for CTS without recourse buyers to ensure that minimum standards for the underwriting of borrowers endorsed by developers are complied with. For the Parent Company's credit cards, Transunion score is being used to determine application acceptance in conjunction with other credit acceptance criteria.

The Group regularly monitors the performance of its rating models and scorecards. Over the years, it has partnered with third party consultants such as Moody's Analytics and Teradata for model validation, model recalibration, and knowledge transfer projects. Internally, it conducts its own review of the performance of the models by subjecting them to statistical metrics. This is to ensure the reliability of this tool in the Group's credit evaluation process.

The ICRRS validation and recalibration engagement with Moody's Analytics and the parallel run of candidate models culminated in the approval of the recalibrated ICRRS model by the Board in 2019. In 2022, the Bank performed a full quantitative model validation for ICRRS which tested the model's discriminatory power and stability. Along with this, the qualitative assessment on Management Quality component was enhanced. In addition, the first review of the sovereign risk rating scorecard was conducted in the same year. The model performance for housing and auto loan scorecards was also reviewed in the past 2 years. The Bank aims to complete the remodeling activities for housing loans and recalibration of Borrower Credit Score (BCS) in 2023.

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, 2022 and 2021 (in millions) follows:

	Consolidated					
	2022			2021		
	Assets*	Liabilities	Commitment**	Assets*	Liabilities	Commitment**
Geographic Region						
Philippines	₱1,219,178	₱1,122,325	₱35,422	₱1,015,570	₱983,516	₱38,382
Asia	21,752	24,703	161	23,367	–	5,587
Europe	42,051	37,883	7,499	45,736	–	793
United States	20,318	8,381	1,127	2,246	7,648	137
Others	17	–	3	7	–	–
	₱1,303,316	₱1,193,292	₱44,212	₱1,086,926	₱991,164	₱44,899

**Amounts are net of related allowance for credit losses*
***Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued and Standby credit commitments*

	Parent Company					
	2022			2021		
	Assets*	Liabilities	Commitment**	Assets*	Liabilities	Commitment**
Geographic Region						
Philippines	₱1,099,064	₱1,012,355	₱33,907	₱923,547	₱899,403	₱37,757
Asia	21,752	24,703	161	23,367	–	5,587
Europe	42,051	37,883	7,499	45,736	–	793
United States	20,318	8,381	1,127	2,246	7,648	137
Others	17	–	3	7	–	–
	₱1,183,202	₱1,083,322	₱42,697	₱994,903	₱907,051	₱44,274

**Amounts are net of related allowance for credit losses*
***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 (gross of unearned discount and allowance for credit losses) is presented below:

	Consolidated				
	2022				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Financial intermediaries	₱122,768,549	₱268,327,309	₱162,813,886	₱22,663,997	₱576,573,741
Real estate, renting and business services	185,743,662	67,532,003	–	543,466	253,819,131
Electricity, gas and water	84,314,281	28,088,810	–	3,120,478	115,523,569
Manufacturing	58,232,646	1,316,348	–	901,375	60,450,369
Wholesale and retail trade	48,849,880	–	–	10,330,040	59,179,920
Transportation, storage and communication	44,443,178	4,224,082	–	215,879	48,883,139
Arts, entertainment and recreation	38,666,435	4,241,027	–	1,922,391	44,829,853

(Forward)

	Consolidated				
	2022				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Accommodation and food service activities	**₱9,613,592**	**₱4,998,276**	**₱–**	**₱117,278**	**₱14,729,146**
Mining and quarrying	**13,340,903**	**–**	**–**	**5,299**	**13,346,202**
Construction	**10,178,863**	**–**	**–**	**2,781,399**	**12,960,262**
Professional, scientific and technical activities	**947,422**	**8,398,018**	**–**	**219,699**	**9,565,139**
Agriculture	**9,010,166**	**–**	**–**	**42,818**	**9,052,984**
Education	**3,894,828**	**568,000**	**–**	**55,237**	**4,518,065**
Public administration and defense	**191,203**	**–**	**–**	**163,279**	**354,482**
Others*	**87,519,627**	**17,859,548**	**227,613**	**1,130,178**	**106,736,966**
	₱717,715,235	**₱405,553,421**	**₱163,041,499**	**₱44,212,813**	**₱1,330,522,969**

*Others consist of administrative and support service, health, household and other activities.

	Consolidated				
	2021				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Financial intermediaries	₱91,545,065	₱151,614,315	₱171,536,651	₱5,578,282	₱420,274,313
Real estate, renting and business services	172,217,058	70,176,324	–	885,124	243,278,506
Electricity, gas and water	76,631,134	25,283,654	–	4,663,787	106,578,575
Transportation, storage and communication	58,116,995	3,414,689	–	1,136,456	62,668,140
Wholesale and retail trade	45,125,057	–	–	6,491,222	51,616,279
Manufacturing	34,264,150	16,063	–	3,773,283	38,053,496
Arts, entertainment and recreation	33,762,320	3,830,133	–	85,460	37,677,913
Accommodation and food service activities	11,379,789	4,591,085	–	827,642	16,798,516
Construction	10,387,329	10,585	–	3,663,434	14,061,348
Mining and quarrying	10,967,237	–	–	1,002,343	11,969,580
Agriculture	7,312,462	–	–	337,248	7,649,710
Professional, scientific and technical activities	841,426	4,645,001	–	1,511,896	6,998,323
Education	4,446,512	676,071	–	322,060	5,444,643
Public administration and defense	60,036	–	–	506,952	566,988
Others*	67,268,149	15,990,664	2,034,061	14,113,693	99,406,567
	₱624,324,719	₱280,248,584	₱173,570,712	₱44,898,882	₱1,123,042,897

*Others consist of administrative and support service, health, household and other activities.

	Parent Company				
	2022				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Financial intermediaries	**₱122,139,768**	**₱259,789,084**	**₱146,865,657**	**₱22,661,497**	**₱551,456,006**
Real estate, renting and business services	**158,474,935**	**67,002,809**	**–**	**309,597**	**225,787,341**
Electricity, gas and water	**82,579,587**	**28,085,921**	**–**	**3,120,478**	**113,785,986**
Manufacturing	**56,478,328**	**1,316,348**	**–**	**820,034**	**58,614,710**
Wholesale and retail trade	**46,391,648**	**–**	**–**	**10,099,392**	**56,491,040**
Transportation, storage and communication	**43,018,144**	**4,224,082**	**–**	**215,804**	**47,458,030**
Arts, entertainment and recreation	**38,648,650**	**4,224,987**	**–**	**1,922,391**	**44,796,028**
Accommodation and food service activities	**9,047,908**	**4,980,701**	**–**	**103,578**	**14,132,187**
Mining and quarrying	**13,340,695**	**–**	**–**	**5,299**	**13,345,994**
Construction	**9,131,937**	**–**	**–**	**2,697,673**	**11,829,610**
Professional, scientific and technical activities	**881,915**	**8,398,018**	**–**	**219,699**	**9,499,632**
Agriculture	**7,062,774**	**–**	**–**	**34,718**	**7,097,492**
Education	**3,503,357**	**450,000**	**–**	**163,279**	**4,116,636**
Public administration and defense	**191,203**	**–**	**–**	**55,237**	**246,440**
Others*	**36,663,618**	**17,513,737**	**227,613**	**268,162**	**54,673,131**
	₱627,554,467	**₱395,985,687**	**₱147,093,270**	**₱42,696,838**	**₱1,213,330,263**

*Others consist of administrative and support service, health, household and other activities.

	Parent Company				
	2021				
	Loans and Receivables	Financial Investments	Loans and Advances to Banks	Commitments	Total
Financial intermediaries	₱90,964,720	₱142,340,451	₱159,457,033	₱5,577,282	₱398,339,486
Real estate, renting and business services	149,067,673	69,832,995	–	792,308	219,692,976
Electricity, gas and water	74,796,648	25,225,112	–	4,662,842	104,684,602
Transportation, storage and communication	56,097,019	3,409,904	–	1,135,456	60,642,379
Wholesale and retail trade	42,312,303	–	–	6,315,485	48,627,788
Arts, entertainment and recreation	33,719,927	3,830,133	–	85,460	37,635,520
Manufacturing	32,469,098	–	–	3,752,183	36,221,281
Accommodation and food service activities	10,740,999	4,591,085	–	827,492	16,159,576
Construction	9,545,693	–	–	3,634,403	13,180,096
Mining and quarrying	10,966,519	–	–	1,002,343	11,968,862
Professional, scientific and technical activities	761,461	4,645,001	–	1,504,048	6,910,510
Agriculture	5,897,613	–	–	337,236	6,234,849
Education	4,023,325	564,935	–	322,060	4,910,320
Public administration and defense	60,036	–	–	506,952	566,988
Others*	35,415,712	15,695,056	566,679	13,818,286	65,495,733
	₱556,838,746	₱270,134,672	₱160,023,712	₱44,273,836	₱1,031,270,966

*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		
	2022		
	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	**₱699,594,789**	**₱466,526,632**	**₱233,068,157**
Interbank loans receivable and SPURA	**43,564,970**	**28,769,544**	**14,795,426**
Sales contracts receivable	**1,406,217**	**–**	**1,406,217**
	₱744,565,976	**₱495,296,176**	**₱249,269,800**

	Consolidated		
	2021		
	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	₱609,006,732	₱406,823,424	₱202,183,308
Interbank loans receivable and SPURA	36,559,224	19,230,769	17,328,455
Sales contracts receivable	1,101,891	–	1,101,891
	₱646,667,847	₱426,054,193	₱220,613,654

	Parent		
	2022		
	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	**₱613,197,254**	**₱426,316,586**	**₱186,880,668**
Interbank loans receivable and SPURA	**41,597,949**	**28,769,545**	**12,828,404**
Sales contracts receivable	**180,659**	**–**	**180,659**
	₱654,975,862	**₱455,086,131**	**₱199,889,731**

	Parent		
	2021		
	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	₱544,171,738	₱384,840,851	₱159,330,887
Interbank loans receivable and SPURA	35,030,997	19,230,680	15,800,317
Sales contracts receivable	213,399	–	213,399
	₱579,416,134	₱404,071,531	₱175,344,603

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱518.85 billion and ₱2.73 billion, respectively, as of December 31, 2022 and ₱402.68 billion and ₱2.55 billion, respectively, as of December 31, 2021.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱472.66 billion. and ₱0.80 billion, respectively, as of December 31, 2022 and ₱359.84 billion and ₱0.81 billion, respectively, as of December 31, 2021.

The fair values of the financial collaterals held for SPURA are disclosed in Note 35.

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.

It is the Parent Company's policy to apply the appropriate risk rating model or scorecard 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 (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 innature (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 that can trigger review for possible downgrade to 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 the Parent Company’s 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 Adversely Classified) and impairment status for those that are booked as Past Due / Items in Litigation. The Group also applied this policy for CBS’ consumer loans as of December 31, 2021. Beginning December 31, 2022, the Group has classified consumer loans of CBS covered by application scorecard with score ranks of 1-4, and which are Current and Unclassified, as High Grade. The Group’s comparative table as of December 31, 2021 for “Consumer Lending” has been updated to reflect this change in credit quality classification resulting in a decrease amounting to ₱11.33 billion under Standard Grade and a corresponding increase for the same amount under High Grade to account for CBS’ consumer loans in the Group’s credit exposures.

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	2022			
	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	₱34,841	₱141	₱–	₱34,982
Standard grade	337,287	12,964	–	350,251
Sub-Standard	112,348	44,515	–	156,863
Unrated	520	70	–	590
Past due but not impaired	–	587	–	587
Past due and impaired	–	–	12,137	12,137
Gross carrying amount	₱484,996	₱58,277	₱12,137	₱555,410

Consolidated	2022			
	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	₱19,511	₱–	₱–	₱19,511
Standard grade	102,420	5,665	–	108,085
Sub-Standard	1,926	4,538	–	6,464
Unrated	842	1,334	–	2,176
Past due but not impaired	–	3,165	–	3,165
Past due and impaired	–	–	5,064	5,064
Gross carrying amount	₱124,699	₱14,702	₱5,064	₱144,465

Consolidated	2022			
	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	₱1,982	₱–	₱–	₱1,982
Standard grade	10,065	327	–	10,392
Sub-Standard	4,713	432	–	5,145
Unrated	3	–	–	3
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	203	203
Gross carrying amount	₱16,763	₱759	₱203	₱17,725

Consolidated	**2022**			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Others	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Neither past due nor impaired				
High grade	**₱68**	**₱–**	**₱–**	**₱68**
Standard grade	**7**	**5**	**–**	**12**
Sub-Standard	**–**	**5**	**–**	**5**
Unrated	**19**	**–**	**–**	**19**
Past due but not impaired	**–**	**4**	**–**	**4**
Past due and impaired	**–**	**–**	**7**	**7**
Gross carrying amount	**₱94**	**₱14**	**₱7**	**₱115**

Consolidated	2021			
	ECL Staging			
Corporate and commercial lending	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱32,100	₱142	₱–	₱32,242
Standard grade	272,567	20,677	–	293,244
Sub-Standard	123,413	29,259	–	152,672
Unrated	749	23	–	772
Past due but not impaired	–	517	–	517
Past due and impaired	–	–	9,631	9,631
Gross carrying amount	₱428,829	₱50,618	₱9,631	₱489,078

Consolidated	2021			
	ECL Staging			
Consumer Lending	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱11,536	₱11	₱–	₱11,547
Standard grade	84,440	5,708	–	90,148
Sub-Standard	3,212	5,817	–	9,029
Unrated	1,053	1,944	–	2,997
Past due but not impaired	–	2,890	–	2,890
Past due and impaired	–	–	6,065	6,065
Gross carrying amount	₱100,241	₱16,370	₱6,065	₱122,676

Consolidated	2021			
	ECL Staging			
Trade-related Lending	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱452	₱–	₱–	₱452
Standard grade	7,051	3	–	7,054
Sub-Standard	3,730	938	–	4,668
Unrated	–	–	–	–
Past due but not impaired	–	25	–	25
Past due and impaired	–	–	255	255
Gross carrying amount	₱11,233	₱966	₱255	₱12,454

Consolidated	2021			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired				
High grade	₱85	₱–	₱–	₱85
Standard grade	–	–	–	–
Sub-Standard	–	–	–	–
Unrated	20	–	–	20
Past due but not impaired	–	7	–	7
Past due and impaired	–	–	5	5
Gross carrying amount	₱105	₱7	₱5	₱117

Parent Company	**2022**			
	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	**₱33,842**	**₱141**	**₱–**	**₱33,983**
Standard grade	**330,747**	**9,339**	**–**	**340,086**
Sub-Standard	**112,348**	**42,540**	**–**	**154,888**
Unrated	**520**	**70**	**–**	**590**
Past due but not impaired	**–**	**402**	**–**	**402**
Past due and impaired	**–**	**–**	**9,206**	**9,206**
Gross carrying amount	**₱477,457**	**₱52,492**	**₱9,206**	**₱539,155**

Parent Company	2022			
	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	₱182	₱–	₱–	₱182
Standard grade	51,977	5,665	–	57,642
Sub-Standard	1,926	4,538	–	6,464
Unrated	842	1,334	–	2,176
Past due but not impaired	–	1,187	–	1,187
Past due and impaired	–	–	3,338	3,338
Gross carrying amount	₱54,927	₱12,724	₱3,338	₱70,989

Parent Company	2022			
	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	₱1,982	₱–	₱–	₱1,982
Standard grade	10,064	–	–	10,064
Sub-Standard	4,713	426	–	5,139
Unrated	3	–	–	3
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	203	203
Gross carrying amount	₱16,762	₱426	₱203	₱17,391

Parent Company	2022			
	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	19	–	–	19
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	₱19	₱–	₱–	₱19

Parent Company	2021			
	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	₱25,247	₱142	₱–	₱25,389
Standard grade	272,567	15,850	–	288,417
Sub-Standard	123,413	28,027	–	151,440
Unrated	749	23	–	772
Past due but not impaired	–	91	–	91
Past due and impaired	–	–	6,613	6,613
Gross carrying amount	₱421,976	₱44,133	₱6,613	₱472,722

Parent Company	2021			
	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	₱208	₱11	₱–	₱219
Standard grade	49,157	5,704	–	54,861
Sub-Standard	3,212	5,817	–	9,029
Unrated	1,053	1,944	–	2,997
Past due but not impaired	–	944	–	944
Past due and impaired	–	–	3,966	3,966
Gross carrying amount	₱53,630	₱14,420	₱3,966	₱72,016

Parent Company	2021			
	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	₱130	₱–	₱–	₱130
Standard grade	7,051	4	–	7,055
Sub-Standard	3,730	938	–	4,668
Unrated	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	227	227
Gross carrying amount	₱10,911	₱942	₱227	₱12,080

Parent Company	2021			
	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	20	–	–	20
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	–	–
Gross carrying amount	₱20	₱–	₱–	₱20

Depository accounts with the BSP and counterparty banks, Trading and Investment Securities
For these financial assets, outstanding exposure is rated primarily based on credit ratings from international external credit rating agencies accessed through the Group's Bloomberg terminal; otherwise, rating is based on risk grades by Philratings.

For counterparties without external rating, the Group retained the uses internal rating (and its corresponding category) for counterparties with no external rating.Exposures with neither external nor internal ratings are 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	**External Credit Risk Rating**	**Credit Rating Agency**
High Grade	AAA, AA+, AA, AA–	S&P
	Aaa, Aa1, Aa2, Aa3	Moody's
	AAA, AA+, AA, AA–	Fitch
Standard Grade	A+, A, A–, BBB+, BBB, BBB–	S&P
	A1, A2, A3, Baa1, Baa2, Baa3	Moody's
	A+, A, A–, BBB+, BBB, BBB–	Fitch
Substandard Grade	BB+, BB, BB–, B/B+, CCC, CC, R, SD & D	S&P
	Ba1, Ba2, Ba3, B1, B2, R, SD & D	Moody's
	BB+, BB, BB–, B/B+, CCC, R, SD & D	Fitch

Rating Description

High Grade

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.

Standard Grade

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 – 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.

Sub-Standard Grade

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.

Credit Quality Rating	External Credit Risk Rating
High grade	PRSAaa, PRSAa+, PRSAa, PRSAa–
Standard grade	PRSA+, PRSA, PRSA–, PRSBaa+, PRSBaa, PRSBaa–
Sub-Standard grade	PRSBa+, PRSBa, PRSBa–, PRSB+, PRSB, PRSB–, PRSCaa+, PRSCaa, PRSCaa–, PRSCa+, PRSCa, PRSCa–, PRSC+, PRSC, PRSC–

Rating Description

High Grade

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.

Standard Grade

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 'PRS Baa' 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.

Sub-Standard Grade

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.

For counterparty banks with no external rating but rated under the Bank' Camelot Rating System, the following grouping was applied:

Credit Quality Rating	Camelot Rating
High grade	A1, A2, A3, B1, B2, B3
Standard grade	C1, C2, C3, C4
Sub-Standard grade	D1, D2, D3, D4, E1, E2, E3, E4

Rating Description

High Grade

A – Exceptional Bank with strong business franchise, financials and prospects

B – Bank with good fundamentals; some minor weaknesses may exist but should be resolved in due course

Standard Grade

C – Bank with adequate fundamentals; some aspects raise concerns that prevent it from achieving a higher rating

Sub-Standard Grade

D – Bank with weaknesses; capability / ability to resolve such weaknesses is put into question

E – Bank with very serious problems / negative fundamentals

For corporate issuers with no external rating but are rated under the Bank's ICRRS, the grouping used for corporate borrowers will apply.

The succeeding tables show the credit exposures of the Group and the Parent Company related to these financial assets (amounts in millions).

Consolidated	2022				2021			
	ECL Staging							
Investment securities at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Neither past due nor impaired								
High grade	₱57,060	₱–	₱–	₱57,060	₱48,678	₱–	₱–	₱48,678
Standard grade	280,612	1,436	–	282,048	170,149	3,033	–	173,182
Sub-Standard	14,937	1,600	–	16,537	14,584	533	–	15,117
Unrated	–	–	–	–	–	–	–	–
Past due but not impaired	–	–	–	–	–	–	–	–
Impaired	–	–	–	–	–	–	3,947	3,947
Gross carrying amount	₱352,609	₱3,036	₱–	₱355,645	₱233,411	₱3,566	₱3,947	₱240,924

Consolidated	2022				2021			
	ECL Staging							
Financial assets at FVOCI (debt securities)	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Neither past due nor impaired								
High grade	₱3,392	₱–	₱–	₱3,392	₱184	₱–	₱–	₱184
Standard grade	36,405	1,315	–	37,720	25,892	408	–	26,300
Sub-Standard	1,573	–	–	1,573	1,534	–	–	1,534
Unrated	–	–	–	–	1	–	–	1
Past due but not impaired	–	–	–	–	–	–	–	–
Impaired	–	–	–	–	–	–	–	–
Gross carrying amount	₱41,370	₱1,315	₱–	₱42,685	₱27,611	₱408	₱–	₱28,019

Parent Company	2022				2021			
	ECL Staging							
Investment securities at amortized cost	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Neither past due nor impaired								
High grade	₱57,060	₱–	₱–	₱57,060	₱48,150	₱–	₱–	₱48,150
Standard grade	274,627	1,436	–	276,063	165,062	3,033	–	168,095
Sub-Standard	14,937	1,600	–	16,537	14,584	533	–	15,117
Unrated	–	–	–	–	–	–	–	–
Past due but not impaired	–	–	–	–	–	–	–	–
Impaired	–	–	–	–	–	–	3,632	3,632
Gross carrying amount	₱346,624	₱3,036	₱–	₱349,660	₱227,796	₱3,566	₱3,632	₱234,994

Parent Company	2022				2021			
	ECL Staging							
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Neither past due nor impaired								
High grade	₱3,280	₱–	₱–	₱3,280	₱–	₱–	₱–	₱–
Standard grade	34,376	1,315	–	35,691	23,961	404	–	24,365
Sub-Standard	1,572	–	–	1,572	1,534	–	–	1,534
Unrated	–	–	–	–	1	–	–	1
Past due but not impaired	–	–	–	–	–	–	–	–
Impaired	–	–	–	–	–	–	–	–
Gross carrying amount	₱39,228	₱1,315	₱–	₱40,543	₱25,496	₱404	₱–	₱25,900

Consolidated	2022				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP	₱–	₱107,100	₱–	₱–	₱107,100
Due from other banks	1,367	12,226	21	1	13,615
Interbank loans receivable and SPURA	15,419	28,146	–	–	43,565
Financial assets at FVTPL	1,558	2,393	541	236	4,728
	₱18,344	₱149,865	₱562	₱237	₱169,008

Parent Company	2022				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP	₱–	₱92,921	₱–	₱–	₱92,921
Due from other banks	927	11,399	21	–	12,347
Interbank loans receivable and SPURA	15,419	26,179	–	–	41,598
Financial assets at FVTPL	345	2,393	541	236	3,515
	₱16,691	₱132,892	₱562	₱236	₱150,381

Consolidated	2021				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP	₱–	₱124,283	₱–	₱–	₱124,283
Due from other banks	1,147	9,528	19	–	10,694
Interbank loans receivable and SPURA	14,746	21,813	–	–	36,559
Financial assets at FVTPL	2,193	4,144	717	156	7,210
	₱18,086	₱159,768	₱736	₱156	₱178,746

Parent Company	2021				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP	₱–	₱114,529	₱–	₱–	₱114,529
Due from other banks	1,049	8,829	19	–	9,897
Interbank loans receivable and SPURA	14,746	20,285	–	–	35,031
Financial assets at FVTPL	441	4,144	717	156	5,458
	₱16,236	₱147,787	₱736	₱156	₱164,915

Restructured Loans

The following table presents the carrying amount of restructured loans (gross of allowance for impairment and credit losses) of the Group and Parent Company as of December 31, 2022 and 2021:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Loans and advances to customers				
Corporate and commercial lending	**₱1,526,923**	₱5,905,576	**₱1,150,752**	₱5,619,916
Consumer lending	**1,251,472**	1,447,356	**1,223,941**	1,446,431
Total restructured financial assets	**₱2,778,395**	₱7,352,932	**₱2,374,693**	₱7,066,347

Impairment Assessment

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 since origination. 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. 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.

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when (a) the borrower becomes at least 90 days past due on its contractual payments (unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate), (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. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances or loss events that may indicate unlikeliness 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 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 for 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.

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.

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., auto 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.

Starting 2020, the Group has considered current and forward-looking information related to the COVID-19 pandemic in assessing the aforementioned factors – i.e., significant increase in credit risk, default, EAD, PD, and LGD. The Group will continue to assess the impact of the pandemic and the ongoing economic recovery in measuring ECL in the upcoming reporting periods.

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 and 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[1]	Foreign Exchange[2]	Price[3]	Interest Rate[4]	Interest Rate[5]
			(In Millions)		
2022					
31 December	**₱14.77**	**₱38.66**	**₱24.65**	**₱6.45**	**₱2.04**
Average daily	**31.96**	**21.83**	**16.72**	**4.27**	**2.16**
Highest	**60.07**	**83.37**	**24.65**	**9.23**	**3.76**
Lowest	**13.89**	**3.19**	**9.56**	**0.75**	**1.50**
2021					
31 December	₱18.55	₱10.97	₱18.30	₱3.23	₱2.37
Average daily	62.04	23.11	20.95	4.31	3.20
Highest	170.46	84.61	31.23	8.54	12.44
Lowest	6.44	2.47	7.61	1.16	1.26

[1] Interest rate VaR for debt securities (Interest rate VaR for foreign currency denominated debt securities are translated to PHP using daily closing rate)
[2] FX VaR is the bankwide foreign exchange risk
[3] Price VaR for equity securities and futures
[4] Interest rate VaR for FX swaps and FX forwards
[5] Interest rate VaR for IRS

Interest Rate Risk
The Group's interest rate risk originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. The Parent Company follows prudent policies in managing its exposures to interest rate fluctuations, and constantly monitors and discusses its exposure in Asset and Liability Committee (ALCO) meetings held every week.

As of December 31, 2022 and 2021, 60.30% and 62.29% 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. As of December 31, 2022 and 2021, 63.55% and 63.85% of the Parent's total loan portfolio, respectively, were subject to interest repricing. In keeping with banking industry practice, the Group aims to achieve stability and lengthen the term structure of its deposit base, while providing adequate liquidity to cover transactional banking requirements of customers.

Interest is paid on demand accounts, which constituted 25.53% and 29.24% of the total deposits as of December 31, 2022 and 2021, respectively for the Group and 25.94% and 29.32% of the total deposits as of December 31, 2022 and 2021, respectively for the Parent Company.

Interest is paid on savings accounts and time deposits accounts, which constitute 28.27% and 46.20%, respectively of the Group's total deposits, and 29.13% and 44.93%, respectively of the Parent Company's total deposits, respectively as of December 31, 2022, and 35.10% and 35.66%, respectively of the Group's total deposits, and 36.13% and 34.55%, respectively of the Parent Company's total deposits, respectively as of December 31, 2021.

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, 2022 and 2021:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Peso				
Assets				
Due from BSP	**0.80%**	0.79%	**0.58%**	0.75%
Due from banks	**0.10%**	0.15%	**0.05%**	0.06%
Interbank Loans Receivable and SPURA	**3.17%**	1.91%	**3.17%**	1.91%
Investment securities*	**4.71%**	4.58%	**4.74%**	4.62%
Loans and receivables	**6.27%**	6.04%	**5.76%**	5.82%
Liabilities				
Deposit liabilities	**1.03%**	0.68%	**0.96%**	0.63%
Bills payable	**2.63%**	3.50%	**2.63%**	3.50%
Bonds payable	**2.97%**	3.02%	**2.97%**	3.02%
USD				
Assets				
Due from banks	**0.65%**	0.02%	**0.65%**	0.02%
Interbank Loans Receivable and SPURA	**1.62%**	0.05%	**1.62%**	0.05%
Investment securities*	**3.75%**	3.79%	**3.77%**	3.81%
Loans and receivables	**3.90%**	3.76%	**3.90%**	3.77%
Liabilities				
Deposit liabilities	**0.52%**	0.31%	**0.52%**	0.31%
Bills payable	**2.26%**	3.10%	**2.26%**	3.10%
Bonds payable	**3.32%**	1.70%	**3.32%**	1.70%

* 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, 2022 and 2021 (in millions):

	Consolidated							
	2022				2021			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP	₱103,609	₱–	₱3,491	₱107,100	₱121,878	₱–	₱2,405	₱124,283
Due from other banks	13,615	–	–	13,615	10,694	–	–	10,694
Interbank Loans Receivable and SPURA	43,565	–	–	43,565	36,559	–	–	36,559
Investment securities	16,606	20,776	368,648	406,030	11,611	17,754	248,871	278,236
Loans and receivables	251,017	159,098	289,480	699,595	231,378	122,731	254,898	609,007
Total financial assets	428,412	179,874	661,619	1,269,905	412,120	140,485	506,174	1,058,779
Financial Liabilities								
Deposit liabilities	398,760	72,009	595,146	1,065,915	236,102	48,919	577,839	862,860
Bills payable	31,101	15,194	24,080	70,375	33,253	20,041	12,512	65,806
Bonds payable	–	8,313	20,000	28,313	–	22,474	20,000	42,474
Total financial liabilities	429,861	95,516	639,226	1,164,603	269,355	91,434	610,351	971,140
IRS Hedge Receive	61,331	8,363	–	69,694	56,099	7,650	–	63,749
IRS Hedge Pay	–	–	69,694	69,694	–	–	63,749	63,749
Repricing gap	₱59,882	₱92,721	(₱47,301)	₱105,302	₱198,864	₱56,701	(₱167,926)	₱87,639

	Parent Company							
	2022				2021			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP	₱92,921	₱–	₱–	₱92,921	₱114,529	₱–	₱–	₱114,529
Due from other banks	12,347	–	–	12,347	9,897	–	–	9,897
Interbank Loans Receivable and SPURA	41,598	–	–	41,598	35,031	–	–	35,031
Investment securities	14,912	19,767	361,790	396,469	8,728	15,849	243,752	268,329
Loans and receivables	246,513	123,243	243,441	613,197	226,675	92,282	225,215	544,172
Total financial assets	408,291	143,010	605,231	1,156,532	394,860	108,131	468,967	971,958
Financial Liabilities								
Deposit liabilities	370,272	50,527	538,620	959,419	218,116	40,618	523,485	782,219
Bills payable	31,101	15,194	24,080	70,375	33,253	20,041	12,512	65,806
Bonds payable	–	8,313	20,000	28,313	–	22,474	20,000	42,474
Total financial liabilities	401,373	74,034	582,700	1,058,107	251,369	83,133	555,997	890,499
IRS Hedge Receive	61,331	8,363	–	69,694	56,099	7,650	–	63,749
IRS Hedge Pay	–	–	69,694	69,694	–	–	63,749	63,749
Repricing gap	₱68,249	₱77,339	(₱47,163)	₱98,425	₱199,590	₱32,648	(₱150,779)	₱81,459

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, 2022 and 2021:

	Consolidated			
	2022			
	Change in interest rates (in basis points)			
	100bp rise	**50bp rise**	**50bp fall**	**100bp fall**
Change in annualized net interest income	**₱1,294**	**₱647**	**(₱647)**	**(₱1,294)**
As a percentage of the Group's net interest income for the year ended December 31, 2022	**2.84%**	**1.42%**	**(1.42%)**	**(2.84%)**

	Consolidated			
	2021			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱2,414	₱1,207	(₱1,207)	(₱2,414)
As a percentage of the Group's net interest income for the year ended December 31, 2021	6.30%	3.15%	(3.15%)	(6.30%)

	Parent Company			
	2022			
	Change in interest rates (in basis points)			
	100bp rise	**50bp rise**	**50bp fall**	**100bp fall**
Change in annualized net interest income	**₱1,263**	**₱631**	**(₱631)**	**(₱1,263)**
As a percentage of the Parent Company's net interest income for the year ended December 31, 2022	**3.25%**	**1.63%**	**(1.63%)**	**(3.25%)**

	Parent Company			
	2021			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱2,241	₱1,120	(₱1,120)	(₱2,241)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2021	5.85%	2.92%	(2.92%)	(5.85%)

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, 2022 and 2021 (in millions):

	Consolidated			
	2022			
	Change in interest rates (in basis points)			
	25bp rise	**10bp rise**	**10bp fall**	**25bp fall**
Change in income before tax	**(₱15)**	**(₱6)**	**₱6**	**₱15**
Change in equity	**(411)**	**(164)**	**164**	**411**

	Consolidated			
	2021			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱25)	(₱10)	₱10	₱25
Change in equity	(287)	(115)	115	287

	Parent Company			
	2022			
	Change in interest rates (in basis points)			
	25bp rise	**10bp rise**	**10bp fall**	**25bp fall**
Change in income before tax	**(₱15)**	**(₱6)**	**₱6**	**₱15**
Change in equity	**(395)**	**(158)**	**158**	**395**

	Parent Company			
	2021			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱25)	(₱10)	₱10	₱25
Change in equity	(266)	(107)	107	266

In relation to the IBOR reform, the table below shows the Parent Company's exposures to significant IBOR-related IRS that have yet to transition to a risk-free rate (RFR) as of December 31, 2022. The table excludes exposures that will mature before the mandatory transition date on June 30, 2023 for the overnight and 1-, 3-, 6-, and 12-month USD LIBOR.

	2022		2021	
	Nominal Amount	**Carrying Value**	Nominal Amount	Carrying Value
Derivative assets	**$175,464**	**₱9,508**	$169,000	₱12,958
Derivative liabilities	**666,000**	**12,072**	666,000	41,653
Derivative contracts designated as hedges	**1,250,000**	**6,185,749**	1,250,000	976,834

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 liabilities with assets held in the FCDU that are denominated in the same foreign currency.

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, excluding the US Dollar denominated assets and liabilities under FCDU with functional currency also in US Dollars. 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							
	2022				2021			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	$27	$2,462	$2,489	₱138,809	$3,116	$2,673	$5,789	₱295,222
Due from other banks	65,090	5,621	70,711	3,942,531	49,402	8,560	57,962	2,956,018
Financial assets at FVTPL	150	2,065	2,215	123,504	109	1	110	5,593
Financial assets at FVOCI	–	–	–	–	15,163	2,304	17,467	890,826
Investment securities at amortized cost	–	25,953	25,953	1,447,018	27,777	29,341	57,118	2,912,954
Loans and receivables	92,025	29,991	122,016	6,803,000	43,866	35,800	79,666	4,062,902
Accrued interest receivable	250	335	585	32,618	695	272	967	49,329
Other assets	–	1,203	1,203	67,115	34,051	3	34,054	1,736,677
	157,542	67,630	225,172	12,554,595	174,179	78,954	253,133	12,909,521
Liabilities								
Deposit liabilities	–	71,552	71,552	3,989,416	58,593	22,964	81,557	4,159,311
Bills payables	241,462	–	241,462	13,462,731	445,967	–	445,967	22,743,874
Accrued interest and other expenses	446	1	447	24,890	174	1	175	8,936
Other liabilities	54,710	1,258	55,968	3,120,472	30,213	1,289	31,502	1,606,550
	296,618	72,811	369,429	20,597,509	534,947	24,254	559,201	28,518,671
Currency spot	11,321	(324)	10,997	613,143	(5,118)	(1,886)	(7,004)	(357,211)
Currency forwards	1,793,782	4,406	1,798,188	100,257,988	353,105	(53,177)	299,928	15,296,007
Net Exposure	$1,666,027	($1,099)	$1,664,928	₱92,828,217	($12,781)	($363)	($13,144)	(₱670,354)

**Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD.*

	Parent Company							
	2022				2021			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	**$27**	**$2,462**	**$2,489**	**₱138,809**	$69	$2,673	$2,742	₱139,816
Due from other banks	**63,046**	**5,621**	**68,667**	**3,828,545**	41,317	8,560	49,877	2,543,685
Financial assets at FVTPL	**150**	**2,065**	**2,215**	**123,404**	109	1	110	5,593
Financial assets at FVOCI	**–**	**–**	**–**	**–**	–	2,304	2,304	117,526
Investment securities at amortized cost	**–**	**25,953**	**25,953**	**1,447,018**	–	29,341	29,341	1,496,363
Loans and receivables	**92,025**	**29,991**	**122,016**	**6,803,000**	37,634	35,800	73,434	3,745,077
Accrued interest receivable	**250**	**335**	**585**	**32,618**	65	272	337	17,203
Other assets	**–**	**1,203**	**1,203**	**67,115**	34,023	3	34,026	1,735,250
	155,498	**67,630**	**223,128**	**12,440,609**	113,217	78,954	192,171	9,800,513
Liabilities								
Deposit liabilities	**–**	**71,552**	**71,552**	**3,989,416**	12	22,964	22,976	1,171,758
Bills payables	**241,462**	**–**	**241,462**	**13,462,731**	445,967	–	445,967	22,743,874
Accrued interest and other expenses	**446**	**1**	**447**	**24,890**	164	1	165	8,432
Other liabilities	**52,666**	**1,258**	**53,924**	**3,006,508**	29,306	1,289	30,595	1,560,317
	294,574	**72,811**	**367,385**	**20,483,545**	475,449	24,254	499,703	25,484,381
Currency spot	**11,321**	**(324)**	**10,997**	**613,143**	(5,118)	(1,886)	(7,004)	(357,211)
Currency forwards	**1,793,782**	**4,406**	**1,798,188**	**100,257,988**	353,105	(53,177)	299,928	15,926,007
Net Exposure	**$1,666,027**	**($1,099)**	**$1,664,928**	**₱92,828,195**	($14,245)	($363)	($14,608)	(₱115,072)

**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			
		2022		2021	
	Change in Foreign Exchange Rate	**Sensitivity of Pretax Income**	**Sensitivity of Equity**	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱4**	**₱208**	₱13	₱165
Other	**1%**	–	–	–	1
USD	**(1%)**	**(4)**	**(208)**	(13)	(165)
Other	**(1%)**	–	–	–	(1)

		Parent Company			
		2022		2021	
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱4**	**₱201**	₱13	₱157
Other	**1%**	**–**	**–**	–	1
USD	**(1%)**	**(4)**	**(201)**	(13)	(157)
Other	**(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
2022	**+10%**	**₱17.9**	**+10%**	**₱17.9**
	–10%	**7.2**	**–10%**	**7.2**
2021	+10%	3.9	+10%	2.7
	–10%	(20.3)	–10%	(19.2)

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, 2022					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱13,689	₱–	₱–	₱–	₱–	₱13,689
Due from BSP	107,100	–	–	–	–	107,100
Due from other banks	13,615	–	–	–	–	13,615
Interbank loans receivable and SPURA	1,967	41,598	–	–	–	43,565
Derivative contracts designated as hedges	–	69	3,506	2,765	–	6,340
Financial assets at FVTPL	1,213	650	88	295	1,254	3,500
Financial assets at FVOCI	–	3,520	3,359	7,284	41,776	55,939
Financial assets at AC	–	35,249	35,289	26,955	260,974	358,467
Loans and receivables	–	184,428	53,992	65,147	414,149	717,716
	137,584	265,514	96,234	102,446	718,153	1,319,931
Financial Liabilities						
Deposit liabilities						
Demand	272,110	–	–	–	–	272,110
Savings	301,331	–	–	–	–	301,331
Time	–	482,104	4,638	2,410	3,321	492,473
Bills payable	5,472	40,823	21,284	2,796		70,375
Manager's checks	–	1,551	–	–	–	1,551
Accrued interest and other expenses	–	6,116	–	–	–	6,116
Derivative contracts designated as hedges	–	70	15	4,176	–	4,261
Derivative liabilities	–	1,550	–	–	–	1,550
Bonds payable	–	8,381	19,932	–	–	28,313
Other liabilities:						
Lease payable	–	203	556	799	1,413	2,971
Accounts payable	–	6,557	–	–	–	6,557
Acceptances payable	–	2,912	–	–	–	2,912
Due to PDIC	–	901	–	–	–	901
Margin deposits	–	–	–	–	–	–
Other credits – dormant	–	351	–	–	47	398
Due to the Treasurer of the Philippines	–	535	–	–	–	535
Miscellaneous	–	611	–	–	–	611
Total liabilities	578,913	552,665	46,425	10,181	4,781	1,186,849
Net Position	(₱441,329)	(₱287,151)	₱49,809	₱92,265	₱713,372	₱126,966

	Consolidated					
	December 31, 2021					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱16,025	₱–	₱–	₱–	₱–	₱16,025
Due from BSP	124,283	–	–	–	–	124,283
Due from other banks	10,697	–	–	–	–	10,697
Interbank loans receivable and SPURA	1,528	35,031	–	–	–	36,559
Derivative contracts designated as hedges	–	25	31	555	726	1,337
Financial assets at FVTPL	1,705	2,233	92	225	4,296	8,551
Financial assets at FVOCI	11	2,694	2,440	1,974	59,272	66,391
Financial assets at AC		15,691	22,474	28,344	151,071	217,580
Loans and receivables	–	157,593	54,659	48,550	363,523	624,325
	154,249	213,267	79,696	79,648	578,888	1,105,748
Financial Liabilities						
Deposit liabilities						
Demand	252,325	–	–	–	–	252,325
Savings	302,885	–	–	–	–	302,885
Time	–	290,456	3,376	10,346	3,472	307,650
(Forward)						
Bills payable	13	59,094	6,699	–	–	65,806
Manager's checks	–	1,855	–	–	–	1,855
Accrued interest and other expenses	–	4,746	–	–	–	4,746
Derivative contracts designated as hedges	–	254	573	1,671	174,524	177,022
Derivative liabilities	–	999	–	–	–	999
Bonds payable	–	22,596	2,878	19,877	–	45,351
Other liabilities:						
Lease payable	–	289	372	449	1,737	2,847
Accounts payable	–	4,941	–	–	–	4,941
Acceptances payable	–	1,483	–	–	–	1,483
Due to PDIC	–	786	–	–	–	786
Margin deposits	–	1	–	–	–	1
Other credits – dormant	–	337	–	–	50	387
Due to the Treasurer of the Philippines	–	346	–	–	–	346
Miscellaneous	–	1,244	–	–	–	1,244
Total liabilities	555,223	389,427	13,898	32,343	179,783	1,170,674
Net Position	(₱400,974)	₱(176,160)	₱65,798	₱47,305	₱399,105	(₱64,926)

	Parent Company					
	December 31, 2022					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱10,074	₱–	₱–	₱–	₱–	₱10,074
Due from BSP	92,921	–	–	–	–	92,921
Due from other banks	12,347	–	–	–	–	12,347
Interbank loans receivable and SPURA	–	41,598	–	–	–	41,598
Derivative contracts designated as hedges	–	69	3,506	2,765	–	6,340
Financial assets at FVTPL	–	650	88	295	1,254	2,287
Financial assets at FVOCI	–	3,071	2,719	7,097	40,886	53,773
Financial assets at AC		34,689	34,743	24,218	258,635	352,285
Loans and receivables	–	156,001	38,515	52,315	380,724	627,555
	115,342	236,078	79,571	86,690	681,499	1,199,180
Financial Liabilities						
Deposit liabilities						
Demand	248,861	–	–	–	–	248,861
Savings	279,502	–	–	–	–	279,502
Time	–	430,436	548	56	16	431,056
Bills payable	5,472	40,823	21,284	2,796	–	70,375
Manager's checks	–	1,296	–	–	–	1,296
Accrued interest and other expenses	–	5,400	–	–	–	5,400
Derivative contracts designated as hedges	–	70	15	4,176	–	4,261
Derivative liabilities	–	1,550	–	–	–	1,550
Bonds payable	–	8,381	19,932	–	–	28,313
Other liabilities:	–	–	–	–	–	–
Lease payable	–	41	329	799	1,224	2,393
Accounts payable	–	4,694	–	–	–	4,694
Acceptances payable	–	2,912	–	–	–	2,912
Due to PDIC	–	901	–	–	–	901
Margin deposits	–	–	–	–	–	–
Other credits – dormant	–	351	–	–	–	351
Due to the Treasurer of the Philippines	–	503	–	–	–	503
Miscellaneous	–	461	–	–	–	461
Total liabilities	533,835	497,819	42,108	7,827	1,240	1,082,829
Net Position	(₱418,493)	(₱261,741)	₱37,463	₱78,863	₱680,259	₱116,351

	Parent Company December 31, 2021					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Financial Assets						
Cash and other cash items	₱13,649	₱–	₱–	₱–	₱–	₱13,649
Due from BSP	114,529	–	–	–	–	114,529
Due from other banks	9,897	–	–	–	–	9,897
Interbank loans receivable and SPURA	–	35,031	–	–	–	35,031
Derivative contracts designated as hedges	–	25	31	555	726	1,337
Financial assets at FVTPL	–	2,186	92	225	4,296	6,799
Financial assets at FVOCI	–	2,584	1,920	1,525	58,212	64,241
Financial assets at AC		13,091	21,914	27,632	148,936	211,573
Loans and receivables	–	133,008	41,144	39,913	342,773	556,838
	138,075	185,925	65,101	69,850	554,943	1,013,894
Financial Liabilities						
Deposit liabilities						
Demand	229,350	–	–	–	–	229,350
Savings	282,598	–	–	–	–	282,598
Time	–	263,014	978	6,224	55	270,271
Bills payable	13	59,094	6,699	–	–	65,806
Manager's checks	–	1,466	–	–	–	1,466
Accrued interest and other expenses	–	4,325	–	–	–	4,325
Derivative contracts designated as hedges	–	254	573	1,671	174,524	177,022
Derivative liabilities	–	999	–	–	–	999
Bonds payable	–	22,596	2,878	19,877	–	45,351
Other liabilities:						
Lease payable	–	87	148	449	1,505	2,189
Accounts payable	–	3,580	–	–	–	3,580
Acceptances payable	–	1,483	–	–	–	1,483
Due to PDIC	–	786	–	–	–	786
Margin deposits	–	1	–	–	–	1
Other credits – dormant	–	337	–	–	–	337
Due to the Treasurer of the Philippines	–	314	–	–	–	314
Miscellaneous	–	524	–	–	–	524
Total liabilities	511,961	358,860	11,276	28,221	176,084	1,086,402
Net Position	(₱373,886)	(₱172,935)	₱53,825	₱41,629	₱378,859	(₱72,508)

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	
	2022	2021	**2022**	2021
Demand deposit account (Note 17)	**₱77,550,280**	₱80,272,888	**₱73,920,525**	₱77,728,758
Special deposit account	**29,550,000**	44,010,212	**19,000,000**	36,800,000
Others	**15**	15	**15**	15
	₱107,100,295	₱124,283,115	**₱92,920,540**	₱114,528,773

Due from Other Banks
This consists of deposit accounts with:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Local banks	**₱7,284,505**	₱8,675,169	**₱7,284,505**	₱8,675,168
Foreign banks	**6,330,104**	2,019,143	**5,062,664**	1,222,096
	₱13,614,609	₱10,694,312	**₱12,347,169**	₱9,897,264

Interest Income on Due from BSP and Other Banks
This account consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Due from BSP	**₱218,951**	₱311,645	₱180,394	**₱136,287**	₱129,874	₱49,762
Due from other banks	**948,607**	1,216,160	783,050	**656,515**	1,088,850	605,858
	₱1,167,558	₱1,527,805	₱963,444	**₱792,802**	₱1,218,724	₱655,620

The average interest rates on Due from BSP and Other Banks are disclosed in Note 6.

8. INTERBANK LOANS RECEIVABLE AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Interbank loans receivable	**₱28,769,544**	₱19,230,679	**₱28,769,545**	₱19,230,679
SPURA	**14,795,426**	17,328,545	**12,828,404**	15,800,318
	₱43,564,970	₱36,559,224	**₱41,597,949**	₱35,030,997

Interbank Loans Receivable
As of December 31, 2022 and 2021, interbank loans receivable includes short-term foreign currency-denominated loans granted to other banks.

In 2022, 2021 and 2020, the interest rates of foreign currency-denominated interbank loans receivable range from 4.25% to 4.60%, from 0.05% to 0.16%, and from 0.07% to 0.30%, respectively.

In 2020, the interest rates of peso-denominated interbank loans receivable range 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 2022, 2021 and 2020, the interest rate of SPURA is 5.5%, 2.00%, and from 2.00% to 4.00%, respectively, for the Group and Parent Company.

9. TRADING AND INVESTMENT SECURITIES

Financial Assets at FVTPL
This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Held for trading				
Government bonds	**₱382,861**	₱179,909	**₱382,861**	₱179,909
Treasury notes	**563,548**	58,684	**563,548**	58,684
Treasury bills	**201,779**	1,790,306	**201,779**	1,790,306
Private bonds	**760,600**	2,884,863	**760,600**	1,334,070
Quoted equity shares	**700,112**	1,063,897	**590,126**	1,014,037
	2,608,900	5,977,659	**2,498,914**	4,377,006
Financial assets designated at FVTPL	**1,103,018**	151,209	**–**	–
Derivative assets (Note 26)	**1,015,662**	1,080,799	**1,015,662**	1,080,798
Total	**₱4,727,580**	₱7,209,667	**₱3,514,576**	₱5,457,804

As of December 31, 2022 and 2021, HFT securities include fair value loss of ₱98.39 million and fair value gain of ₱2.07 million, respectively, for the Group. As of December 31, 2022 and 2021, HFT securities include fair value loss of ₱91.18 million and fair value loss of ₱12.70 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 0.18% to 8.98% in 2022, from 0.65% to 8.80% in 2021, and from 0.32% to 8.04% in 2020. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Group and Parent Company range from 1.27% to 6.84% in 2022, 0.12% to 7.10% in 2021, and from 0.53% to 7.17% in 2020.

Financial Assets at FVOCI
This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Debt Securities				
Government bonds (Note 29)	**₱27,447,647**	₱17,713,051	**₱25,454,732**	₱15,654,511
Private bonds	**15,236,902**	10,305,710	**15,088,429**	10,245,868
	42,684,549	28,018,761	**40,543,161**	25,900,379
Equity Securities				
Quoted equity shares	**603,898**	635,114	**588,192**	604,968
Unquoted equity shares	**28,310**	18,365	**19,772**	18,365
	632,208	653,479	**607,964**	623,333
Total	**₱43,316,757**	₱28,672,240	**₱41,151,125**	₱26,523,712

Unquoted equity securities
This account consists 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)
As of December 31, 2022, financial assets at FVOCI include fair value losses of ₱4.42 billion for the Group and the Parent Company, while as of December 31, 2021, it includes fair value gains of ₱19.71 million and ₱20.20 million for the Group and the Parent Company, respectively. The fair value gains are recognized under OCI. As of December 31, 2022, accumulated credit losses on debt financial assets at FVOCI amounted to ₱124.31 million and ₱124.38 million for the Group and the Parent Company, respectively, while as of December 31, 2021, it amounted to ₱61.50 million and ₱61.00 million for the Group and the Parent Company, respectively.

Effective interest rates for peso-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.75% to 8.50% in 2022, from 1.40% to 5.40% in 2021, and from 1.74% to 5.06% in 2020.

Effective interest rates for foreign currency-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.37% to 7.95% in 2022, from 0.83% to 7.00% in 2021, and from 0.83% to 7.00% in 2020.

Investment Securities at Amortized Cost
This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Government bonds (Note 19)	**₱226,517,019**	₱116,246,059	**₱221,225,162**	₱111,060,036
Private bonds	**129,128,451**	124,678,017	**128,434,431**	123,933,996
	355,645,470	240,924,076	**349,659,593**	234,994,032
Unamortized premium – net	**2,879,276**	4,523,400	**2,676,055**	4,239,922
Allowance for credit losses (Note 16)	**(538,820)**	(3,093,747)	**(532,771)**	(2,886,272)
	₱357,985,926	₱242,353,729	**₱351,802,877**	₱236,347,682

Effective interest rates for peso-denominated investment securities at amortized cost for the Group and the Parent Company range from 1.66% to 7.14% in 2022, from 1.28% to 7.14% in 2021, and from 1.06% to 8.92% in 2020. Effective interest rates for foreign currency-denominated investment securities at amortized cost for the Group and the Parent Company range from 0.57% to 10.34% in 2022, from 0.01% to 10.35% in 2021, and from 0.57% to 10.35% in 2020.

Sale of Investment Securities at Amortized Cost
In 2022, an investment security at amortized cost held by the Parent Company with a carrying value prior to sale of ₱76.9 million was redeemed by the counterparty issuer in accordance with the terms and conditions in the bond indenture which resulted in a gain of ₱1.92 million. In 2021 and 2020, the Parent Company sold investment securities at amortized cost whose carrying values prior to the sale amounted to ₱55.77 billion and ₱30.14 billion, respectively. Details of these sales, including the reason for selling, are presented in the succeeding tables.

In 2021, the Parent Company sold the following investment securities at amortized cost (amounts in millions):

	Parent Company	
Reason for selling	Carrying amount	Gain on sale
Additional liquidity to support planned loan growth	₱51,316	₱3,787
Redemption by issuer to effect its debt refinancing or in view of minimal outstanding amounts	3,735	226
Additional liquidity to take advantage of a change in a regulatory loan limit *	589	27
A change in the funding profile of the Parent Company **	134	24
Total	₱55,774	₱4,064

**The sales are based on the assessments made in 2020.*
***The sales are based on the assessments made in 2019.*

In 2020, the Parent Company sold the following investment securities at amortized cost (amounts in millions):

	Parent Company	
Reason for selling	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
Total	₱30,143	₱2,187

** The sales are based on the assessments made in 2019.*

These redemptions and disposals of investment securities at amortized cost were assessed by the Parent Company as not inconsistent with the portfolios' business models considering the conditions and reasons for which the redemptions and disposals were made (see Note 3).

Interest Income on Investment Securities at Amortized Cost and at FVOCI
This account consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Financial assets at FVOCI	**₱1,479,250**	₱900,827	₱3,595,277	**₱1,423,113**	₱847,216	₱3,531,285
Investment securities at amortized cost	**13,580,803**	8,292,920	6,427,897	**13,353,283**	8,087,436	6,203,399
	₱15,060,053	₱9,193,747	₱10,023,174	**₱14,776,396**	₱8,934,652	₱9,734,684

10. LOANS AND RECEIVABLES

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Loans and discounts				
Corporate and commercial lending	**₱555,410,114**	₱489,078,422	**₱539,155,413**	₱472,722,122
Consumer lending	**144,464,852**	122,675,849	**70,988,726**	72,016,473
Trade-related lending	**17,725,069**	12,453,552	**17,391,202**	12,079,859
Others*	**115,200**	116,896	**19,126**	20,292
	717,715,235	624,324,719	**627,554,467**	556,838,746
Unearned discounts	**(1,177,922)**	(260,378)	**(182,760)**	(177,124)
	716,537,313	624,064,341	**627,371,707**	556,661,622
Allowance for impairment and credit losses (Note 16)	**(16,942,524)**	(15,057,609)	**(14,174,453)**	(12,489,884)
	₱699,594,789	₱609,006,732	**₱613,197,254**	₱544,171,738

*Others include employee loans and foreign bills purchased.

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			
	2022		2021		2022		2021	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Loans secured by								
Real estate	₱94,305,837	13.14	₱85,021,052	13.62	₱63,717,907	10.15	₱58,622,700	10.53
Chattel mortgage	21,083,673	2.94	22,096,827	3.54	4,708,259	0.75	7,459,462	1.34
Guarantee by the Republic of the Philippines	80,362	0.01	3,315	0.00	80,362	0.01	3,315	0.00
Deposit hold out	6,034,139	0.84	2,506,588	0.40	5,765,877	0.92	2,214,506	0.40
Shares of stock of other banks	8,332,250	1.16	8,350,600	1.34	8,332,250	1.33	8,350,600	1.50
Others	104,383,376	14.54	82,803,122	13.26	104,276,013	16.62	82,680,304	14.85
	234,219,637	32.63	200,781,504	32.16	186,880,668	29.78	159,330,887	28.62
Unsecured loans	483,495,598	67.37	423,543,215	67.84	440,673,799	70.22	397,507,859	71.38
	₱717,715,235	100.00	₱624,324,719	100.00	₱627,554,467	100.00	₱556,838,746	100.00

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, 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 are not material for the Parent Company. For CBS, the total modification loss amounted to ₱203.75 million. The net impact of the loan modification after subsequent accretion in 2020 of the modified loans amounted to ₱141.79 million. In 2022 and 2021, the accretion on the modified loans amounted to ₱44.09 million and ₱69.57 million, respectively.

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. The modification loss for these loans and receivables is not material to the Parent Company. For CBS, the modification loss on these loans and receivables amounted to ₱5.90 million in 2020.

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 as follows (figures in billions):

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
As of end of reporting period	**₱1.66**	₱1.14	**₱1.36**	₱0.98
Prior to loan modification	**2.01**	1.32	**1.57**	1.06

Interest Income on Loans and Receivables
As of December 31, 2022 and 2021, 60.30% and 62.29%, respectively, of the total receivables from customers of the Group and 63.55% and 63.85%, respectively, of the total receivables from customers of the Parent Company were subject to interest repricing.

Remaining receivables of the Group carry annual fixed interest rates ranging from 4.00% to 10.50% in 2022, from 2.25% to 10.50% in 2021, and from 2.84% to 5.05% in 2020 for foreign currency-denominated receivables and from 2.00% to 39.42% in 2022, from 1.75% to 39.42% in 2021, and from 0.95% to 39.42% in 2020 for peso-denominated receivables.

Remaining receivables of the Parent Company carry annual fixed interest rates ranging from 4.00% to 10.50% in 2022, from 2.38% to 10.50% in 2021, and from 2.84% to 5.05% in 2020 for foreign currency-denominated receivables and from 2.00% to 30.00% in 2022, from 1.75% to 30.00% in 2021 and from 0.95% to 30.00% in 2020 for peso-denominated receivables.

In 2022, the Group changed the presentation of CBSI's upfront fees that are integral part of the effective interest rate of loans from "Service charges, fees and commissions" to "Interest income on loans and receivables". The Group effected the change in the comparative financial information to be consistent with the 2022 presentation, increasing "Interest income on loans and receivables" and decreasing "Service charges, fees and commissions" by ₱770.81 million in 2021 and ₱548.64 million in 2020.

11. EQUITY INVESTMENTS

This account consists of investments in:

A. Subsidiaries

	2022	2021
Balance at beginning of the year		
CBSI	**₱14,059,458**	₱13,006,556
CBCC	**2,694,466**	2,406,507
CBC-PCCI	**80,625**	77,367
CIBI	**356,796**	264,361
	17,191,345	15,754,791
Share in net income		
CBSI	**1,624,613**	1,027,189
CBCC	**318,085**	292,847
CBC-PCCI	**(3,440)**	10,154
CIBI	**105,428**	92,313
	2,044,686	1,422,503

	2022	2021
Share in Other Comprehensive Income		
Items that recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on FVOCI		
CBSI	**(₱120,193)**	(₱38,759)
CBCC	**13,172**	(2,260)
CBC-PCCI	**–**	(11,017)
	(107,021)	(52,037)
Cumulative translation adjustments		
CBSI	**34,911**	11,603
	34,911	11,603
Other Equity-stock grants		
CBSI	**–**	(1,009)
CBCC	**–**	(11)
CBC-PCCI	**–**	(145)
CIBI	**–**	(34)
	–	(1,199)
Items that do not recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on equity financial assets at FVOCI		
CBSI	**(3,789)**	2,236
CBCC	**(10,585)**	(2,809)
	(14,374)	(573)
Remeasurement gains (losses) on defined benefit assets/obligations		
CBSI	**(3,588)**	51,640
CBCC	**2,053**	193
CBC-PCCI	**(7,232)**	4,266
CIBI	**(1,984)**	157
	(10,751)	56,256
Cash Dividends		
PCCI	**(25,000)**	–
CIBI	**(50,000)**	–
	(75,000)	–
Balance at end of the year		
CBSI	**15,591,412**	14,059,458
CBCC	**3,017,191**	2,694,466
CBC-PCCI	**44,953**	80,625
CIBI	**410,240**	356,796
	₱19,063,796	₱17,191,345

B. Associates:

	2022	2021
Balance at beginning of the year	**₱796,519**	₱912,647
Share in net income	**285,059**	(1,609)
Share in OCI:		
Items that do not recycle to profit or loss in subsequent periods		
Remeasurement gains on life insurance reserves	**110,416**	31,874
Remeasurement on defined benefit plan	**4,693**	(3,245)
Item that recycle to profit or loss in subsequent periods:		
Net unrealized gain on FVOCI	**(213,444)**	(103,148)
Cash dividends	**–**	(40,000)
Balance at end of the year	**₱983,243**	₱796,519

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.

The consideration transferred for the acquisition of PDB amounted to:

Acquisition of majority of PDB's capital stock	₱1,421,346
Tender offers	255,354
	₱1,676,700

In 2014 and 2015, the Parent Company made additional capital infusion to PDB amounting to ₱1.30 billion and ₱1.70 billion, respectively.

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 February 8, 2022, the BOD declared and approved cash dividends amounting to ₱50 million for stockholders on record as of declaration date, payable on March 1, 2022.

PCCI
On June 1, 2022, the BOD declared and approved cash dividends amounting to ₱25 million for stockholders on record as of July 30, 2022, payable on August 5, 2022.

CBCC
On April 1, 2015, the BOD approved the investment of the Parent Company in an investment house subsidiary, CBCC, up to the amount of ₱500.00 million. On April 30, 2015, the BSP approved the Parent Company's investment of up to 100% or up to ₱500.00 million common shares in CBCC. On November 27, 2015, the SEC approved the Articles of Incorporation and By–Laws of CBCC and 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.

Resurgent Capital (FIST-AMC) Inc.
Resurgent Capital (FIST-AMC) Inc. was incorporated on September 6, 2021 as a wholly-owned FIST Corporation of CBCC. The primary purpose is to invest in, or acquire, Non-Performing Assets ("NPAs)" of any financial institution. 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, 2022 and 2021.

MCB Life

In 2006, the Parent Company and Manufacturers Life Insurance Company (Manulife) entered into a joint project where 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 Parent Company acquired 5.00% interest in Manulife China Bank Life Assurance Corporation (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.

On January 11, 2021, the Parent Company received ₱40 million cash dividends from MCB Life. The following tables show the summarized financial information of MCB Life:

	2022	2021
Total assets	**₱62,278,613**	₱55,544,393
Total liabilities	**59,869,929**	53,602,517
Equity	**2,408,684**	1,941,876

	2022	2021
Revenues	**₱13,402,185**	₱16,502,813
Benefits, claims and operating expenses	**12,540,513**	16,535,119
Income before income tax	**861,672**	(32,306)
Net income	**712,647**	(4,023)

Commission income earned by the Group from its bancassurance agreement 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							
	2022							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction–in–Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱3,288,630	₱7,591,749	₱2,135,583	₱2,332,201	₱164,049	₱173,372	₱4,083,498	₱19,769,082
Additions	751,044	672,624	100,908	258,753	166,042	–	591,492	2,540,863
Disposals/transfers (Note 14)*	–	(396,866)	104,571	(13,306)	(132,138)	–	(232,169)	(669,908)
Balance at end of year	4,039,674	7,867,507	2,341,062	2,577,648	197,953	173,372	4,442,821	21,640,037
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	6,502,808	1,285,935	1,792,013	–	85,578	1,869,889	11,536,223
Depreciation and amortization	–	499,943	69,362	204,736	–	15,235	662,836	1,452,112
Disposals/transfers (Note 14)*	–	(297,589)	180,724	(33,310)	–	–	(535,383)	(685,558)
Balance at end of year	–	6,705,162	1,536,021	1,963,439	–	100,813	1,997,342	12,302,777
Net Book Value at End of Year	₱4,039,674	₱1,162,345	₱805,041	₱614,209	₱197,953	₱72,559	₱2,445,479	₱9,337,260

*Includes transfers from investment properties amounting to ₱26.23 million.

	Consolidated							
	2021							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction–in–Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱3,288,630	₱7,202,584	₱2,074,105	₱2,358,640	₱81,461	₱173,372	₱3,639,500	₱18,818,292
Additions	–	462,932	52,661	23,614	92,902	–	447,449	1,079,558
Disposals/transfers (Note 14)*	–	(73,767)	8,817	(50,053)	(10,314)	–	(3,451)	(128,768)
Balance at end of year	3,288,630	7,591,749	2,135,583	2,332,201	164,049	173,372	4,083,498	19,769,082
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	6,201,653	1,223,048	1,631,012	–	70,343	1,269,519	10,395,575
Depreciation and amortization	–	543,245	67,242	216,712	–	15,235	628,346	1,470,780
Disposals/transfers (Note 14)*	–	(242,090)	(4,355)	(55,711)	–	–	(27,976)	(330,132)
Balance at end of year	–	6,502,808	1,285,935	1,792,013	–	85,578	1,869,889	11,536,223
Net Book Value at End of Year	₱3,288,630	₱1,088,941	₱849,648	₱540,188	₱164,049	₱87,794	₱2,213,609	₱8,232,859

*Includes transfers from investment properties amounting to ₱27.63 million.

	Parent Company							
	2022							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction–in–Progress	Right-of-use Assets Land	Right-of-use Assets Building.	Total
Cost								
Balance at beginning of year	₱2,890,661	₱6,274,945	₱1,411,257	₱1,641,021	₱7,593	₱181,451	₱3,046,270	₱15,453,198
Additions	751,044	513,336	71,435	138,480	66,717	–	469,136	2,010,149
Disposals/transfers (Note 14)*	–	(361,097)	104,571	(13,306)	(5,174)	–	(85,160)	(360,165)
Balance at end of year	3,641,705	6,427,184	1,587,263	1,766,195	69,136	181,451	3,430,246	17,103,180
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	5,380,492	765,171	1,205,028	–	85,578	1,416,790	8,853,059
Depreciation and amortization	–	354,034	58,696	199,125	–	15,235	463,892	1,090,982
Disposals/transfers (Note 14)*	–	(230,698)	192,107	(83,548)	–	–	(389,284)	(511,423)
Balance at end of year	–	5,503,828	1,015,974	1,320,605	–	100,813	1,491,398	9,432,618
Net Book Value at End of Year	₱3,641,705	₱923,356	₱571,289	₱445,590	₱69,136	₱80,638	₱1,938,848	₱7,670,562

*Includes transfers from investment properties amounting to ₱26.23 million.

	Parent Company							
	2021							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction–in–Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱2,890,661	₱5,890,301	₱1,350,906	₱1,670,745	₱14,498	₱181,451	₱2,786,874	₱14,785,436
Additions	–	353,223	51,533	20,329	3,409	–	205,402	633,896
Disposals/transfers (Note 14)*	–	31,421	8,818	(50,053)	(10,314)	–	53,994	33,866
Balance at end of year	2,890,661	6,274,945	1,411,257	1,641,021	7,593	181,451	3,046,270	15,453,198
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	5,089,267	702,039	1,096,037	–	70,343	950,791	7,908,477
Depreciation and amortization	–	432,652	67,255	164,702	–	15,235	428,850	1,108,694
Disposals/transfers (Note 14)*	–	(141,427)	(4,123)	(55,711)	–	–	37,149	(164,112)
Balance at end of year	–	5,380,492	765,171	1,205,028	–	85,578	1,416,790	8,853,059
Net Book Value at End of Year	₱2,890,661	₱894,453	₱646,086	₱435,993	₱7,593	₱95,873	₱1,629,480	₱6,600,139

*Includes transfers from investment properties amounting to ₱27.63 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, 2022 and 2021, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to ₱3.69 billion and ₱3.29 billion, respectively, for the Group and ₱2.93 billion and ₱2.44 billion, respectively, for the Parent Company.

Gains on sale of furniture, fixtures and equipment amounting to ₱2.40 million, nil, and ₱1.25 million in 2022, 2021 and 2020, respectively, for the Group and ₱2.40 million, nil, and ₱0.02 million in 2022, 2021 and 2020, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 22).

In 2020, depreciation and amortization amounting to ₱1.57 billion and ₱1.20 billion 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		
	2022		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱2,919,414	₱2,748,948	₱5,668,362
Additions	382,970	406,435	789,405
Disposals/write-off/transfers*	(474,760)	(346,990)	(821,750)
Balance at end of year	2,827,624	2,808,393	5,636,017
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	1,021,540	1,021,540
Depreciation and amortization	–	145,753	145,753
Disposals/write-off/transfers*	–	(153,138)	(153,138)
Balance at end of year	–	1,014,155	1,014,155

(Forward)

	Consolidated		
	2022		
	Land	Buildings and Improvements	Total
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	**₱309,204**	**₱344,280**	**₱653,484**
Provisions (reversals) during the year	**123,058**	**(69,571)**	**53,487**
Balance at end of year	**432,262**	**274,709**	**706,971**
Net Book Value at End of Year	**₱2,395,362**	**₱1,519,529**	**₱3,914,891**

*Includes transfers to bank premises amounting to ₱26.23 million (Note 12).

	Consolidated		
	2021		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱3,130,005	₱2,760,986	₱5,890,991
Additions	430,594	322,162	752,756
Disposals/write-off/transfers*	(641,185)	(334,200)	(975,385)
Balance at end of year	2,919,414	2,748,948	5,668,362
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	989,831	989,831
Depreciation and amortization	–	150,229	150,229
Disposals/write-off/transfers*	–	(118,520)	(118,520)
Balance at end of year	–	1,021,540	1,021,540
Allowance for Impairment Losses(Note 16)			
Balance at beginning of year	612,988	303,233	916,221
Provisions (reversals) during the year	(296,785)	75,000	(221,785)
Disposals/write-off/reclassification*	(6,999)	(33,953)	(40,952)
Balance at end of year	309,204	344,280	653,484
Net Book Value at End of Year	₱2,610,210	₱1,383,128	₱3,993,338

*Includes transfers to bank premises amounting to ₱27.63 million (Note 12).

	Parent Company		
	2022		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	**₱1,067,631**	**₱1,444,203**	**₱2,511,834**
Additions	**117,439**	**156,212**	**273,651**
Disposals/write-off/transfers*	**(93,718)**	**(116,849)**	**(210,567)**
Balance at end of year	**1,091,352**	**1,483,566**	**2,574,918**

(Forward)

	Parent Company		
	2022		
	Land	Buildings and Improvements	Total
Accumulated Depreciation and Amortization			
Balance at beginning of year	**₱–**	**₱545,792**	**₱545,792**
Depreciation and amortization	**–**	**89,274**	**89,274**
Disposals/write-off/transfers*	**–**	**(83,492)**	**(83,492)**
Balance at end of year	**–**	**551,574**	**551,574**
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	**384,983**	**201,689**	**586,672**
Provisions (reversals) during the year	**135,258**	**(185,844)**	**(50,586)**
Balance at end of year	**520,241**	**15,845**	**536,086**
Net Book Value at End of Year	**₱571,111**	**₱916,147**	**₱1,487,258**

*Includes transfers to bank premises amounting to ₱26.23 million (Note 12).

	Parent Company		
	2021		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱1,342,507	₱1,533,910	₱2,876,417
Additions	50,406	30,730	81,136
Disposals/write-off/transfers*	(325,282)	(120,437)	(445,719)
Balance at end of year	1,067,631	1,444,203	2,511,834
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	519,697	519,697
Depreciation and amortization	–	91,715	91,715
Disposals/write-off/transfers*	–	(65,620)	(65,620)
Balance at end of year	–	545,792	545,792
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	676,098	201,689	877,787
Provisions (reversals) during the year	(296,785)	–	(296,785)
Disposals/write-off/reclassification*	5,670	–	5,670
Balance at end of year	384,983	201,689	586,672
Net Book Value at End of Year	₱682,648	₱696,722	₱1,379,370

*Includes transfers to bank premises amounting to ₱27.63 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 (loss) on asset foreclosure and dacion transactions' in the statements of income.

In 2020, depreciation and amortization amounting to ₱157.57 million and ₱96.26 million for the Group and Parent Company, respectively, are included in the statements of income under ‘Depreciation and amortization’ account.

Details of rental income earned and direct operating expenses incurred on investment properties follow:

	Consolidated		
	2022	2021	2020
Rent income on investment properties	**₱89,903**	₱96,759	₱66,493
Direct operating expenses on investment properties generating rent income	**1,277**	1,277	1,537
Direct operating expenses on investment properties not generating rent income	**91,414**	74,293	69,651

	Parent Company		
	2022	2021	2020
Rent income on investment properties	**₱44,640**	₱54,400	₱47,209
Direct operating expenses on investment properties generating rent income	**371**	371	815
Direct operating expenses on investment properties not generating rent income	**21,843**	32,765	22,753

Rent income earned from leasing out investment properties is included under ‘Miscellaneous income’ in the statements of income (Note 22).

Direct operating expenses include occupancy cost, repairs and maintenance, and taxes and licenses related to the investment properties.

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 an 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 the 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, 2022 and 2021, the 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 has 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 and most sensitive assumptions used in computing for the recoverable values of the CGUs follow:

	2022		2021	
	RBB	**CBSI**	RBB	CBSI
Discount rate	**9.62%**	**10.66%**	9.08%	11.84%
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, 2022 and 2021.

Branch Licenses

Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. As of December 31, 2022 and 2021, details of branch licenses in the Group's and the Parent Company's financial statements follow:

	Consolidated	**Parent Company**
Branch license from CBSI acquisition	₱477,600	₱455,000
Branch license from Unity Bank acquisition	360,000	–
Branch license from PDB acquisition*	2,839,500	–
	3,677,100	455,000
Allowance for probable losses	(289,502)	(57,000)
	₱3,387,598	₱398,000

**mostly attributable to the Parent Company*

Each branch to which the branch license is attributed is the CGU that is tested independently for impairment assessment. As of December 31, 2022, other than loans and deposits growth rates, the Parent Company and CBSI use the discount rate of 9.62% and 10.20%, respectively and long-term growth rate of 1.00% for computing for the recoverable values of the CGUs. The Group uses the discount rate of 9.08% and long-term growth rate of 1.00% for computing the recoverable amounts of the CGUs as of December 31, 2021.

Capitalized Software Costs

The movements in the account follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Cost				
Balance at beginning of year	**₱1,989,078**	₱1,919,187	**₱1,935,527**	₱1,836,621
Additions	**135,198**	104,662	**97,442**	94,060
Disposals/Write-off/Reclassifications (Note 12)	**(22,834)**	(34,771)	**(6,579)**	4,846
Balance at end of year	**2,101,442**	1,989,078	**2,026,390**	1,935,527
Accumulated Depreciation and Amortization				
Balance at beginning of year	**1,577,287**	1,433,616	**1,565,087**	1,400,685
Depreciation and amortization	**139,279**	166,157	**136,903**	163,915
Disposals/Write-off/Reclassifications (Note 12)	**(2,669)**	(22,486)	**1,086**	487
Balance at end of year	**1,713,897**	1,577,287	**1,703,076**	1,565,087
Net Book Value at End of Year	**₱387,545**	₱411,791	**₱323,314**	₱370,440

Exchange Trading Right

As of December 31, 2022 and 2021, the Group has an exchange trading right with the following carrying value:

Cost	₱12,000
Less: Allowance for impairment losses	3,500
	₱8,500

The trading right has an indefinite useful life and, thus, is not amortized but is subject for impairment at every reporting date. The exchange trading right, as of December 31, 2022 and 2021, 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.

15. OTHER ASSETS

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Financial assets				
Accounts receivable	**₱2,785,372**	2,664,413	**₱1,654,697**	1,673,539
SCR	**1,470,031**	1,163,371	**218,909**	243,355
RCOCI	**162,048**	205,933	**110,051**	181,477
Others	**30,687**	17,675	**8,704**	9,660
	₱4,448,138	4,051,392	**₱1,992,361**	2,108,031

(Forward)

Non-financial assets

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Net plan assets (Note 25)	**₱400,416**	₱483,001	**₱287,120**	₱300,391
Prepaid expenses	**484,093**	494,381	**413,011**	427,713
Creditable withholding taxes	**412,316**	446,253	**383,928**	435,700
Security deposit	**372,088**	157,070	**319,586**	155,197
Documentary stamps	**227,704**	305,942	**152,759**	244,461
Sundry debits	**224,659**	105,776	**160,077**	36,131
Miscellaneous	**880,876**	1,105,627	**454,796**	313,666
	3,002,152	3,098,050	**2,171,277**	1,913,259
	7,450,290	7,419,442	**4,163,638**	4,021,290
Allowance for impairment losses (Note 16)	**(711,830)**	(685,057)	**(329,713)**	(379,619)
	₱6,738,460	₱6,464,385	**₱3,833,925**	₱3,641,671

Accounts receivable
Accounts receivable 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 receivables arising from the subsequent sale of assets acquired in settlement of loans through foreclosure or dation in payment where the sale is on installment basis and the title to the said property is transferred to the buyers only upon full payment of the agreed selling price.

In 2022 and 2021, SCR bears fixed interest rates per annum ranging from 5.50% to 10.00%, while 5.00% to 10.00% in 2020.

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	
	2022	2021	**2022**	2021
Balances at beginning of year				
Loans and receivables	**₱15,057,609**	₱14,739,918	**₱12,489,884**	₱12,527,657
Investment securities at amortized cost	**3,093,747**	2,389,845	**2,886,272**	2,383,800
Financial assets at FVOCI *	**61,495**	30,384	**60,998**	30,056
Investment properties	**653,484**	916,219	**586,672**	877,787
Accrued interest receivable	**478,814**	337,785	**182,375**	36,609
Intangible assets	**293,002**	293,002	**57,000**	57,000
Investment in subsidiaries	**–**	–	**59,902**	59,902
Other assets	**685,057**	523,092	**379,619**	234,109
Off-balance sheet exposures *	**740,877**	467,117	**730,859**	457,099
	21,064,085	19,697,362	**17,433,581**	16,664,019
Provisions charged to operations	**9,012,633**	8,876,744	**7,427,202**	7,679,877
Accounts charged off and others	**(8,980,575)**	(7,510,021)	**(7,613,406)**	(6,910,315)
	32,058	1,366,723	**(186,204)**	769,562

(Forward)

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Balances at end of year				
Loans and receivables (Note 10)	**₱16,942,524**	₱15,057,609	**₱14,174,453**	₱12,489,884
Investment securities at amortized cost (Note 9)	**538,820**	3,093,747	**532,771**	2,886,272
Financial assets at FVOCI * (Note 9)	**124,309**	61,495	**124,378**	60,998
Investment properties (Note 13)	**706,971**	653,484	**536,086**	586,672
Accrued interest receivable	**996,346**	478,814	**660,751**	182,375
Intangible assets	**293,002**	293,002	**57,000**	57,000
Investment in subsidiaries	**–**	–	**59,902**	59,902
Other assets (Note 15)	**711,830**	685,057	**329,713**	379,619
Off-balance sheet exposures * (Note 21)	**782,341**	740,877	**772,323**	730,859
	₱21,096,143	₱21,064,085	**₱17,247,377**	₱17,433,581

** The allowance for credit and impairment losses in the above table are presented as contra-asset in determining the carrying amount of the related asset accounts, except for the expected credit losses on "Financial assets at FVOCI" and "Off-balance sheet exposures" which are presented under "Net unrealized gain (loss) on financial assets at FVOCI" (Equity) and "Other Liabilities" (Liability), respectively.*

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.

Below is the breakdown of provision for credit losses in 2022, 2021, and 2020.

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Loans and receivables:						
Corporate and commercial lending	**₱6,851,108**	₱5,887,208	₱6,620,171	**₱6,064,157**	₱6,228,681	₱6,300,097
Consumer lending	**(33,430)**	1,803,215	1,626,588	**(500,018)**	533,013	1,076,445
Trade-related lending	**(232,200)**	21,737	(34,744)	**(241,718)**	25,858	(43,355)
Others	**(519)**	855	2,889	**(328)**	328	–
Investments:						
Investment securities at amortized cost	**1,365,391**	394,228	1,337,700	**1,251,442**	369,383	1,336,947
Financial assets at FVOCI (debt securities)	**58,111**	13,226	21,208	**58,677**	13,057	20,930
	8,008,461	₱8,120,469	9,573,812	**6,632,212**	7,170,320	8,691,064
Impact to profit or loss of movements in ECL for off-books exposures	**26,637**	271,578	(772,850)	**26,637**	271,578	(772,850)
Other assets	**977,535**	484,697	67,957	**768,353**	237,979	64,992
Provisions charged to operations	**₱9,012,633**	₱8,876,744	₱8,868,919	**₱7,427,202**	₱7,679,877	₱7,983,206

The tables below illustrate the movements of the allowance for impairment and credit losses during 2022 (effect of movements in ECL due to transfers between stages are shown in the total column):

	Consolidated			
	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, 2022	**₱3,015,176**	**₱3,204,874**	**₱5,814,240**	**₱12,034,290**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(190,176)	823,884	–	633,708
Transfer from Stage 1 to Stage 3	(730)	–	113,269	112,539
Transfer from Stage 2 to Stage 1	32,783	(232,131)	–	(199,348)
Transfer from Stage 2 to Stage 3	–	(1,400,135)	5,627,387	4,227,252
Transfer from Stage 3 to Stage 1	140	–	(5,396)	(5,256)
Transfer from Stage 3 to Stage 2	–	1,124	(119,364)	(118,240)
New financial assets originated *	2,718,295	622,610	532,548	3,873,453
Changes in PDs / LGDs / EADs	58,593	(225,633)	677,027	509,987
Financial assets derecognized during the period	(748,143)	(708,608)	(715,580)	(2,172,331)
FX and other movements	(7,926)	(2,469)	(261)	(10,656)
Provision for credit losses during the period	**1,862,836**	**(1,121,358)**	**6,109,630**	**6,851,108**
Other movements				
Write-offs, foreclosures, and other movements	7,926	2,469	(4,306,402)	(4,296,007)
Total other movements	**7,926**	**2,469**	**(4,306,402)**	**(4,296,007)**
Loss allowance at December 31, 2022	**₱4,885,938**	**₱2,085,985**	**₱7,617,468**	**₱14,589,391**

** 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**
Loss allowance at January 1, 2022	**₱570,316**	**₱175,111**	**₱2,043,684**	**₱2,789,111**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(29,074)	55,808	–	26,734
Transfer from Stage 1 to Stage 3	(3,995)	–	219,387	215,392
Transfer from Stage 2 to Stage 1	1,626	(67,053)	–	(65,427)
Transfer from Stage 2 to Stage 3	–	(18,507)	185,771	167,264
Transfer from Stage 3 to Stage 1	237	–	(126,143)	(125,906)
Transfer from Stage 3 to Stage 2	–	757	(139,229)	(138,472)
New financial assets originated *	771,609	76,340	50,798	898,747
Changes in PDs / LGDs / EADs	(441,222)	150,142	(184,945)	(476,025)
Financial assets derecognized during the period	(67,251)	(28,149)	(440,337)	(535,737)
FX and other movements	–	–	–	–

(Forward)

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Provision for credit losses during the period	231,930	169,338	(434,698)	(33,430)
Other movements				
Write-offs, foreclosures, and other movements	–	–	(534,528)	(534,528)
Total other movements	–	–	(534,528)	(534,528)
Loss allowance at December 31, 2022	₱802,246	₱344,449	₱1,074,458	₱2,221,153

** 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
Loss allowance at January 1, 2022	₱123,568	₱14,772	₱92,124	₱230,464
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 *	57,512	16,127	–	73,639
Changes in PDs / LGDs / EADs	149	66	(10,491)	(10,276)
Financial assets derecognized during the period	(123,508)	(14,721)	(1,357)	(139,586)
FX and other movements	(154,923)	(1,054)	–	(155,977)
Provision for credit losses during the period	(220,770)	418	(11,848)	(232,200)
Other movements				
Write-offs, foreclosures, and other movements	154,923	1,054	(24,701)	131,276
Total other movements	154,923	1,054	(24,701)	131,276
Loss allowance at December 31, 2022	₱57,721	₱16,244	₱55,575	₱129,540

** 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	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2022	₱3	₱–	₱3,741	₱3,744
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	1	–	162	163
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	1	330	331
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	73	153	482	708
Changes in PDs / LGDs / EADs	(7)	(14)	(644)	(665)
Financial assets derecognized during the period	(3)	(1)	(1,052)	(1,056)
FX and other movements	–	–	–	–
Provision for credit losses during the period	64	139	(722)	(519)
Other movements				
Write-offs, foreclosures, and other movements	–	–	(785)	(785)
Total other movements	–	–	(785)	(785)
Loss allowance at December 31, 2022	₱67	₱139	₱2,234	₱2,440

** 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	
Loans and receivables – total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2022	₱3,709,063	₱3,394,757	₱7,953,789	₱15,057,609
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(219,250)	879,692	–	660,442
Transfer from Stage 1 to Stage 3	(4,724)	–	332,818	328,094
Transfer from Stage 2 to Stage 1	34,409	(299,184)	–	(264,775)
Transfer from Stage 2 to Stage 3	–	(1,418,641)	5,813,488	4,394,847
Transfer from Stage 3 to Stage 1	377	–	(131,539)	(131,162)
Transfer from Stage 3 to Stage 2	–	1,881	(258,593)	(256,712)
New financial assets originated *	3,547,489	715,230	583,828	4,846,547
Changes in PDs / LGDs / EADs	(382,487)	(75,439)	480,947	23,021

(Forward)

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Financial assets derecognized during the period	(938,905)	(751,479)	(1,158,326)	(2,848,710)
FX and other movements	(162,849)	(3,523)	(261)	(166,633)
Provision for credit losses during the period	1,874,060	(951,463)	5,662,362	6,584,959
Other movements				
Write-offs, foreclosures, and other movements	162,849	3,523	(4,866,416)	(4,700,044)
Total other movements	162,849	3,523	(4,866,416)	(4,700,044)
Loss allowance at December 31, 2022	₱5,745,972	₱2,446,817	₱8,749,735	₱16,942,524

** 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	
Investment securities at amortized cost	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loss allowance at January 1, 2022	₱447,645	₱38,388	₱2,607,714	₱3,093,747
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(6,794)	26,811	–	20,017
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	743	(27,696)	–	(26,953)
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 *	37,525	2,557	–	40,082
Changes in PDs / LGDs / EADs	34,827	5,146	1,339,286	1,379,259
Financial assets derecognized during the period	(16,908)	(162)	–	(17,070)
FX and other movements	(29,675)	(269)	–	(29,944)
Provision for credit losses during the period	19,718	6,387	1,339,286	1,365,391
Other movements				
Write-offs, foreclosures, and other movements	26,413	269	(3,947,000)	(3,920,318)
Total other movements	26,413	269	(3,947,000)	(3,920,318)
Loss allowance at December 31, 2022	₱493,776	₱45,044	₱–	₱538,820

** 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	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2022	₱59,958	₱1,537	₱–	₱61,495
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(1)	1	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	71	(1,537)	–	(1,466)
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 *	30,552	25,375	–	55,927
Changes in PDs / LGDs / EADs	8,851	–	–	8,851
Financial assets derecognized during the period	(498)	–	–	(498)
FX and other movements	(4,422)	(281)	–	(4,703)
Provision for credit losses during the period	34,553	23,558	–	58,111
Other movements				
Write-offs, foreclosures, and other movements	4,422	281	–	4,703
Total other movements	4,422	281	–	4,703
Loss allowance at December 31, 2022	₱98,933	₱25,376	₱–	₱124,309

** 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, 2022	₱2,957,844	₱3,152,298	₱4,839,259	₱10,949,401
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(161,104)	795,711	–	634,607
Transfer from Stage 1 to Stage 3	(458)	–	102,778	102,320
Transfer from Stage 2 to Stage 1	31,662	(231,045)	–	(199,383)
Transfer from Stage 2 to Stage 3	–	(1,394,846)	4,974,946	3,580,100
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	1,007	(114,702)	(113,695)
New financial assets originated *	2,622,787	544,328	315,151	3,482,266
Changes in PDs / LGDs / EADs	81,114	(175,806)	698,682	603,990
Financial assets derecognized during the period	(729,903)	(690,844)	(594,645)	(2,015,392)
FX and other movements	(7,926)	(2,469)	(261)	(10,656)
Provision for credit losses during the period	1,836,172	(1,153,964)	5,381,949	6,064,157
Other movements				
Write-offs, foreclosures, and other movements	7,926	2,469	(3,683,270)	(3,672,875)
Total other movements	7,926	2,469	(3,683,270)	(3,672,875)
Loss allowance at December 31, 2022	₱4,801,942	₱2,000,803	₱6,537,938	₱13,340,683

** Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

Consumer lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	₱478,079	₱154,386	₱681,717	₱1,314,182
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(27,951)	49,778	–	21,827
Transfer from Stage 1 to Stage 3	(3,455)	–	42,563	39,108
Transfer from Stage 2 to Stage 1	253	(59,680)	–	(59,427)
Transfer from Stage 2 to Stage 3	–	(15,882)	25,477	9,595
Transfer from Stage 3 to Stage 1	–	–	(6,600)	(6,600)
Transfer from Stage 3 to Stage 2	–	301	(96,279)	(95,978)
New financial assets originated *	49,912	1,253	1,597	52,762
Changes in PDs / LGDs / EADs	(371,369)	160,340	(146,175)	(357,204)
Financial assets derecognized during the period	(44,978)	(23,040)	(36,083)	(104,101)
FX and other movements	–	–	–	–
Provision for credit losses during the period	(397,588)	113,070	(215,500)	(500,018)
Other movements				
Write-offs, foreclosures, and other movements	–	–	(95,925)	(95,925)
Total other movements	–	–	(95,925)	(95,925)
Loss allowance at December 31, 2022	₱80,491	₱267,456	₱370,292	₱718,239

** Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

Trade-related lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	₱120,643	₱14,702	₱90,628	₱225,973
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 *	57,511	2,037	–	59,548
Changes in PDs / LGDs / EADs	149	147	(10,352)	(10,056)
Financial assets derecognized during the period	(120,583)	(14,650)	–	(135,233)
FX and other movements	(154,923)	(1,054)	–	(155,977)
Provision for credit losses during the period	(217,846)	(13,520)	(10,352)	(241,718)
Other movements				
Write-offs, foreclosures, and other movements	154,923	1,054	(24,701)	131,276
Total other movements	154,923	1,054	(24,701)	131,276
Loss allowance at December 31, 2022	₱57,720	₱2,236	₱55,575	₱115,531

** Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

Others	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	₱–	₱–	₱328	₱328
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 PDs / LGDs / EADs	–	–	–	–
Financial assets derecognized during the period	–	–	(328)	(328)
FX and other movements	–	–	–	–
Provision for credit losses during the period	–	–	(328)	(328)
Other movements				
Write-offs, foreclosures, and other movements	–	–	–	–
Total other movements	–	–	–	–
Loss allowance at December 31, 2022	₱–	₱–	₱–	₱–

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2022	₱3,556,566	₱3,321,386	₱5,611,932	₱12,489,884
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(189,055)	845,489	–	656,434
Transfer from Stage 1 to Stage 3	(3,913)	–	145,341	141,428
Transfer from Stage 2 to Stage 1	31,915	(290,725)	–	(258,810)
Transfer from Stage 2 to Stage 3	–	(1,410,728)	5,000,423	3,589,695
Transfer from Stage 3 to Stage 1	–	–	(6,600)	(6,600)
Transfer from Stage 3 to Stage 2	–	1,308	(210,981)	(209,673)
New financial assets originated *	2,730,210	547,618	316,748	3,594,576
Changes in PDs / LGDs / EADs	(290,106)	(15,319)	542,155	236,730
Financial assets derecognized during the period	(895,464)	(728,534)	(631,056)	(2,255,054)
FX and other movements	(162,849)	(3,523)	(261)	(166,633)
Provision for credit losses during the period	1,220,738	(1,054,414)	5,155,769	5,322,093
Other movements				
Write-offs, foreclosures, and other movements	162,849	3,523	(3,803,896)	(3,637,524)
Total other movements	162,849	3,523	(3,803,896)	(3,637,524)
Loss allowance at December 31, 2022	₱4,940,153	₱2,270,495	₱6,963,805	₱14,174,453

** 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	
Investment securities at amortized cost	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loss allowance at January 1, 2022	₱436,596	₱38,388	₱2,411,288	₱2,886,272
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(6,794)	26,811	–	20,017
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	743	(27,696)	–	(26,953)
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 *	34,775	2,556	–	37,331
Changes in PDs / LGDs / EADs	34,826	5,146	1,220,337	1,260,309
Financial assets derecognized during the period	(12,418)	(162)	–	(12,580)
FX and other movements	(26,413)	(269)	–	(26,682)
Provision for credit losses during the period	24,719	6,386	1,220,337	1,251,442
Other movements				
Write-offs, foreclosures, and other movements	26,413	269	(3,631,625)	(3,604,943)
Total other movements	26,413	269	(3,631,625)	(3,604,943)
Loss allowance at December 31, 2022	₱487,728	₱45,043	₱–	₱532,771

** 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	
Financial assets at FVOCI (debt securities)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loss allowance at January 1, 2022	₱59,461	₱1,537	₱–	₱60,998
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	71	(1,537)	–	(1,466)
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 *	30,552	25,375	–	55,927
Changes in PDs / LGDs / EADs	9,024	–	–	9,024
Financial assets derecognized during the period	(105)	–	–	(105)
FX and other movements	(4,422)	(281)	–	(4,703)
Provision for credit losses during the period	35,120	23,557	–	58,677
Other movements				
Write-offs, foreclosures, and other movements	4,422	281	–	4,703
Total other movements	4,422	281	–	4,703
Loss allowance at December 31, 2022	₱99,003	₱25,375	₱–	₱124,378

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Comparative figures for the movement of allowance for credit and impairment losses for 2021 are shown below:

	Consolidated			
	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, 2021	₱4,536,289	₱3,213,081	₱4,628,126	₱12,377,496
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(265,804)	405,942	–	140,138
Transfer from Stage 1 to Stage 3	(19,149)	–	976,835	957,686
Transfer from Stage 2 to Stage 1	26,858	(109,652)	–	(82,794)
Transfer from Stage 2 to Stage 3	–	(2,461,394)	2,668,435	207,041
Transfer from Stage 3 to Stage 1	45	–	(4,278)	(4,233)
Transfer from Stage 3 to Stage 2	–	152,158	(284,566)	(132,408)
New financial assets originated *	1,316,932	1,923,910	578,704	3,819,546
Changes in PDs / LGDs / EADs	(831,490)	273,731	4,325,035	3,767,276
Financial assets derecognized during the period	(1,748,505)	(192,902)	(783,973)	(2,725,380)
FX and other movements	(48,112)	(11,112)	(440)	(59,664)
Provision for credit losses during the period	(1,569,225)	(19,319)	7,475,752	5,887,208
Other movements				
Write-offs, foreclosures, and other movements	48,112	11,112	(6,289,638)	(6,230,414)
Total other movements	48,112	11,112	(6,289,638)	(6,230,414)
Loss allowance at December 31, 2021	₱3,015,176	₱3,204,874	₱5,814,240	₱12,034,290

** 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
Loss allowance at January 1, 2021	₱332,094	₱155,749	₱1,593,086	₱2,080,929
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(21,355)	67,308	–	45,953
Transfer from Stage 1 to Stage 3	(4,530)	–	195,646	191,116
Transfer from Stage 2 to Stage 1	19,388	(42,397)	–	(23,009)
Transfer from Stage 2 to Stage 3	–	(20,763)	301,488	280,725
Transfer from Stage 3 to Stage 1	3,084	–	(70,099)	(67,015)
Transfer from Stage 3 to Stage 2	–	31,980	(361,359)	(329,379)
New financial assets originated *	169,078	39,175	213,930	422,183
Changes in PDs / LGDs / EADs	123,269	(22,668)	1,488,672	1,589,273
Financial assets derecognized during the period	(50,712)	(33,273)	(222,647)	(306,632)
FX and other movements	–	–	–	–
Provision for credit losses during the period	238,222	19,362	1,545,631	1,803,215
Other movements				
Write-offs, foreclosures, and other movements	–	–	(1,095,033)	(1,095,033)
Total other movements	–	–	(1,095,033)	(1,095,033)
Loss allowance at December 31, 2021	₱570,316	₱175,111	₱2,043,684	₱2,789,111

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Trade-related lending	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱133,667	₱23,814	₱121,123	₱278,604
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(8)	8	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	60	(99)	–	(39)
Transfer from Stage 2 to Stage 3	–	(411)	23,794	23,383
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	123,508	13,656	–	137,164
Changes in PDs / LGDs / EADs	(58)	388	19,498	19,828
Financial assets derecognized during the period	(133,601)	(22,584)	–	(156,185)
FX and other movements	(2,407)	(7)	–	(2,414)
Provision for credit losses during the period	(12,506)	(9,049)	43,292	21,737
Other movements				
Write-offs, foreclosures, and other movements	2,407	7	(72,291)	(69,877)
Total other movements	2,407	7	(72,291)	(69,877)
Loss allowance at December 31, 2021	₱123,568	₱14,772	₱92,124	₱230,464

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Others	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱1	₱48	₱2,840	₱2,889
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	–	35	–	35
Transfer from Stage 1 to Stage 3	–	–	658	658
Transfer from Stage 2 to Stage 1	–	(31)	–	(31)
Transfer from Stage 2 to Stage 3	–	–	9	9
Transfer from Stage 3 to Stage 1	–	–	(211)	(211)
Transfer from Stage 3 to Stage 2	–	–	(6)	(6)
New financial assets originated *	3	–	477	480
Changes in PDs / LGDs / EADs	–	(44)	1,200	1,156
Financial assets derecognized during the period	(1)	(8)	(1,226)	(1,235)
FX and other movements	–	–	–	–
Provision for credit losses during the period	2	(48)	901	855
Other movements				
Write-offs, foreclosures, and other movements	–	–	–	–
Total other movements	–	–	–	–
Loss allowance at December 31, 2021	₱3	₱–	₱3,741	₱3,744

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱5,002,051	₱3,392,692	₱6,345,175	₱14,739,918
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(287,167)	473,293	–	186,126
Transfer from Stage 1 to Stage 3	(23,679)	–	1,173,139	1,149,460
Transfer from Stage 2 to Stage 1	46,306	(152,179)	–	(105,873)
Transfer from Stage 2 to Stage 3	–	(2,482,568)	2,993,726	511,158
Transfer from Stage 3 to Stage 1	3,129	–	(74,588)	(71,459)
Transfer from Stage 3 to Stage 2	–	184,138	(645,931)	(461,793)
New financial assets originated *	1,609,521	1,976,741	793,111	4,379,373
Changes in PDs / LGDs / EADs	(708,279)	251,407	5,834,405	5,377,533
Financial assets derecognized during the period	(1,932,819)	(248,767)	(1,007,846)	(3,189,432)
FX and other movements	(50,519)	(11,119)	(440)	(62,078)
Provision for credit losses during the period	(1,343,507)	(9,054)	9,065,576	7,713,015
Other movements				
Write-offs, foreclosures, and other movements	50,519	11,119	(7,456,962)	(7,395,324)
Total other movements	50,519	11,119	(7,456,962)	(7,395,324)
Loss allowance at December 31, 2021	₱3,709,063	₱3,394,757	₱7,953,789	₱15,057,609

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Investment securities at amortized cost	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱387,575	₱–	₱2,002,270	₱2,389,845
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(5,718)	32,451	–	26,733
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 *	121,126	5,937	–	127,063
Changes in PDs / LGDs / EADs	(29,762)	–	409,018	379,256
Financial assets derecognized during the period	(28,047)	–	–	(28,047)
FX and other movements	(126,906)	(3,712)	19,841	(110,777)
Provision for credit losses during the period	(69,307)	34,676	428,859	394,228
Other movements				
Write-offs, foreclosures, and other movements	129,377	3,712	176,585	309,674
Total other movements	129,377	3,712	176,585	309,674
Loss allowance at December 31, 2021	₱447,645	₱38,388	₱2,607,714	₱3,093,747

** 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	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2021	₱30,384	₱–	₱–	₱30,384
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 *	42,901	1,537	–	44,438
Changes in PDs / LGDs / EADs	(9,504)	–	–	(9,504)
Financial assets derecognized during the period	(3,823)	–	–	(3,823)
FX and other movements	(17,380)	(505)	–	(17,885)
Provision for credit losses during the period	12,194	1,032	–	13,226
Other movements				
Write-offs, foreclosures, and other movements	17,380	505	–	17,885
Total other movements	17,380	505	–	17,885
Loss allowance at December 31, 2021	₱59,958	₱1,537	₱–	₱61,495

** 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, 2021	₱4,441,063	₱3,158,914	₱3,281,557	₱10,881,534
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(259,998)	401,008	–	141,010
Transfer from Stage 1 to Stage 3	(18,486)	–	951,502	933,016
Transfer from Stage 2 to Stage 1	24,677	(107,799)	–	(83,122)
Transfer from Stage 2 to Stage 3	–	(2,460,478)	2,627,237	166,759
Transfer from Stage 3 to Stage 1	37	–	(3,977)	(3,940)
Transfer from Stage 3 to Stage 2	–	150,926	(229,165)	(78,239)
New financial assets originated *	1,316,388	1,923,874	578,642	3,818,904
Changes in PDs / LGDs / EADs	(843,891)	259,691	4,346,872	3,762,672
Financial assets derecognized during the period	(1,701,946)	(173,837)	(492,932)	(2,368,715)
FX and other movements	(48,112)	(11,112)	(440)	(59,664)
Provision for credit losses during the period	(1,531,331)	(17,727)	7,777,739	6,228,681
Other movements				
Write-offs, foreclosures, and other movements	48,112	11,111	(6,220,037)	(6,160,814)
Total other movements	48,112	11,111	(6,220,037)	(6,160,814)
Loss allowance at December 31, 2021	₱2,957,844	₱3,152,298	₱4,839,259	₱10,949,401

** Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

Consumer lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱214,195	₱110,481	₱1,051,455	₱1,376,131
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(18,072)	46,141	–	28,069
Transfer from Stage 1 to Stage 3	(3,071)	–	89,672	86,601
Transfer from Stage 2 to Stage 1	16,906	(26,398)	–	(9,492)
Transfer from Stage 2 to Stage 3	–	(15,563)	242,894	227,331
Transfer from Stage 3 to Stage 1	2,560	–	(32,061)	(29,501)
Transfer from Stage 3 to Stage 2	–	29,661	(335,225)	(305,564)
New financial assets originated *	127,765	35,008	59,709	222,482
Changes in PDs / LGDs / EADs	165,450	(1,094)	235,539	399,895
Financial assets derecognized during the period	(27,654)	(23,850)	(35,304)	(86,808)
FX and other movements	–	–	–	–
Provision for credit losses during the period	263,884	43,905	225,224	533,013
Other movements				
Write-offs, foreclosures, and other movements	–	–	(594,962)	(594,962)
Total other movements	–	–	(594,962)	(594,962)
Loss allowance at December 31, 2021	₱478,079	₱154,386	₱681,717	₱1,314,182

** Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

Trade-related lending	Parent ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱132,753	₱23,814	₱113,425	₱269,992
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(8)	8	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	60	(99)	–	(39)
Transfer from Stage 2 to Stage 3	–	(410)	23,794	23,384
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	120,583	13,585	–	134,168
Changes in PDs / LGDs / EADs	(66)	388	25,700	26,022
Financial assets derecognized during the period	(132,679)	(22,584)	–	(155,263)
FX and other movements	(2,407)	(7)	–	(2,414)
Provision for credit losses during the period	(14,517)	(9,119)	49,494	25,858
Other movements				
Write-offs, foreclosures, and other movements	2,407	7	(72,291)	(69,877)
Total other movements	2,407	7	(72,291)	(69,877)
Loss allowance at December 31, 2021	₱120,643	₱14,702	₱90,628	₱225,973

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Others	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱–	₱–	₱–	₱–
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 *	–	–	328	328
Changes in PDs / LGDs / EADs	–	–	–	–
Financial assets derecognized during the period	–	–	–	–
FX and other movements	–	–	–	–
Provision for credit losses during the period	–	–	328	328
Other movements				
Write-offs, foreclosures, and other movements	–	–	–	–
Total other movements	–	–	–	–
Loss allowance at December 31, 2021	₱–	₱–	₱328	₱328

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱4,788,011	₱3,293,209	₱4,446,437	₱12,527,657
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(278,078)	447,157	–	169,079
Transfer from Stage 1 to Stage 3	(21,557)	–	1,041,174	1,019,617
Transfer from Stage 2 to Stage 1	41,643	(134,296)	–	(92,653)
Transfer from Stage 2 to Stage 3	–	(2,476,451)	2,893,925	417,474
Transfer from Stage 3 to Stage 1	2,597	–	(36,038)	(33,441)
Transfer from Stage 3 to Stage 2	–	180,587	(564,390)	(383,803)
New financial assets originated *	1,564,736	1,972,467	638,679	4,175,882
Changes in PDs / LGDs / EADs	(678,507)	258,985	4,608,111	4,188,589
Financial assets derecognized during the period	(1,862,279)	(220,271)	(528,236)	(2,610,786)
FX and other movements	(50,519)	(11,119)	(440)	(62,078)
Provision for credit losses during the period	(1,281,964)	17,059	8,052,785	6,787,880
Other movements				
Write-offs, foreclosures, and other movements	50,519	11,118	(6,887,290)	(6,825,653)
Total other movements	50,519	11,118	(6,887,290)	(6,825,653)
Loss allowance at December 31, 2021	₱3,556,566	₱3,321,386	₱5,611,932	₱12,489,884

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Investment securities at amortized cost	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱381,530	₱–	₱2,002,270	₱2,383,800
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(5,718)	32,451	–	26,733
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 *	118,552	5,937	–	124,489
Changes in PDs / LGDs / EADs	(29,762)	–	409,018	379,256
Financial assets derecognized during the period	(28,006)	–	–	(28,006)
FX and other movements	(129,377)	(3,712)	–	(133,089)
Provision for credit losses during the period	(74,311)	34,676	409,018	369,383
Other movements				
Write-offs, foreclosures, and other movements	129,377	3,712	–	133,089
Total other movements	129,377	3,712	–	133,089
Loss allowance at December 31, 2021	₱436,596	₱38,388	₱2,411,288	₱2,886,272

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Financial assets at FVOCI (debt securities)	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2021	₱30,056	₱–	₱–	₱30,056
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 *	42,511	1,537	–	44,048
Changes in PDs / LGDs / EADs	(9,555)	–	–	(9,555)
Financial assets derecognized during the period	(3,551)	–	–	(3,551)
FX and other movements	(17,380)	(505)	–	(17,885)
Provision for credit losses during the period	12,025	1,032	–	13,057
Other movements				
Write-offs, foreclosures, and other movements	17,380	505	–	17,885
Total other movements	17,380	505	–	17,885
Loss allowance at December 31, 2021	₱59,461	₱1,537	₱–	₱60,998

** Stage classification of new financial assets originated pertains to the stage as of end of year*

The corresponding movement of the gross carrying amount of the financial assets during 2022 are shown below:

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount at January 1, 2022	**₱428,829,243**	**₱50,618,381**	**₱9,630,798**	**₱489,078,422**
Transfers:				
Transfer from Stage 1 to Stage 2	(28,933,747)	28,933,747	–	–
Transfer from Stage 1 to Stage 3	(210,472)	–	210,472	–
Transfer from Stage 2 to Stage 1	4,822,541	(4,822,541)	–	–
Transfer from Stage 2 to Stage 3	–	(6,882,377)	6,882,377	–
Transfer from Stage 3 to Stage 1	16,701	–	(16,701)	–
Transfer from Stage 3 to Stage 2	–	144,674	(144,674)	–
New financial assets originated *	209,925,720	16,508,948	1,112,976	227,547,644
Changes in EADs	(20,565,292)	(6,923,647)	(59,585)	(27,548,524)
Financial assets derecognized during the period	(108,888,843)	(19,299,892)	(1,243,369)	(129,432,104)
Write-offs, foreclosures, and other movements	–	–	(4,235,324)	(4,235,324)
Total movements of carrying amount	**56,166,608**	**7,658,912**	**2,506,172**	**66,331,692**
Gross carrying amount at December 31, 2022	**₱484,995,851**	**₱58,277,293**	**₱12,136,970**	**₱555,410,114**

** 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, 2022	**₱100,240,891**	**₱16,369,705**	**₱6,065,253**	**₱122,675,849**
Transfers:				
Transfer from Stage 1 to Stage 2	(6,379,023)	6,379,023	–	–
Transfer from Stage 1 to Stage 3	(690,604)	–	690,604	–
Transfer from Stage 2 to Stage 1	2,718,825	(2,718,825)	–	–
Transfer from Stage 2 to Stage 3	–	(773,367)	773,367	–
Transfer from Stage 3 to Stage 1	191,424	–	(191,424)	–
Transfer from Stage 3 to Stage 2	–	746,478	(746,478)	–
New financial assets originated *	58,478,093	1,246,320	434,540	60,158,953
Changes in EADs	(11,143,173)	(1,460,699)	(330,038)	(12,933,910)
Financial assets derecognized during the period	(18,717,706)	(5,087,062)	(1,019,190)	(24,823,958)
Write-offs, foreclosures, and other movements	–	–	(612,082)	(612,082)
Total movements of carrying amount	**24,457,836**	**(1,668,132)**	**(1,000,701)**	**21,789,003**
Gross carrying amount at December 31, 2022	**₱124,698,727**	**₱14,701,573**	**₱5,064,552**	**₱144,464,852**

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Trade-related lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2022	₱11,232,490	₱966,231	₱254,831	₱12,453,552
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 *	16,754,797	754,444	–	17,509,241
Changes in EADs	–	(1,925)	(2,541)	(4,466)
Financial assets derecognized during the period	(11,224,490)	(959,231)	(24,836)	(12,208,557)
Write-offs, foreclosures, and other movements	–	–	(24,701)	(24,701)
Total movements of carrying amount	5,530,307	(206,712)	(52,078)	5,271,517
Gross carrying amount at December 31, 2022	₱16,762,797	₱759,519	₱202,753	₱17,725,069

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Others	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2022	₱105,130	₱7,030	₱4,736	₱116,896
Transfers:				
Transfer from Stage 1 to Stage 2	(88)	88	–	–
Transfer from Stage 1 to Stage 3	(471)	–	471	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(958)	958	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	58,394	12,650	2,812	73,856
Changes in EADs	(9,052)	(1,428)	(644)	(11,124)
Financial assets derecognized during the period	(59,129)	(3,439)	(1,075)	(63,643)
Write-offs, foreclosures, and other movements	–	–	(785)	(785)
Total movements of carrying amount	(10,346)	6,913	1,737	(1,696)
Gross carrying amount at December 31, 2022	₱94,784	₱13,943	₱6,473	₱115,200

** 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	
Loans and receivables – total	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount at January 1, 2022	₱540,407,754	₱67,961,347	₱15,955,618	₱624,324,719
Transfers:				
Transfer from Stage 1 to Stage 2	(35,312,858)	35,312,858	–	–
Transfer from Stage 1 to Stage 3	(901,547)	–	901,547	–
Transfer from Stage 2 to Stage 1	7,541,366	(7,541,366)	–	–
Transfer from Stage 2 to Stage 3	–	(7,656,702)	7,656,702	–
Transfer from Stage 3 to Stage 1	208,125	–	(208,125)	–
Transfer from Stage 3 to Stage 2	–	891,152	(891,152)	–
New financial assets originated *	285,217,004	18,522,362	1,550,328	305,289,694
Changes in EADs	(31,717,517)	(8,387,699)	(392,808)	(40,498,024)
Financial assets derecognized during the period	(138,890,168)	(25,349,624)	(2,288,470)	(166,528,262)
Write-offs, foreclosures, and other movements	–	–	(4,872,892)	(4,872,892)
Total movements of carrying amount	86,144,405	5,790,981	1,455,130	93,390,516
Gross carrying amount at December 31, 2022	₱626,552,159	₱73,752,328	₱17,410,748	₱717,715,235

** 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	
Investment securities at amortized cost	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount at January 1, 2022	₱233,410,560	₱3,566,516	₱3,947,000	₱240,924,076
Transfers:				
Transfer from Stage 1 to Stage 2	(2,098,004)	2,098,004	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	2,968,142	(2,968,142)	–	–
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 *	190,261,714	324,828	–	190,586,542
Changes in EADs	(2,066,581)	(1)	–	(2,066,582)
Financial assets derecognized during the period	(79,484,999)	(65,000)	–	(79,549,999)
Write-offs, foreclosures, and other movements	9,619,036	79,397	(3,947,000)	5,751,433
Total movements of carrying amount	119,199,308	(530,914)	(3,947,000)	114,721,394
Gross carrying amount at December 31, 2022	₱352,609,868	₱3,035,602	₱–	₱355,645,470

** 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	
Financial assets at FVOCI (debt securities)	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount at January 1, 2022	₱27,611,006	₱407,755	₱–	₱28,018,761
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	403,647	(403,647)	–	–
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 *	19,248,977	1,314,996	–	20,563,973
Changes in EADs	(2,561,524)	–	–	(2,561,524)
Financial assets derecognized during the period	(3,423,435)	(4,108)	–	(3,427,543)
Write-offs, foreclosures, and other movements	90,882	–	–	90,882
Total movements of carrying amount	13,758,547	907,241	–	14,665,788
Gross carrying amount at December 31, 2022	₱41,369,553	₱1,314,996	₱–	₱42,684,549

** 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, 2022	₱421,975,891	₱44,133,134	₱6,613,097	₱472,722,122
Transfers:				
Transfer from Stage 1 to Stage 2	(25,458,513)	25,458,513	–	–
Transfer from Stage 1 to Stage 3	(178,002)	–	178,002	–
Transfer from Stage 2 to Stage 1	4,688,561	(4,688,561)	–	–
Transfer from Stage 2 to Stage 3	–	(6,229,937)	6,229,937	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	130,245	(130,245)	–
New financial assets originated *	201,681,491	14,337,374	797,455	216,816,320
Changes in EADs	(18,543,995)	(3,539,737)	(795)	(22,084,527)
Financial assets derecognized during the period	(106,708,510)	(17,108,742)	(869,058)	(124,686,310)
Write-offs, foreclosures, and other movements	–	–	(3,612,192)	(3,612,192)
Total movements of carrying amount	55,481,032	8,359,155	2,593,104	66,433,291
Gross carrying amount as at December 31, 2022	₱477,456,923	₱52,492,289	₱9,206,201	₱539,155,413

** 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, 2022	**₱53,630,564**	**₱14,419,615**	**₱3,966,294**	**₱72,016,473**
Transfers:				
Transfer from Stage 1 to Stage 2	(5,811,653)	5,811,653	–	–
Transfer from Stage 1 to Stage 3	(418,097)	–	418,097	–
Transfer from Stage 2 to Stage 1	2,025,099	(2,025,099)	–	–
Transfer from Stage 2 to Stage 3	–	(526,334)	526,334	–
Transfer from Stage 3 to Stage 1	71,880	–	(71,880)	–
Transfer from Stage 3 to Stage 2	–	703,528	(703,528)	–
New financial assets originated *	17,282,658	144,851	7,382	17,434,891
Changes in EADs	(4,390,466)	(1,198,623)	(234,982)	(5,824,071)
Financial assets derecognized during the period	(7,462,546)	(4,606,358)	(396,184)	(12,465,088)
Write-offs, foreclosures, and other movements	–	–	(173,479)	(173,479)
Total movements of carrying amount	1,296,875	(1,696,382)	(628,240)	(1,027,747)
Gross carrying amount as at December 31, 2022	**₱54,927,439**	**₱12,723,233**	**₱3,338,054**	**₱70,988,726**

** 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, 2022	**₱10,911,196**	**₱941,208**	**₱227,455**	**₱12,079,859**
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 *	16,754,798	418,650	–	17,173,448
Changes EADs	–	–	–	–
Financial assets derecognized during the period	(10,903,196)	(934,208)	–	(11,837,404)
Write-offs, foreclosures, and other movements	–	–	(24,701)	(24,701)
Total movements of carrying amount	5,851,602	(515,558)	(24,701)	5,311,343
Gross carrying amount as at December 31, 2022	**₱16,762,798**	**₱425,650**	**₱202,754**	**₱17,391,202**

** 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	
Others	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount as at January 1, 2022	₱19,939	₱–	₱353	₱20,292
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	(815)	–	–	(815)
Financial assets derecognized during the period	–	–	(351)	(351)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(815)	–	(351)	(1,166)
Gross carrying amount as at December 31, 2022	₱19,124	₱–	₱2	₱19,126

** 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	
Loans and receivables – total	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount as at January 1, 2022	₱486,537,590	₱59,493,957	₱10,807,199	₱556,838,746
Transfers:				
Transfer from Stage 1 to Stage 2	(31,270,166)	31,270,166	–	–
Transfer from Stage 1 to Stage 3	(596,099)	–	596,099	–
Transfer from Stage 2 to Stage 1	6,713,660	(6,713,660)	–	–
Transfer from Stage 2 to Stage 3	–	(6,756,271)	6,756,271	–
Transfer from Stage 3 to Stage 1	71,880	–	(71,880)	–
Transfer from Stage 3 to Stage 2	–	833,773	(833,773)	–
New financial assets originated *	235,718,947	14,900,875	804,837	251,424,659
Changes in EADs	(22,935,276)	(4,738,360)	(235,777)	(27,909,413)
Financial assets derecognized during the period	(125,074,252)	(22,649,308)	(1,265,593)	(148,989,153)
Write-offs, foreclosures, and other movements	–	–	(3,810,372)	(3,810,372)
Total movements of carrying amount	62,628,694	6,147,215	1,939,812	70,715,721
Gross carrying amount as at December 31, 2022	₱549,166,284	₱65,641,172	₱12,747,011	₱627,554,467

** 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	
Investment securities at amortized cost	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount as at January 1, 2022	₱227,795,892	₱3,566,515	₱3,631,625	₱234,994,032
Transfers:				
Transfer from Stage 1 to Stage 2	(2,098,004)	2,098,004	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	2,968,142	(2,968,142)	–	–
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 *	187,487,105	324,829	–	187,811,934
Changes in EADs	(2,141,972)	–	–	(2,141,972)
Financial assets derecognized during the period	(76,890,599)	(65,000)	–	(76,955,599)
Write-offs, foreclosures, and other movements	9,503,427	79,396	(3,631,625)	5,951,198
Total movements of carrying amount	118,828,099	(530,913)	(3,631,625)	114,665,561
Gross carrying amount as at December 31, 2022	₱346,623,991	₱3,035,602	₱–	₱349,659,593

** 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	
Financial assets at FVOCI (debt securities)	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount as at January 1, 2022	₱25,496,732	₱403,647	₱–	₱25,900,379
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	403,647	(403,647)	–	–
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 *	19,049,256	1,314,996	–	20,364,252
Changes in EADs	(2,413,796)	–	–	(2,413,796)
Financial assets derecognized during the period	(3,307,674)	–	–	(3,307,674)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	13,731,433	911,349	–	14,642,782
Gross carrying amount as at December 31, 2022	₱39,228,165	₱1,314,996	₱–	₱40,543,161

** 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 2021 are shown below:

	Consolidated			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Corporate and commercial lending	**12–month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
Gross carrying amount at January 1, 2021	**₱397,992,042**	**₱39,717,491**	**₱11,955,693**	**₱449,665,226**
Transfers:				
Transfer from Stage 1 to Stage 2	**(19,672,462)**	**19,672,462**	**–**	**–**
Transfer from Stage 1 to Stage 3	**(1,393,524)**	**–**	**1,393,524**	**–**
Transfer from Stage 2 to Stage 1	**6,698,133**	**(6,698,133)**	**–**	**–**
Transfer from Stage 2 to Stage 3	**–**	**(6,141,795)**	**6,141,795**	**–**
Transfer from Stage 3 to Stage 1	**10,953**	**–**	**(10,953)**	**–**
Transfer from Stage 3 to Stage 2	**–**	**2,948,121**	**(2,948,121)**	**–**
New financial assets originated *	**192,066,995**	**15,979,547**	**755,583**	**208,802,125**
Changes in EADs	**(15,880,903)**	**(620,169)**	**13,237**	**(16,487,835)**
Financial assets derecognized during the period	**(130,991,991)**	**(14,239,143)**	**(1,542,680)**	**(146,773,814)**
Write-offs, foreclosures, and other movements	**–**	**–**	**(6,127,280)**	**(6,127,280)**
Total movements of carrying amount	**30,837,201**	**10,900,890**	**(2,324,895)**	**39,413,196**
Gross carrying amount at December 31, 2021	**₱428,829,243**	**₱50,618,381**	**₱9,630,798**	**₱489,078,422**

** 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, 2021	₱89,400,795	₱16,797,090	₱7,805,457	₱114,003,342
Transfers:				
Transfer from Stage 1 to Stage 2	(6,137,698)	6,137,698	–	–
Transfer from Stage 1 to Stage 3	(1,141,006)	–	1,141,006	–
Transfer from Stage 2 to Stage 1	3,942,515	(3,942,515)	–	–
Transfer from Stage 2 to Stage 3	–	(1,631,296)	1,631,296	–
Transfer from Stage 3 to Stage 1	509,029	–	(509,029)	–
Transfer from Stage 3 to Stage 2	–	1,852,799	(1,852,799)	–
New financial assets originated *	41,096,087	2,098,371	324,046	43,518,504
Changes in EADs	(13,359,637)	(1,953,252)	(15,928)	(15,328,817)
Financial assets derecognized during the period	(14,069,194)	(2,989,190)	(1,700,600)	(18,758,984)
Write-offs, foreclosures, and other movements	–	–	(758,196)	(758,196)
Total movements of carrying amount	10,840,096	(427,385)	(1,740,204)	8,672,507
Gross carrying amount at December 31, 2021	₱100,240,891	₱16,369,705	₱6,065,253	₱122,675,849

** 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, 2021	₱7,216,491	₱1,012,597	₱304,961	₱8,534,049
Transfers:				
Transfer from Stage 1 to Stage 2	(39,688)	39,688	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	11,460	(11,460)	–	–
Transfer from Stage 2 to Stage 3	–	(24,701)	24,701	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	11,224,489	921,424	–	12,145,913
Changes in EADs	(1,907)	(15,352)	(2,540)	(19,799)
Financial assets derecognized during the period	(7,178,355)	(955,965)	–	(8,134,320)
Write-offs, foreclosures, and other movements	–	–	(72,291)	(72,291)
Total movements of carrying amount	4,015,999	(46,366)	(50,130)	3,919,503
Gross carrying amount at December 31, 2021	₱11,232,490	₱966,231	₱254,831	₱12,453,552

** 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	
Others	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱131,951	₱3,497	₱6,889	₱142,337
Transfers:				
Transfer from Stage 1 to Stage 2	(2,619)	2,619	–	–
Transfer from Stage 1 to Stage 3	(1,589)	–	1,589	–
Transfer from Stage 2 to Stage 1	2,288	(2,288)	–	–
Transfer from Stage 2 to Stage 3	–	(21)	21	–
Transfer from Stage 3 to Stage 1	510	–	(510)	–
Transfer from Stage 3 to Stage 2	–	14	(14)	–
New financial assets originated *	65,101	4,368	519	69,988
Changes in EADs	(19,754)	(540)	(796)	(21,090)
Financial assets derecognized during the period	(70,758)	(619)	(2,962)	(74,339)
Write-offs, foreclosures, and other movements	–	–		
Total movements of carrying amount	(26,821)	3,533	(2,153)	(25,441)
Gross carrying amount at December 31, 2021	₱105,130	₱7,030	₱4,736	₱116,896

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱494,741,279	₱57,530,675	₱20,073,000	₱572,344,954
Transfers:				
Transfer from Stage 1 to Stage 2	(25,852,467)	25,852,467	–	–
Transfer from Stage 1 to Stage 3	(2,536,119)	–	2,536,119	–
Transfer from Stage 2 to Stage 1	10,654,396	(10,654,396)	–	–
Transfer from Stage 2 to Stage 3	–	(7,797,813)	7,797,813	–
Transfer from Stage 3 to Stage 1	520,492	–	(520,492)	–
Transfer from Stage 3 to Stage 2	–	4,800,934	(4,800,934)	–
New financial assets originated *	244,452,672	19,003,710	1,080,148	264,536,530
Changes in EADs	(29,262,201)	(2,589,313)	(6,027)	(31,857,541)
Financial assets derecognized during the period	(152,310,298)	(18,184,917)	(3,246,242)	(173,741,457)
Write-offs, foreclosures, and other movements	–	–	(6,957,767)	(6,957,767)
Total movements of carrying amount	45,666,475	10,430,672	(4,117,382)	51,979,765
Gross carrying amount at December 31, 2021	₱540,407,754	₱67,961,347	₱15,955,618	₱624,324,719

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Investment securities at amortized cost	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱195,420,861	₱–	₱3,631,625	₱199,052,486
Transfers:				
Transfer from Stage 1 to Stage 2	(1,731,257)	1,731,257	–	–
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 *	99,846,490	1,784,965	–	101,631,455
Changes in EADs	2,791,802	50,294	–	2,842,096
Financial assets derecognized during the period	(62,821,820)	–	–	(62,821,820)
Write-offs, foreclosures, and other movements	(95,516)	–	315,375	219,859
Total movements of carrying amount	37,989,699	3,566,516	315,375	41,871,590
Gross carrying amount at December 31, 2021	₱233,410,560	₱3,566,516	₱3,947,000	₱240,924,076

** Stage classification of new financial assets originated or purchased pertains to the stage as of end of year*

Financial assets at FVOCI (debt securities)	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2021	₱19,601,316	₱–	₱–	₱19,601,316
Transfers:				
Transfer from Stage 1 to Stage 2	(4,131)	4,131	–	–
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 *	19,706,665	403,647	–	20,110,312
Changes in EADs	360,885	(23)	–	360,862
Financial assets derecognized during the period	(12,066,616)	–	–	(12,066,616)
Write-offs, foreclosures, and other movements	12,887	–	–	12,887
Total movements of carrying amount	8,009,690	407,755	–	8,417,445
Gross carrying amount at December 31, 2021	₱27,611,006	₱407,755	₱–	₱28,018,761

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Corporate and commercial lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱387,946,594	₱32,994,569	₱8,240,131	₱429,181,294
Transfers:				
Transfer from Stage 1 to Stage 2	(19,059,999)	19,059,999	–	–
Transfer from Stage 1 to Stage 3	(1,323,623)	–	1,323,623	–
Transfer from Stage 2 to Stage 1	6,468,118	(6,468,118)	–	–
Transfer from Stage 2 to Stage 3	–	(6,028,117)	6,028,117	–
Transfer from Stage 3 to Stage 1	10,123	–	(10,123)	–
Transfer from Stage 3 to Stage 2	–	2,795,255	(2,795,255)	–
New financial assets originated *	192,001,895	15,975,179	755,392	208,732,466
Changes in EADs	(17,986,765)	(2,322,614)	(131,493)	(20,440,872)
Financial assets derecognized during the period	(126,080,452)	(11,873,019)	(739,615)	(138,693,086)
Write-offs, foreclosures, and other movements	–	–	(6,057,680)	(6,057,680)
Total movements of carrying amount	34,029,297	11,138,565	(1,627,034)	43,540,828
Gross carrying amount as at December 31, 2021	₱421,975,891	₱44,133,134	₱6,613,097	₱472,722,122

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Consumer lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱47,709,517	₱14,314,162	₱5,168,929	₱67,192,608
Transfers:				
Transfer from Stage 1 to Stage 2	(4,976,724)	4,976,724	–	–
Transfer from Stage 1 to Stage 3	(625,150)	–	625,150	–
Transfer from Stage 2 to Stage 1	3,065,004	(3,065,004)	–	–
Transfer from Stage 2 to Stage 3	–	(1,346,074)	1,346,074	–
Transfer from Stage 3 to Stage 1	323,869	–	(323,869)	–
Transfer from Stage 3 to Stage 2	–	1,725,586	(1,725,586)	–
New financial assets originated *	20,219,304	1,706,268	86,374	22,011,946
Changes in EADs	(6,169,530)	(1,419,713)	(163,992)	(7,753,235)
Financial assets derecognized during the period	(5,915,726)	(2,472,334)	(788,660)	(9,176,720)
Write-offs, foreclosures, and other movements	–	–	(258,126)	(258,126)
Total movements of carrying amount	5,921,047	105,453	(1,202,635)	4,823,865
Gross carrying amount as at December 31, 2021	₱53,630,564	₱14,419,615	₱3,966,294	₱72,016,473

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Trade-related lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱7,040,805	₱1,012,598	₱275,045	₱8,328,448
Transfers:				
Transfer from Stage 1 to Stage 2	(39,688)	39,688	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	11,460	(11,460)	–	–
Transfer from Stage 2 to Stage 3	–	(24,701)	24,701	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	10,903,196	896,400	–	11,799,596
Changes EADs	(3,460)	(15,352)	–	(18,812)
Financial assets derecognized during the period	(7,001,117)	(955,965)	–	(7,957,082)
Write-offs, foreclosures, and other movements	–	–	(72,291)	(72,291)
Total movements of carrying amount	3,870,391	(71,390)	(47,590)	3,751,411
Gross carrying amount as at December 31, 2021	₱10,911,196	₱941,208	₱227,455	₱12,079,859

** 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	
Others	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱28,392	₱–	₱29	₱28,421
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 *	–	–	328	328
Changes in EADs	(8,453)	–	(4)	(8,457)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(8,453)	–	324	(8,129)
Gross carrying amount as at December 31, 2021	₱19,939	₱–	₱353	₱20,292

** 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	
Loans and receivables – total	12–month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱442,725,308	₱48,321,329	₱13,684,134	₱504,730,771
Transfers:				
Transfer from Stage 1 to Stage 2	(24,076,411)	24,076,411	–	–
Transfer from Stage 1 to Stage 3	(1,948,773)	–	1,948,773	–
Transfer from Stage 2 to Stage 1	9,544,582	(9,544,582)	–	–
Transfer from Stage 2 to Stage 3	–	(7,398,892)	7,398,892	–
Transfer from Stage 3 to Stage 1	333,992	–	(333,992)	–
Transfer from Stage 3 to Stage 2	–	4,520,841	(4,520,841)	–
New financial assets originated *	223,124,395	18,577,847	842,094	242,544,336
Changes in EADs	(24,168,208)	(3,757,679)	(295,489)	(28,221,376)
Financial assets derecognized during the period	(138,997,295)	(15,301,318)	(1,528,275)	(155,826,888)
Write-offs, foreclosures, and other movements	–	–	(6,388,097)	(6,388,097)
Total movements of carrying amount	43,812,282	11,172,628	(2,876,935)	52,107,975
Gross carrying amount as at December 31, 2021	₱486,537,590	₱59,493,957	₱10,807,199	₱556,838,746

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Investment securities at amortized cost	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱190,270,184	₱–	₱3,631,625	₱193,901,809
Transfers:				
Transfer from Stage 1 to Stage 2	(1,731,257)	1,731,257	–	–
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 *	99,251,834	1,784,965	–	101,036,799
Changes in EADs	2,791,802	50,293	–	2,842,095
Financial assets derecognized during the period	(62,786,671)	–	–	(62,786,671)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	37,525,708	3,566,515	–	41,092,223
Gross carrying amount as at December 31, 2021	₱227,795,892	₱3,566,515	₱3,631,625	₱234,994,032

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Financial assets at FVOCI (debt securities)	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2021	₱17,733,151	₱–	₱–	₱17,733,151
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 *	18,799,138	403,647	–	19,202,785
Changes in EADs	366,062	–	–	366,062
Financial assets derecognized during the period	(11,401,619)	–	–	(11,401,619)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	7,763,581	403,647	–	8,167,228
Gross carrying amount as at December 31, 2021	₱25,496,732	₱403,647	–	₱25,900,379

** 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 Company		
	2022	2021	2020	**2022**	2021	2020
Provision for Impairment and Credit Losses	**₱9,012,633**	₱8,876,744	₱8,868,919	**₱7,427,202**	₱7,679,877	₱7,983,206
Appropriation of Retained Earnings	**651,536**	811,587	(765,263)	**651,536**	811,587	(765,263)
	₱9,664,169	₱9,688,331	₱8,103,656	**₱8,078,738**	₱8,491,464	₱7,217,943

17. DEPOSIT LIABILITIES

As of December 31, 2022 and 2021, 39.47% and 28.26%, respectively, of the total deposit liabilities of the Group, and 43.86% and 31.17%, respectively, of the Parent Company are subject to periodic interest repricing. The remaining deposit liabilities bear annual fixed interest rates ranging from 0.05% to 4.55% in 2022, from 0.05% to 4.55% in 2021, and from 0.13% to 4.25% in 2020 for the Group and Parent Company.

Interest Expense on Deposit Liabilities
This account consists of:

	Consolidated			**Parent Company**		
	2022	2021	2020	**2022**	2021	2020
Demand	**₱325,725**	₱301,420	₱284,620	**₱296,702**	₱266,605	₱243,035
Savings	**2,294,286**	1,556,758	2,215,388	**2,229,503**	1,495,056	2,122,076
Time	**6,204,472**	3,253,399	7,137,167	**4,815,806**	2,510,671	5,828,476
	₱8,824,483	₱5,111,577	₱9,637,175	**₱7,342,011**	₱4,272,332	₱8,193,587

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2022 and 2021, Due from BSP amounting to ₱77.55 billion and ₱80.27 billion, respectively, for the Group and ₱73.92 billion and ₱77.73 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, BSP issued 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 allowable modes of alternative compliance with the required reserves against deposit and deposit liabilities, provided that the following loans were granted, renewed, or restructured after March 15, 2020:

a. Peso-denominated loans that are granted to micro-, small- and medium enterprises (MSMEs)
b. Peso-denominated loans that are granted to large enterprises, excluding banks and NBQBs; provided that large enterprises are directly and adversely impacted by the Covid-19 outbreak

Subsequently on October 8, 2020, BSP issued Circular No. 1100 *Amendment to the Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs),* which states that a bank/ NBQB may continue to utilize past due or non-performing MSME and large enterprise loan as alternative compliance with the reserve requirements for an additional thirty (30) calendar days from the date the loan becomes past due or non-performing, whichever comes earlier.

The use of MSME loans as allowable alternative compliance with the reserve requirement shall be available to banks/NBQBs 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/NBQBs from May 29, 2020 to December 29, 2022. However, the subsequent issuance of BSP Circular No. 1155 *Amendments to the Alternative Compliance with the Reserve Requirements of Banks and NBQBs* further extended the use of MSME loans and loans to a large enterprise as allowable alternative compliance from December 29, 2022 to June 30, 2023.

As of December 31, 2022 and 2021, the Group is in compliance with the reserve requirement.

<u>Long Term Negotiable Certificates of Deposits (LTNCD)</u>
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, which matured on 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, which bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears, and matured on 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 ₱50.00 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 ₱50.00 billion.

The LTNCDs are included under the 'Time deposit liabilities' account.

18. BONDS PAYABLE

The Parent Company's bonds payable consists of:

<u>₱20.00 Billion Peso Fixed Rate Bonds due in 2024</u>
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.

<u>₱15.00 Billion Peso Fixed Rate Bonds due in 2022</u>
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 matured on October 22, 2022.

<u>₱30.00 Billion Peso Fixed Rate Bonds due in 2021</u>
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 matured on January 10, 2021.

BSP Circular No. 830 requires reserves against peso-denominated bonds. As of December 31, 2022 and 2021, the Group is in compliance with such regulation.

$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 IRS (see Note 26) with the same principal terms to hedge the exposure to interest rate risk attributable to variable cash flow payments on the floating-rate bonds payable (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 25% of Qualifying Capital and USD 150 million, whichever is lower.

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.

Non-compliance with these obligations may require the Parent Company to pay the bond immediately. As of December 31, 2022 and 2021, 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 follow:

	2022	2021
Beginning balance	**₱176,292**	₱137,772
Additions	**151**	121,542
Amortization	**(126,063)**	(83,022)
Ending balance	**₱50,380**	₱176,292

19. BILLS PAYABLE

The Parent Company's bills payable consist of:

	2022	2021
Interbank loans payable and securities sold under repurchase agreements	**₱70,375,267**	₱65,697,274
Promissory Notes	**–**	109,000
	₱70,375,267	₱65,806,274

Interbank loans payable and securities sold under repurchase agreements
Interbank loans payable consists of dollar-denominated borrowings of the Parent Company with annual interest ranging from 0.38% to 6.25%, from 0.31% to 1.60%, and from 0.79% to 1.60%, in 2022, 2021, and 2020, 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 ₱64.40 billion and ₱48.85 billion as of December 31, 2022 and 2021, 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 nil and ₱14.63 billion as of December 31, 2022 and 2021, respectively.

The aggregate fair value of investment securities at amortized cost pledged as collateral amounted to ₱75.45 billion and ₱79.90 billion as of December 31, 2022 and 2021, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to nil and ₱3.25 billion as of December 31, 2022 and 2021, respectively.

As of December 31, 2022 and 2021, margin deposits amounting to ₱7.60 billion and ₱3.91 billion, respectively, are deposited with various counterparties to meet the collateral requirements for its interbank loans payable.

20. ACCRUED INTEREST AND OTHER EXPENSES

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Accrued payable for employee benefits	**₱2,412,429**	₱1,841,197	**₱2,412,430**	₱1,841,197
Accrued interest payable	**2,043,498**	913,513	**1,805,386**	873,266
Accrued taxes and other licenses	**304,547**	267,721	**174,828**	149,889
Accrued other expenses payable	**1,355,415**	1,723,430	**1,006,981**	1,461,074
	₱6,115,889	₱4,745,861	**₱5,399,625**	₱4,325,426

21. OTHER LIABILITIES

This account consists of:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Financial liabilities				
Accounts payable	**₱6,556,555**	₱4,941,102	**₱4,693,982**	₱3,580,280
Lease liabilities (Note 27)	**2,970,301**	2,846,018	**2,393,362**	2,187,898
Due to PDIC	**901,387**	786,195	**901,387**	786,195
Acceptances payable	**2,912,388**	1,482,761	**2,912,388**	1,482,761
Expected credit losses on off-balance sheet exposures (Note 16)	**782,341**	740,877	**772,323**	730,859
Due to the Treasurer of the Philippines	**535,029**	345,945	**502,686**	313,569
Other credits–dormant	**351,231**	336,777	**351,231**	336,777
Margin deposits	**483**	626	**483**	626
Miscellaneous	**611,125**	1,050,140	**460,685**	329,893
	15,620,840	12,530,441	**12,988,527**	9,748,858

(Forward)

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Non-financial liabilities				
Withholding taxes payable	**₱425,435**	₱171,033	**₱372,261**	₱149,455
Retirement liabilities (Note 25)	**22,689**	10,613	**–**	–
	448,124	181,646	**372,261**	149,455
	₱16,068,964	₱12,712,087	**₱13,360,788**	₱9,898,313

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		
	2022	2021	2020	**2022**	2021	2020
Service and collection charges:						
Deposits	**₱724,365**	₱544,450	₱419,564	**₱655,020**	₱544,450	₱419,565
Loans	**191,466**	337,719	178,182	**13,099**	21,252	20,363
Remittances	**189,575**	217,191	223,756	**189,575**	217,191	223,756
Others	**320,381**	206,148	204,742	**246,405**	204,335	202,241
	1,425,787	1,305,598	1,026,244	**1,104,099**	987,228	865,925
Fees and commissions	**1,437,291**	1,409,864	1,123,845	**594,291**	451,386	351,105
	₱2,863,078	₱2,715,372	₱2,150,089	**₱1,698,390**	₱1,438,614	₱1,217,030

Trading and Securities Gain – Net
This account consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Financial assets at FVOCI	**₱3,465**	₱60,316	3,173,881	**₱3,465**	40,937	3,145,147
Financial assets designated at FVTPL (Note 9)	**–**	1,168	–	**–**	–	–
Held–for–trading (Note 9)	**(266,127)**	(194,502)	257,480	**(279,956)**	(220,693)	245,513
Derivatives (Note 26)	**1,190,200**	69,013	(197,489)	**1,190,200**	69,013	(197,489)
	₱927,538	₱(64,005)	3,233,872	**₱913,709**	(110,743)	3,193,171

Miscellaneous Income
Details of this account are as follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Bancassurance (Note 11)	**₱452,420**	₱473,010	₱313,988	**₱394,198**	₱432,082	₱282,000
Dividends (Note 8)	**100,627**	102,867	136,957	**98,748**	99,326	123,494
Rental on investment properties	**118,898**	101,601	53,352	**69,741**	42,796	34,069
Rental of safety deposit boxes	**30,693**	31,057	27,645	**30,693**	31,057	27,645
Fund transfer fees	**17,144**	21,211	15,140	**17,144**	21,211	15,140
Miscellaneous income (Notes 12, 13, and 30)	**4,502,397**	533,095	405,168	**4,387,751**	492,259	365,387
	₱5,222,179	₱1,262,841	₱952,250	**₱4,998,275**	₱1,118,731	₱847,735

Miscellaneous income includes recovery of charged-off assets and gain on sale of certain assets.

Miscellaneous Expenses
Details of this account are as follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Information technology	**₱810,466**	₱1,349,236	₱984,849	**₱1,040,601**	₱1,281,146	₱925,366
Litigations	**332,029**	261,282	121,720	**95,482**	83,308	23,141
Service charges	**128,809**	142,951	146,769	**125,376**	142,894	146,769
Freight	**67,650**	63,662	58,184	**44,774**	45,844	43,818
Clearing and processing fee	**27,827**	12,376	14,801	**27,827**	12,376	14,801
Membership fees and dues	**20,648**	20,290	15,662	**19,589**	18,767	14,433
Broker's fee	**19,896**	20,671	26,991	**19,896**	20,664	25,834
Miscellaneous expense	**1,612,772**	1,381,395	1,130,959	**1,230,723**	1,168,518	946,834
	₱3,020,097	₱3,251,863	₱2,499,935	**₱2,604,268**	₱2,773,517	₱2,140,996

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, 2022 and 2021 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					
	2022			2021		
	Within Twelve Months	**Over Twelve Months**	**Total**	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	**₱13,689,421**	**₱–**	**₱13,689,421**	₱16,024,863	₱–	₱16,024,863
Due from BSP	**107,100,295**	**–**	**107,100,295**	124,283,115	–	124,283,115
Due from other banks	**13,614,609**	**–**	**13,614,609**	10,694,312	–	10,694,312
Interbank loans receivable and SPURA	**43,564,970**	**–**	**43,564,970**	36,559,224	–	36,559,224
Financial assets at FVTPL	**4,716,692**	**10,888**	**4,727,580**	7,199,707	9,960	7,209,667

(Forward)

	Consolidated					
	2022			2021		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Derivative Contracts Designated as Hedge	₱–	₱6,203,379	₱6,203,379	₱–	₱1,139,233	₱1,139,233
Financial assets at FVOCI	1,388,456	41,928,301	43,316,757	135,486	28,536,754	28,672,240
Investment securities at amortized cost	14,517,748	344,006,998	358,524,746	6,410,730	239,036,746	245,447,476
Loans and receivables – gross	180,664,506	537,050,729	717,715,235	154,942,216	469,382,503	624,324,719
Accrued interest receivable – gross	10,778,149	–	10,778,149	8,095,506	–	8,095,506
Other assets – gross	2,978,107	1,470,031	4,448,138	2,878,020	1,173,372	4,051,392
	393,012,953	930,670,326	1,323,683,279	367,223,179	739,278,568	1,106,501,747
Non-financial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	–	9,337,260	9,337,260	–	8,232,859	8,232,859
Investment properties – net of accumulated depreciation	–	4,621,862	4,621,862	–	4,646,821	4,646,821
Deferred tax assets	–	4,552,692	4,552,692	–	4,624,981	4,624,981
Investments in associates	–	983,243	983,243	–	796,519	796,519
Intangible assets	–	4,076,645	4,076,645	–	4,100,891	4,100,891
Goodwill	–	839,748	839,748	–	839,748	839,748
Other assets – gross	2,601,736	400,416	3,002,152	2,615,049	483,002	3,098,051
	2,601,736	24,811,866	27,413,602	2,615,049	23,724,821	26,339,870
Allowance for impairment and credit losses (Note 16)			(20,189,493)			(20,261,713)
Unearned discounts (Note 10)			(1,177,922)			(260,378)
			(21,367,415)			(20,522,091)
			1,329,729,466			1,112,319,526
Financial liabilities						
Deposit liabilities	1,055,547,844	10,366,833	1,065,914,677	845,666,109	17,193,788	862,859,897
Bills payable	70,375,267	–	70,375,267	59,106,708	6,699,566	65,806,274
Bonds payable	–	28,312,870	28,312,870	22,596,330	19,877,228	42,473,558
Manager's checks	1,550,669	–	1,550,669	1,854,606	–	1,854,606
Accrued interest and other expenses*	5,811,342	–	5,811,342	4,478,140	–	4,478,140
Derivative liabilities	1,549,561	–	1,549,561	998,721	–	998,721
Derivative contracts designated as hedges	4,156,612	–	4,156,612	–	162,399	162,399
Other liabilities	15,620,840	–	15,620,840	12,530,441	–	12,530,441
	1,154,612,135	38,679,703	1,193,291,838	947,231,055	43,932,981	991,164,036
Non-financial liabilities						
Accrued interest and other expenses	304,547	–	304,547	267,721	–	267,721
Deferred tax liabilities	–	794,432	794,432	–	798,212	798,212
Income tax payable	311,915	–	311,915	785,091	–	785,091
Other liabilities	425,435	22,689	448,124	171,033	10,613	181,646
	1,041,897	817,121	1,859,018	1,223,845	808,825	2,032,670
	₱1,155,654,032	₱39,496,824	₱1,195,150,856	₱948,454,900	₱44,741,806	₱993,196,706

*Accrued interest and other expenses include accrued interest payable and accrued other expenses payable (Note 19).

	Parent Company					
	2022			2021		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	₱10,073,767	₱–	₱10,073,767	₱13,649,247	₱–	₱13,649,247
Due from BSP	92,920,540	–	92,920,540	114,528,773	–	114,528,773
Due from other banks	12,347,169	–	12,347,169	9,897,264	–	9,897,264
Interbank loans receivable and SPURA	41,597,949	–	41,597,949	35,030,997	–	35,030,997
Financial assets at FVTPL	3,503,688	10,888	3,514,576	5,447,844	9,960	5,457,804
Derivative Contracts Designated as Hedge	–	6,203,379	6,203,379	–	1,139,233	1,139,233
Financial assets at FVOCI	939,856	40,211,269	41,151,125	15,616	26,508,096	26,523,712
Investment securities at amortized cost	13,957,866	338,377,782	352,335,648	3,602,648	235,631,306	239,233,954
Loans and receivables – gross	156,001,047	471,553,420	627,554,467	133,008,434	423,830,312	556,838,746
Accrued interest receivable – gross	9,391,461	–	9,391,461	6,610,940	–	6,610,940
Other assets – gross	1,773,452	218,909	1,992,361	1,864,676	243,355	2,108,031
	342,506,795	856,575,647	1,199,082,442	323,656,439	687,362,262	1,011,018,701
Non-financial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	–	7,670,562	7,670,562	–	6,600,139	6,600,139
Investment properties – net of accumulated depreciation	–	2,023,344	2,023,344	–	1,966,042	1,966,042
Deferred tax assets	–	3,150,610	3,150,610	–	3,409,600	3,409,600
Investments in subsidiaries	–	19,123,698	19,123,698	–	17,251,247	17,251,247
Investment in associates	–	983,243	983,243	–	796,519	796,519
Intangible assets	–	778,314	778,314	–	825,440	825,440
Goodwill	–	222,841	222,841	–	222,841	222,841
Other assets – gross	1,884,157	287,120	2,171,277	1,612,868	300,391	1,913,259
	1,884,157	34,239,732	36,123,889	1,612,868	31,372,219	32,985,087
Allowances for impairment and credit losses (Note 16)			(16,350,676)			(16,641,724)
Unearned discounts (Note 10)			(182,760)			(177,124)
			(16,533,436)			(16,818,848)
			₱1,218,672,895			₱1,027,184,940
Financial liabilities						
Deposit liabilities	958,799,325	619,244	959,418,569	774,961,350	7,257,550	782,218,900
Bills payable	70,375,267	–	70,375,267	59,106,708	6,699,566	65,806,274
Bonds payable	–	28,312,870	28,312,870	22,596,330	19,877,228	42,473,558
Manager's checks	1,296,109	–	1,296,109	1,466,359	–	1,466,359
Accrued interest and other expenses*	5,224,797	–	5,224,797	4,175,537	–	4,175,537
Derivative liabilities	1,549,561	–	1,549,561	998,721	–	998,721
Derivative Contracts Designated as Hedge	4,156,612		4,156,612	–	162,399	162,399
Other liabilities	12,988,527	–	12,988,527	9,748,858	–	9,748,858
	₱1,054,390,198	₱28,932,114	₱1,083,322,312	₱873,053,863	₱33,996,743	₱907,050,606

(Forward)

	Parent Company					
	2022			2021		
	Within Twelve Months	**Over Twelve Months**	**Total**	Within Twelve Months	Over Twelve Months	Total
Non-financial liabilities						
Accrued interest and other expenses	**₱174,828**	**₱–**	**₱174,828**	₱149,889	₱–	₱149,889
Income tax payable	**293,422**	**–**	**293,422**	754,026	–	754,026
Other liabilities	**372,261**	**–**	**372,261**	149,455	–	149,455
	840,511	**–**	**840,511**	₱1,053,370	–	₱1,053,370
	₱1,055,230,709	**₱28,932,114**	**₱1,084,162,823**	₱874,107,233	₱33,996,743	₱908,103,976

*Accrued interest and other expenses include accrued interest payable, accrued payable for employee benefits 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):

	2022		2021	
	Shares	**Amount**	Shares	Amount
Common stock – ₱10.00 par value				
Authorized – shares	**₱3,300,000,000**		₱3,300,000,000	
Issued and outstanding				
Balance at beginning of year	**2,691,288,212**	**₱26,912,882**	₱2,685,899,812	**₱26,858,998**
Issuance through stock grant	**–**	**–**	5,388,400	**53,884**
Balance at end of year	**₱2,691,288,212**	**₱26,912,882**	₱2,691,288,212	**₱26,912,882**

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	100,000,000
October 7, 1993	150,000,000
August 30, 1994	200,000,000
July 26, 1995	250,000,000
September 12, 1997	500,000,000
September 5, 2005	1,000,000,000
September 14, 2007	1,600,000,000
September 5, 2008	2,000,000,000
August 29, 2014	2,500,000,000
September 29, 2018	3,300,000,000

** 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 1,875 and 1,881 as of December 31, 2022 and 2021, 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 and the approvals of the relevant regulatory agencies were completed in 2021. New shares were 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.

On August 9, 2021, the Philippine Stock Exchange (PSE) approved the Parent Company's application to list 5,451,600 common shares, with a par value of ₱10.00 per share, to cover the Group's Centennial Stock Grant Plan. The Parent Company issued a total of ₱5.39 million shares on September 1, 2021. This resulted in an increase in the Parent Company's 'Capital stock' and 'Capital paid in excess of par value' totaling ₱132.02 million as of the grant date. The difference in the fair value of the stock grants upon issuance of shares is recognized in the profit or loss.

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
May 5, 2022	May 20, 2022	June 3, 2022	1.50
May 6, 2021	May 21, 2021	June 4, 2021	1.00
June 18, 2020	July 3, 2020	July 17, 2020	1.00
May 2, 2019	May 17, 2019	May 31, 2019	0.88
May 3, 2018	May 17, 2018	June 1, 2018	0.83
May 4, 2017	May 18, 2017	June 2, 2017	0.80
May 5, 2016	May 23, 2016	June 3, 2016	1.00
May 7, 2015	August 12, 2015	September 9, 2015	1.00
May 8, 2014	September 19, 2014	October 15, 2014	1.00
May 2, 2013		August 14, 2013	
July 19, 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, 2022 and 2021, surplus includes the amount of ₱1.37 billion, net of deferred tax effect of ₱456.17 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 ₱7.43 billion and ₱5.10 billion as of December 31, 2022 and 2021, 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, 2022 and 2021.

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-2020-034 *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:

a. MSME exposures that meet the criteria of qualified MSME portfolio, and
b. Current MSME exposures that do not qualify as a highly diversified MSME portfolio

The foregoing provision under BSP Memorandum No. M-2020-034 shall apply until December 31, 2021. However, it was extended until December 31, 2022 by the subsequent issuance of BSP Memorandum No. M-2022-004 *Extension of BSP Prudential Relief Measures* and further extended until June 30, 2023 by the subsequent issuance of BSP Memorandum No. M-2022-041 *Extension of BSP Prudential Relief Measure on the Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk-Based Capital Adequacy Frameworks.*

The CAR of the Group and the Parent Company as of December 31, 2022 and 2021 as reported to the BSP are shown in the table below.

	Consolidated		**Parent Company**	
	2022	2021	**2022**	2021
	(Amounts in Million Pesos)			
CET 1 Capital	**₱132,695**	₱116,675	**₱129,945**	₱113,954
Less: Regulatory Adjustments	**13,079**	12,278	**24,533**	22,099
	119,616	104,397	**105,412**	91,855
Additional Tier 1 Capital	**–**	–	**–**	–
Less: Regulatory Adjustments	**–**	–	**–**	–
	–	–	**–**	–
Net Tier 1 Capital	**119,616**	104,397	**105,412**	91,855
Tier 2 Capital	**6,683**	5,807	**6,125**	5,464
Less: Regulatory Adjustments	**–**	–	**–**	–
Net Tier 2 Capital	**6,683**	5,807	**6,125**	5,464
Total Qualifying Capital	**₱126,299**	₱110,204	**₱111,538**	₱97,319

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
	(Amounts in Million Pesos)			
Credit RWA	**₱695,054**	₱610,687	**₱612,227**	₱546,185
Market RWA	**28,309**	28,261	**28,358**	28,194
Operational RWA	**70,188**	60,599	**59,861**	50,603
Total RWA	**₱793,551**	₱699,547	**₱700,446**	₱624,982
CET 1 capital ratio	**15.07%**	14.92%	**15.05%**	14.70%
Tier 1 capital ratio	**15.07%**	14.92%	**15.05%**	14.70%
Total capital ratio	**15.92%**	15.75%	**15.92%**	15.57%

The Group and the Parent Company have complied with all externally imposed capital requirements throughout the period.

The issuance of BSP Circular No. 639 covering the ICAAP in 2009 supplements 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 2021 and 2022, in view of the pandemic, the BSP adjusted the deadline for submission from March 31 to June 30. The Group has complied with this requirement. On April 16, 2021, the BSP issued Circular No. 1113, which requires that the recovery plan shall be distinct and separate from the ICAAP document. It should be submitted every June 30, beginning in 2022. The Group has also complied with this requirement. On October 18, 2022, the BSP issued Circular No. 1158, which enumerates the new guidelines on recovery plan of banks.

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, 2022 and 2021 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
	(Amounts in Millions)			
Tier 1 Capital	**₱119,616**	₱104,397	**₱105,413**	₱91,855
Exposure Measure	**1,365,346**	1,058,243	**1238956**	959,770
Leverage Ratio	**8.76%**	9.87%	**8.51%**	9.57%

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. Beginning January 1, 2019, the prescribed minimum ratio of LCR is 100.00%. As of December 31, 2022 and 2021, the LCR in single currency is 117.00% and 120.94%, respectively, for the Group and 115.79% and 119.49%, respectively, for the Parent Company. The Basel III Leverage ratio of the banks shall not be less than 5.00%.

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 Group started monitoring and reporting NSFR to the BSP in 2019. The banks shall maintain a NSFR of at least 100.00% at all times. As of December 31, 2022 and 2021, the NSFR is 115.96% and 117.03%, respectively, for the Group and 114.63% and 116.15%, 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, 2022.

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	
	2022	2021	**2022**	2021
Net plan assets (Note 15)	**₱400,416**	₱483,001	**₱287,120**	₱300,391
Retirement liabilities (Note 21)	**(22,689)**	(10,613)	**–**	–
	₱377,727	₱472,388	**₱287,120**	₱300,391

The movements in the defined benefit asset, present value of defined benefit obligation and fair value of plan assets follow:

Consolidated

		Net benefit cost				Remeasurements in OCI						
	January 1, 2022	Current service cost	Net interest	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2022
	(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	**₱5,602,106**	**₱–**	**₱258,678**	**₱258,678**	**(₱392,776)**	**₱59,768**	**₱–**	**₱–**	**₱–**	**₱59,768**	**₱270,292**	**₱5,798,068**
Present value of defined benefit obligation	**5,129,718**	**523,487**	**237,540**	**761,027**	**(392,776)**	**–**	**166,546**	**(267,822)**	**23,648**	**(77,628)**	**–**	**5,420,341**
Net defined benefit asset	**₱472,388**	**(₱523,487)**	**₱21,138**	**(₱502,349)**	**₱–**	**₱59,768**	**(₱166,546)**	**₱267,822**	**(₱23,648)**	**₱137,396**	**₱270,292**	**₱377,727**

**Presented under Compensation and fringe benefits in the statements of income.*

Consolidated

		Net benefit cost				Remeasurements in OCI						
	January 1, 2021	Current service cost	Net interest	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2021
	(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	₱5,204,266	₱–	₱145,943	₱145,943	(₱281,350)	₱188,056	₱–	₱–	₱–	₱188,056	₱345,191	₱5,602,106
Present value of defined benefit obligation	5,088,757	561,738	142,897	704,635	(₱281,350)	–	17,139	(417,862)	18,399	(382,324)	–	5,129,718
Net defined benefit asset	₱115,509	(₱561,738)	₱3,046	(₱558,692)	₱–	₱188,056	(₱17,139)	₱417,862	(₱18,399)	₱570,380	₱345,191	₱472,388

**Presented under Compensation and fringe benefits in the statements of income.*

Parent Company

		Net benefit cost					Remeasurements in OCI						
	January 1, 2022	Current service cost	Net interest	Net pension expense*	Transfer from Affiliates	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2022
	(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	**₱4,862,046**	**₱–**	**₱227,057**	**₱227,057**	**₱–**	**(₱359,829)**	**₱102,669**	**₱–**	**₱–**	**₱–**	**₱102,669**	**₱253,000**	**₱5,084,943**
Present value of defined benefit obligation	**4,561,655**	**431,784**	**213,066**	**644,850**	**888**	**(359,829)**	**–**	**142,589**	**(197,051)**	**4,721**	**(49,741)**	**–**	**4,797,823**
Net defined benefit asset	**₱300,391**	**(₱431,784)**	**₱13,991**	**(₱417,793)**	**(₱888)**	**₱–**	**₱102,669**	**(₱142,589)**	**₱197,051**	**(₱4,721)**	**₱152,410**	**₱253,000**	**₱287,120**

**Presented under Compensation and fringe benefits in the statements of income.*

Parent Company

		Net benefit cost					Remeasurements in OCI						
	January 1, 2021	Current service cost	Net interest	Net pension expense*	Transfer from Affiliates	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2021
	(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	₱4,562,287	₱–	₱129,113	₱129,113	₱–	(₱268,950)	₱179,596	₱–	₱–	₱–	₱179,596	₱260,000	₱4,862,046
Present value of defined benefit obligation	4,529,678	461,787	128,190	589,977	–	(268,950)	–	23,864	(339,777)	26,863	(289,050)	–	4,561,655
Net defined benefit asset	₱32,609	(₱461,787)	₱923	(₱460,864)	₱–	₱–	₱179,596	(₱23,864)	₱339,777	(₱26,863)	₱468,646	₱260,000	₱300,391

The Group and the Parent Company are recommended to contribute to its defined benefit pension plan in 2022 amounting to ₱794.87 million and ₱689.10 million, respectively.

In 2022 and 2021, the major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Parent Company shares (Note 30)	**25.84%**	25.33%	**29.46%**	29.19%
Equity instruments	**13.73%**	4.87%	**13.03%**	3.02%
Cash and cash equivalents	**0.09%**	0.08%	**0.10%**	0.09%
Debt instruments	**57.35%**	67.12%	**56.62%**	67.70%
Other assets	**2.99%**	2.60%	**0.79%**	0.00%
	100.00%	100.00%	**100.00%**	100.00%

The following table shows the breakdown of fair value of the plan assets:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Deposits in banks	**₱5,286**	₱4,207	**₱5,246**	₱4,172
Financial assets at FVTPL				
Quoted debt securities	**3,235,622**	₱3,135,600	**2,879,178**	₱2,776,713
Quoted equity securities	**795,788**	272,770	**662,570**	146,879
Parent Company shares	**1,498,200**	1,419,060	**1,498,200**	1,419,060
Investments in unit investment trust fund	**89,704**	624,772	**–**	515,222
Loans and receivable	**116**	–	**116**	–
Investment properties*	**3,000**	–	**3,000**	–
Other assets	**170,352**	145,697	**36,633**	–
	₱5,798,068	₱5,602,106	**₱5,084,943**	₱4,862,046

* Investment properties comprise properties located in Manila.

The principal actuarial assumptions used in 2022 and 2021 in determining the present value of defined benefit obligation for the Group's and Parent Company's retirement plans are shown below:

	2022					
	Parent	**CBSI**	**CIBI**	**CBC–PCCI**	**CBCC**	**CBSC**
Discount rate:						
January 1	**4.67%**	**4.14%**	**4.14%**	**4.91%**	**4.35%**	**4.55%**
December 31	**6.70%**	**6.52%**	**6.79%**	**6.93%**	**6.79%**	**6.79%**
Salary increase rate	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**	**6.00%**

	2021					
	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC
Discount rate:						
January 1	2.83%	2.54%	2.36%	3.02%	2.54%	2.54%
December 31	4.67%	4.14%	4.14%	4.91%	4.35%	4.55%
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 present value of defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

December 31, 2022	**Parent**	**CBSI**	**CIBI**	**CBC–PCCI**	**CBCC**	**CBSC**
Discount rate						
(+1%)	**(₱64,933)**	**(₱19,719)**	**(₱906)**	**(₱3,109)**	**(₱1,828)**	**(₱309)**
(–1%)	**82,712**	**23,554**	**1,117**	**3,688**	**2,191**	**376**
Salary increase rate						
(+1%)	**78,408**	**22,861**	**1,076**	**3,535**	**2,140**	**367**
(–1%)	**(63,002)**	**(19,627)**	**(891)**	**(3,042)**	**(1,823)**	**(307)**

December 31, 2021	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC
Discount rate						
(+1%)	(₱106,672)	(₱24,926)	(₱793)	(₱3,850)	(₱1,701)	(₱407)
(–1%)	162,386	31,463	1,144	5,392	2,045	504
Salary increase rate						
(+1%)	148,933	28,909	1,048	4,950	1,947	479
(–1%)	(100,531)	(23,610)	(764)	(3,708)	(1,662)	(397)

The weighted average durations (in years) of the defined benefit obligation are presented below:

	December 31, 2022	December 31, 2021
Parent Company	**8**	8
CBSI	**6**	5
CIBI	**9**	5
CBC–PCCI	**12**	12
CBCC	**9**	6
CBSC	**9**	7

The maturity analyses of the undiscounted benefit payments as of December 31, 2022 and 2021 are as follows:

December 31, 2022	**Parent**	**CBSI**	**CIBI**	**CBC–PCCI**	**CBCC**	**CBSC**	**Total**
1 year and less	**₱1,435,367**	**₱5,560**	**₱1,282**	**₱8,139**	**₱–**	**₱–**	**₱1,450,348**
More than 1 year to 5 years	**1,760,894**	**122,392**	**557**	**41,500**	**–**	**–**	**1,925,343**
More than 5 years to 10 years	**2,371,016**	**538,013**	**18,695**	**47,423**	**–**	**1,533**	**2,976,679**
More than 10 years to 15 years	**3,746,795**	**751,224**	**6,995**	**181,585**	**56,401**	**10,042**	**4,753,041**
More than 15 years to 20 years	**6,093,752**	**935,257**	**16,053**	**295,088**	**77,345**	**15,065**	**7,432,559**
More than 20 years	**28,332,630**	**9,734,299**	**811,738**	**999,191**	**456,819**	**229,195**	**40,563,871**

December 31, 2021	Parent	CBSI	CIBI	CBC–PCCI	CBCC	CBSC	Total
1 year and less	₱1,300,595	₱21,773	₱–	₱5,110	₱–	₱–	₱1,327,479
More than 1 year to 5 years	1,595,647	81,504	5,650	35,704	–	–	1,718,504
More than 5 years to 10 years	2,432,513	438,804	18,259	33,146	–	1,289	2,924,011
More than 10 years to 15 years	3,094,497	786,403	4,349	154,175	56,832	6,510	4,102,764
More than 15 years to 20 years	5,565,237	835,852	15,653	224,592	31,960	13,212	6,686,507
More than 20 years	26,551,956	8,797,118	664,878	1,166,267	472,706	205,038	37,857,963

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, 2022 and 2021, the fair values of these derivatives follow:

	2022		2021	
	Derivative Asset	**Derivative Liability**	Derivative Asset	Derivative Liability
Currency forwards	**₱397,445**	**₱1,028,042**	₱395,201	₱264,783
Interest rate swaps (IRS)	**533,294**	**521,398**	675,638	706,112
Futures	**49,903**	**–**	–	27,826
Cross currency swaps	**24,132**	**121**	–	–
Warrants	**10,888**	**–**	9,960	–
	₱1,015,662	**₱1,549,561**	₱1,080,799	₱998,721

As of December 31, 2022 and 2021, the aggregate notional amount of outstanding currency forwards and its weighted average rate are as follows:

		2022		2021	
		Notional Amount	**Weighted Average Rate**	Notional Amount	Weighted Average Rate
US Dollar					
	Buy	**$580,792**	**₱57.21**	$687,896	₱50.52
	Sell	**$495,222**	**₱55.87**	$291,629	₱50.31
Euro					
	Buy	**€42,113,043**	**₱57.92**	–	–
	Sell	**€38,780**	**₱59.46**	€9,128	₱58.03
Japanese Yen					
	Sell	**¥267,660**	**₱0.43**	–	–
Chinese Yuan					
	Buy	**CNY20,000**	**₱8.08**	**–**	–
New Zealand Dollar					
	Buy	**–**	**–**	NZD 10,628	₱34.77
Canadian Dollar					
	Buy	**–**	**–**	CAD 695	₱40.37
Australian Dollar					
	Sell	**–**	**–**	AUD 10,750	₱36.99

The aggregate notional amounts of the outstanding IRS as of December 31, 2022 and 2021 are as follows:

		2022			2021		
		Notional Amount	**Derivative Asset**	**Derivative Liability**	Notional Amount	Derivative Asset	Derivative Liability
Peso-denominated							
	Fixed Receiver	**₱500,000**	**₱–**	**2,905**	₱500,000	₱1,572	₱1,511
	Fixed Payer	**₱500,000**	**–**	**4,201**	500,000	–	28,582
US dollar-denominated							
	Fixed Receiver	**$151,000**	**–**	**514,292**	$184,000	666,807	–
	Fixed Payer	**$200,464**	**533,294**	**–**	$187,000	7,259	676,019
			₱533,294	**521,398**		₱675,638	₱706,112

The aggregate notional amounts of the outstanding futures amounted to US$62 million and US$ 100.5 million as of December 31, 2022 and 2021, respectively.

The aggregate notional amounts of the outstanding CCS as of December 31, 2022 are as follows:

		2022			2021		
		Notional Amount	**Derivative Asset**	**Derivative Liability**	Notional Amount	Derivative Asset	Derivative Liability
US dollar							
	Buy	**$17,180**	**₱24,132**	**₱121**	₱–	₱–	₱–
		$17,180	**₱24,132**	**₱121**	₱–	₱–	₱–

Fair Value Changes of Derivatives

The net movements in fair value changes of derivative instruments are as follows:

	2022	2021
Balance at beginning of year	**₱82,078**	(₱79,893)
Fair value changes during the year	**(1,621,474)**	(309,456)
Net settled transactions	**1,005,497**	471,427
Balance at end of year	**(₱533,899)**	₱82,078*

*Included in financial assets at FVTPL

The net movements in the value of the derivatives are presented in the statements of income under the following accounts:

	2022	2021	2020
Foreign exchange gain (loss)	**(₱2,811,674)**	(₱378,469)	₱683,826
Trading and securities gain (loss)* (Note 22)	**1,190,200**	69,013	(197,489)
	(₱1,621,474)	(₱309,456)	₱486,337

*Net movements in the value related to IRS and futures.

Interest income on IRS in 2022, 2021 and 2020 amounted to ₱227.20 million, ₱332.18 million, and ₱264.09 million respectively, while interest expense on IRS in 2022, 2021 and 2020 amounted to ₱250.64 million, ₱350.32 million, and ₱288.73 million, respectively.

Derivative contracts designated as hedges
The Parent Company enters into hedging transactions, particularly cash flow hedges, to hedge its exposure to variability in future cash flows associated with its assets, liabilities, or highly probable forecast trasactions. The following table shows the summary of the hedging transactions of the Parent Company designated as cash flow hedges:

				2022				
Hedged Item	**Hedging Instrument**	**Notional Amount**	**Date of Hedge Designation**	**Derivative Asset**	**Derivative Liability**	**Cash Flow Hedge Reserve**	**Cost of Hedge Reserve**	**Total Hedge-related Reserve**
Floating rate bonds payable	Receive float/ Pay fix IRS	$150,000	June 18, 2019	**₱638,504**	**₱–**	**₱638,504**	**₱–**	**₱638,504**
Current and forecasted issuance of Treasury time deposits	Receive float/ Pay fix IRS	500,000	June 7, 2021	**1,780,228**	**–**	**1,780,228**	**–**	**1,780,228**
Current and forecasted issuance of RBB time deposits	Receive float/ Pay fix IRS	600,000	October 20, 2021	**3,767,017**	**–**	**3,767,017**	**–**	**3,767,017**
Cash short position in the RBU books and future interest payments pertaining to certain FX spot transactions	Spot element of FX forward contract	1,753,507	July 20, 2022	**17,630**	**4,156,612**	**–**	**(703,757)**	**(703,757)**
Total		**$3,003,507**		**₱6,203,379**	**₱4,156,612**	**₱6,185,749**	**(₱703,757)**	**₱5,481,992**

				2021				
Hedged Item	Hedging Instrument	Notional Amount	Date of Hedge Designation	Derivative Asset	Derivative Liability	Cash Flow Hedge Reserve	Cost of Hedge Reserve	Total Hedge-related Reserve
Floating rate bonds payable	Receive float/ Pay fix IRS	$150,000	June 18, 2019	–	₱162,399	(₱162,399)	₱–	(₱162,399)
Current and forecasted issuances of Treasury time deposits	Receive float/ Pay fix IRS	500,000	June 7, 2021	480,133	–	480,133	–	480,133
Current and forecasted issuances of RBB time deposits	Receive float/ Pay fix IRS	600,000	October 20, 2021	659,100	–	659,100	–	659,100
Total		$1,250,000		₱1,139,233	₱162,399	₱976,834	₱–	₱976,834

As of December 31, 2022 and 2021, the Parent Company assessed that the hedging relationships are expected to be highly effective.

The aggregate net interest income on the IRS designated as hedge amounted to ₱76.56 million in 2022, the aggregate net interest expense on the IRS designated as hedge amounted to ₱226.51 million and ₱61.20 million in 2021 and 2020, respectively.

27. LEASE CONTRACTS

The lease contracts are for periods ranging from one (1) to 15 years from the dates of the 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 are as follows:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Beginning Balance	**₱2,846,018**	₱2,996,003	**₱2,187,898**	₱2,392,891
Additions	**591,491**	447,449	**469,136**	205,402
Interest expenses	**181,789**	195,310	**141,000**	152,194
Payments	**(648,997)**	(792,744)	**(404,672)**	(562,589)
Ending Balance	**₱2,970,301**	₱2,846,018	**₱2,393,362**	₱2,187,898

Expenses related to short-term leases amounting to ₱713.25 million and ₱565.72 million for the Group and Parent Company in 2022, respectively, and ₱618.67 million and ₱512.93 million for the Group and Parent Company in 2021, respectively, are included in the 'Occupancy cost' account.

Total cash outflows for leases amounted to ₱1.36 billion and ₱0.97 billion for the Group and Parent Company in 2022, respectively, and ₱1.43 billion and ₱1.09 billion for the Group and Parent Company in 2021, 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:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Within one year	**₱18,118**	₱4,341	**₱5,399**	₱4,049
After one year but not more than five years	**83,042**	109,170	**20,246**	–
	₱101,160	₱113,511	**₱25,645**	₱4,049

Future minimum rentals payable under noncancellable leases follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Within one year	**₱698,057**	₱687,755	**₱647,202**	₱509,857
After one year but not more than five years	**2,134,999**	1,901,881	**1,695,903**	1,527,304
After more than five years	**750,376**	440,377	**604,134**	359,201
	₱3,583,432	₱3,030,013	**₱2,947,239**	₱2,396,362

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, as amended by RA 10963 otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) and RA 11534 otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE), provides that RCIT rate shall be 25.00% while interest expense allowed as a deductible expense is reduced to 20.00% of interest income subject to final tax.

An MCIT of 1.00% until June 30, 2023, under CREATE Law, 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. Lastly, all other income of the FCDU was subject to 30.00% corporate tax and eventually, is subject to the 25.00% corporate tax under the CREATE Law.

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.

<u>TRAIN Law</u>
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 7.50%, 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.

<u>CREATE Law</u>
RA 11534 otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) was signed into law by President Rodrigo Duterte last March 26, 2021. The law became effective on April 11, 2021, fifteen (15) days after its publication in a newspaper of general circulation on March 27, 2021.

The key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Bank are the following:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Interest income of foreign currency remittance transaction deposit received by resident foreign corporations are now subject to 15% final tax.

In 2021, the Group applied the provisions of the CREATE Act on its income tax payable, deferred tax assets and deferred tax liabilities as of December 31, 2020.

There were no tax-related contingent liabilities and contingent assets arising from the changes in the tax rates due to CREATE Act.

Relevant Tax Update

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.

On May 10, 2022, the Supreme Court Decision promulgated on December 1, 2021 ruled that RR No. 4-2011 is invalid and void.

The provision for income tax consists of:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Current						
Final tax	**₱1,820,926**	₱927,631	₱1,425,341	**₱1,811,756**	₱917,411	₱1,415,116
RCIT	**1,293,540**	1,359,129	1,759,466	**829,345**	952,844	1,467,636
	3,114,466	2,286,760	3,184,807	**2,641,101**	1,870,255	2,882,752
Deferred	**35,196**	70,240	(1,793,703)	**220,887**	197,296	(1,396,154)
	₱3,149,662	₱2,357,000	₱1,391,104	**₱2,861,988**	₱2,067,551	₱1,486,598

The details of net deferred tax assets follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Deferred tax assets (liabilities) on:				
Allowance for impairment and credit losses	**₱4,752,238**	₱4,955,236	**₱3,612,417**	₱3,803,881
Revaluation increment on land (Notes 12 and 24)	**(456,171)**	(456,171)	**(456,171)**	(456,171)
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	**(23,963)**	38,370	**(118,704)**	(20,973)
Net defined benefit asset	**(99,504)**	(123,121)	**(78,518)**	(75,098)
Others	**380,092**	210,667	**191,586**	157,961
	₱4,552,692	₱4,624,981	**₱3,150,610**	₱3,409,600

Others pertains primarily to the deferred tax assets on derivatives, leases and foreign exchange revaluation.
The details of net deferred tax liabilities follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Deferred tax liabilities (assets) on:				
Branch licenses arising from acquisition of PDB	**₱637,500**	₱637,500	**₱–**	₱–
Fair value adjustments on net assets/ liabilities of PDB and Unity Bank, and others	**156,932**	160,712	**–**	–
	₱794,432	₱798,212	**₱–**	₱–

In 2022 and 2021, deferred tax debited to OCI (excluding CREATE impact in 2021) amounted to ₱35.08 million and ₱144.49 million, respectively, for the Group and ₱38.10 million and ₱117.16 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:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Allowance for impairment and credit losses	**₱899,580**	₱628,002	**₱–**	₱–
Others	**16,761**	21,085	**–**	–
	₱916,341	₱649,087	**₱–**	₱–

The reconciliation of the statutory income tax to the provision for income tax follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Statutory income tax	**₱5,571,366**	₱4,365,806	₱4,038,766	**₱5,492,373**	₱4,288,971	₱4,064,771
Tax effects of						
FCDU income	**(1,207,137)**	(408,410)	(558,048)	**(1,201,231)**	(402,305)	(553,550)
Non–taxable income	**(2,016,646)**	(1,650,965)	(445,898)	**(1,856,145)**	(1,560,515)	(2,227,782)
Interest income subjected to final tax	**(414,022)**	(257,644)	(2,375,355)	**(386,422)**	(179,194)	(642,318)
Nondeductible expenses	**1,357,123**	685,021	1,476,130	**918,033**	631,661	1,062,266
Others	**(141,022)**	(713,337)	(744,491)	**(104,620)**	(1,088,232)	(216,789)
CREATE adjustment - deferred tax	**–**	593,418	–	**–**	614,018	–
CREATE adjustment – current tax	**–**	(256,889)	–	**–**	(236,853)	–
Provision for income tax	**₱3,149,662**	₱2,357,000	₱1,391,104	**₱2,861,988**	₱2,067,551	₱1,486,598

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 ₱2.38 billion and ₱2.26 billion as of December 31, 2022 and 2021, 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 related parties are settled in cash, unless otherwise indicated.

Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of its retirement plans pursuant to which it provides trust and management services to these plans. Income earned by Parent Company from such services amounted to ₱53.24 million in 2022, ₱49.48 million in 2021, and ₱48.31 million in 2020.

The Group's retirement funds may hold or trade the Parent Company's shares or securities. Significant transactions of the retirement fund, particularly with related parties, are approved by the Trust Investment Committee (TIC) of the Parent Company. The members of the TIC are directors and key management personnel of the Parent Company.

A summary of transactions with related party retirement plans follows:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Deposits in banks	**₱5,287**	₱4,207	**₱5,246**	₱4,172
Financial assets at FVTPL	**1,498,200**	1,419,060	**1,498,200**	1,419,060
Dividend income	**54,579**	54,579	**54,579**	54,579
Interest income	**46**	41	**44**	22
Total market value of shares	**1,498,200**	1,419,060	**1,498,200**	1,419,060
Number of shares held	**₱54,579**	₱54,579	**₱54,579**	₱54,579

In 2020, dividend income and interest income of the retirement plan from investments and placements in the Parent Company amounted to ₱54.58 million and ₱0.25 million, respectively, for the Group, and ₱54.58 million and ₱0.13 million, respectively, for the Parent Company.

Financial assets at FVTPL represent shares of stock of the Parent Company. Voting rights over the Parent Company's shares are exercised by an authorized trust officer.

Remunerations of Directors and other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly. The Group considers the members of the ManCom to constitute key management personnel for purposes of PAS 24.

Total remunerations of key management personnel are as follows:

	Consolidated			Parent Company		
	2022	2021	2020	**2022**	2021	2020
Short–term employee benefits	**₱897,964**	₱762,878	₱557,390	**₱788,136**	₱669,174	₱468,427
Post–employment benefits	**3,477**	3,176	2,683	**1,663**	2,003	1,661
	₱901,441	₱766,054	₱560,073	**₱789,799**	₱671,177	₱470,088

Members of the BOD are entitled to a per diem and to four percent (4.00%) of the Parent Company's net earnings, with certain deductions in accordance with BSP regulation. On July 18, 2022, the SEC approved the amendment of the Parent Company's by-laws increasing the per diem of the directors for attendance at each meeting of the Board or of any committees to an amount up to ₱10,000 (previously, a fixed amount of ₱500.00) to align with the current industry practice and standards.

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.

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

	December 31, 2021		
Category	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables		₱8,340,600	Secured with shares of stocks, with interest rate ranging from 4% to 4.18% with remaining maturity between 2.72 years and 6.91 years. Allowance for probable losses to ₱2.4 million.
Issuances	6,000,000		
Repayments	(2,350)		
Deposit liabilities		2,477	These are checking accounts with annual average rate of 0.13%.
Deposits	496		
Withdrawals	(1)		
Associate			
Deposit liabilities		256,587	These are checking accounts with annual average rate of 0.13%.
Deposits	541,470		
Withdrawals	(324,277)		
Key Management Personnel			
Loans and receivables		4,024	Unsecured officer's accounts from credit card with interest of 2% maturing within 1 year and OEL accounts with interest rate ranging from 4% to 5%, with remaining maturity between 0.63 and 0.76 years and unsecured employee loans with interest rate of 5% maturing in 7.61 years.
Issuances	3,876		
Repayments	(1,584)		
Deposit liabilities		29,632	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	229,407		
Withdrawals	(294,090)		
Other Related Parties			
Loans and receivables		47,614,775	Secured and unsecured loans with interest rate ranging from 2.25% to 9.69% with remaining maturity between 3 days and 19.14 years. Allowance for probable losses amounted to ₱21.78 million.
Issuances	20,297,184		
Repayments	(16,595,015)		
Deposit liabilities		160,864	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	9,566,217		
Withdrawals	(11,092,240)		

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2022, 2021, and 2020 follow:

	Significant Investor			**Associate**		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱340,483**	₱155,890	₱93,718	**₱–**	₱–	₱–
Interest expense	**2**	3	2	**900**	2,896	500

	Key Management Personnel			**Other Related Parties**		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱164**	₱101	₱87	**₱2,161,943**	₱1,809,292	₱2,158,577
Interest expense	**4,139**	1,383	1,459	**990**	689	1,467

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 are presented below.

	December 31, 2022		
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱8,332,250	Secured with shares of stocks; with interest rates ranging from 4% to 4.18%; with remaining term to maturity between 1.17 years to 5.89 years; with allowance for probable losses of ₱4.51 million
Issuances	–		
Repayments	(8,350)		
Deposit liabilities		–	These are checking accounts with annual average rate of 0.13%.
Deposits	600		
Withdrawals	(2,582)		
Subsidiaries			
Deposit liabilities		345,557	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	224,719		
Withdrawals	(383,498)		
Associate			
Deposit liabilities		2,970	These are checking accounts with annual average rate of 0.13%.
Deposits	3,941		
Withdrawals	(40,283)		
Key Management Personnel			
Loans and receivables		99	Unsecured officer's credit card accounts with interest of 2%.
Issuances	–		
Repayments	(1,018)		
Deposit liabilities		27,205	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	449,687		
Withdrawals	(452,521)		
Other Related Parties			
Loans and receivables		50,923,783	Secured and unsecured loans with interest rates ranging from 2.25 % to 9.69%; with remaining term to maturity between .017 years to 9.87 years; with allowance for probable losses of ₱318.04 million.
Issuances	7,870,487		
Repayments	(4,561,478)		
Deposit liabilities		131,224	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	541,484		
Withdrawals	(1,762,978)		

	December 31, 2021		
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱8,340,600	Secured with shares of stocks, with interest rate ranging from 4% to 4.18% with remaining maturity between 2.72 years and 6.91 years. Allowance for probable losses to ₱2.4 million.
Issuances	6,000,000		
Repayments	(2,350)		
Deposit liabilities		1,982	These are checking accounts with annual average rate of 0.13%.
Deposits	487		
Withdrawals	–		
Subsidiaries			
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	(5,949,780)		
Associate			
Deposit liabilities		39,312	These are checking accounts with annual average rate of 0.13%.
Deposits	181,157		
Withdrawals	(181,239)		
Key Management Personnel			
Loans and receivables		1,117	Unsecured officer's accounts from credit card with interest of 2% maturing within 1 year and OEL accounts with interest rate ranging from 4% to 5%, secured and currently maturing.
Issuances	258		
Repayments	(873)		
Deposit liabilities		30,039	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	249,524		
Withdrawals	(313,800)		
Other Related Parties			
Loans and receivables		47,614,775	Secured and unsecured loans with interest rate ranging from 2.25% to 9.69% with remaining maturity between 3 days and 19.14 years. Allowance for probable losses amounted to ₱21.78 million.
Issuances	20,297,184		
Repayments	(16,595,015)		
Deposit liabilities		1,352,718	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	18,996,452		
Withdrawals	(19,330,621)		

The related party transactions shall be settled in cash.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2022, 2021 and, 2020 follow:

	Subsidiaries			**Associate**		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱–**	₱–	₱–	**₱–**	₱–	₱–
Interest expense	**426**	437	850	**900**	2,896	500

	Key Management Personnel			Other Related Parties		
	2022	2021	2020	**2022**	2021	2020
Interest income	**₱2**	₱36	₱87	**₱2,161,943**	₱1,809,292	₱2,158,577
Interest expense	**29**	34	63	**290**	218	257

	Significant Investor		
	2022	2021	2020
Interest income	**₱340,483**	₱2155,890	₱293,718
Interest expense	**2**	3	2

Outright purchases and outright sale of debt securities of the Parent Company with its subsidiaries in 2022 and 2021 follow:

	Subsidiaries	
	2022	2021
Peso-denominated		
Outright purchase	**₱–**	₱515,053
Outright sale	**2,839,426**	1,232,410
Dollar-denominated		
Outright purchase	**–**	3,074
Outright sale	**–**	5,584

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

	Subsidiaries		
	2022	2021	**Nature, Terms and Conditions**
Balance Sheet			
Accounts receivable	**₱3,845**	₱50,450	This pertains to various expenses advanced by CBC in behalf of various subsidiaries.
Security deposits	**10,420**	10,420	This pertains to the rental deposits with CBSI and CBCC for office space leased out to the Parent Company

	Subsidiaries			
	2022	2021	2020	**Nature, Terms and Conditions**
Income Statement				
Trust fee income	**₱1,104**	₱189	₱640	Trust Fee earned by Parent Company from CBCC
Rent income	**3,191**	3,039	2,895	Rent Income from CBCC
Miscellaneous income	**9,984**	2,850	2,850	Certain functions provided by the Parent Company to its subsidiaries such as accounting, human resources, audit, treasury operations, administrative, corporate marketing, and financial control services. Under the agreement between the Parent Company and its subsidiaries, the subsidiaries shall pay the Parent Company an annual fee
Interest Income	**251**	497	466	Interest earned from cash in bank and short-term investment of Parent Company

(Forward)

	Subsidiaries			
	2022	2021	2020	**Nature, Terms and Conditions**
Other Income	**₱3,623**	₱14,769	₱11,347	Unrealized gain on money market funds of Parent Company
Occupancy cost	**37,267**	42,359	11,808	Certain units of the condominium owned by CBSI are being leased to the Parent Company for a term of five years, with no escalation clause.
Deferred charges	**2,228**	5,371	2,862	Arranger fees paid by the Parent Company to CBCC for the issuance of its fixed rate bonds.
Information technology	**294,483**	240,651	225,428	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements.
Miscellaneous expenses	**5,123**	5,718	2,948	Brokerage fees paid by the Parent Company to CBSec

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	
	2022	2021	**2022**	2021
Trust department accounts (Note 29)	**₱222,474,444**	₱223,398,641	**₱222,474,444**	₱223,398,641
Committed credit lines	**1,906,400**	12,765,975	**1,906,400**	12,765,975
Unused commercial letters of credit (Note 30)	**17,158,800**	12,971,604	**17,074,520**	12,877,643
Foreign exchange bought	**138,040,375**	35,113,101	**138,040,375**	35,113,101
Foreign exchange sold	**33,914,815**	22,898,059	**33,914,815**	22,898,059
Credit card lines	**18,625,491**	14,320,597	**18,625,491**	14,320,597
IRS receivable	**90,289,612**	83,669,379	**90,289,612**	83,669,379
Outstanding guarantees issued	**2,971,605**	1,274,727	**1,539,908**	743,643
Inward bills for collection	**2,697,770**	1,229,608	**2,697,770**	1,229,608
Standby credit commitment	**3,550,516**	3,565,978	**3,550,516**	3,565,978
Spot exchange sold	**2,792,488**	1,653,448	**2,792,488**	1,653,448
Spot exchange bought	**3,407,837**	1,347,052	**3,407,837**	1,347,052
Deficiency claims receivable	**280,195**	281,780	**280,195**	281,780
Late deposits/payments received	**309,488**	46,125	**286,522**	37,805
Outward bills for collection	**21,378**	18,336	**19,337**	16,469
Others	**35,237**	105,768	**30,498**	105,664

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 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. In 2022, the Lending Business Segment was split into two separate segments, namely, Institutional Banking Segment and Consumer Banking Segment to integrate various business units for synergy and maximization of potential value in terms of market share, product line, customer base and operational efficiency. Corresponding segment information for all periods presented herein are restated to reflect such change.

The Group's business segments are as follows:

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

b. Consumer Banking – principally handles home loans, contract-to-sell receivables, loans to developers, auto loans and credit cards for individual and/or corporate customers;
c. Retail Banking Business – principally handles retail and commercial loans, individual and corporate deposits, overdrafts and funds transfer facilities, trade facilities and all other services for retail customers;

d. Financial Markets – principally provides money market, trading, and treasury services, manages the 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 remittance transactions; and
e. Others – handles other services including, but not limited to, trust and investment management services, wealth management services to high net-worth customers, asset management, insurance brokerage, credit management, thrift banking business, operations and financial control, and other support services.

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 of the Parent Company.

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, 2022, 2021 and 2020:

	Institutional Banking			Consumer Banking		
	2022	2021	2020	**2022**	2021	2020
Results of Operations						
Net interest income						
Third party	**₱25,742,307**	₱23,363,847	₱21,775,224	**₱5,075,687**	₱4,504,508	₱4,469,286
Intersegment	**(17,783,228)**	(14,492,769)	(14,511,577)	**(2,156,039)**	(1,958,541)	(2,856,734)
	7,959,079	8,871,078	7,263,647	**2,919,648**	2,545,967	1,612,552
Other operating income	**4,718,342**	704,887	449,785	**604,030**	118,648	414,146
Total revenue	**12,677,421**	9,575,965	7,713,432	**3,523,678**	2,664,615	2,026,698
Other operating expense	**(2,956,595)**	(1,943,869)	(1,940,970)	**(1,841,603)**	(1,602,155)	(1,554,952)
Income before provisions and taxes	**9,720,826**	7,632,096	5,772,462	**1,682,075**	1,062,460	471,746
Provision for impairment and credit losses	**(8,001,988)**	(6,365,299)	(5,897,453)	**496,119**	(533,561)	(1,067,789)
Income before income tax	**1,718,838**	1,266,797	(124,991)	**2,178,194**	528,899	(596,043)
Provision for income tax	**(173,284)**	(215,239)	(6,426)	**25,723**	214,281	278,818
Net income	**₱1,545,554**	₱1,051,558	(₱131,417)	**₱2,203,917**	₱743,180	(₱317,225)
Total assets	**₱487,101,912**	₱434,242,804	₱381,161,440	**₱74,317,662**	₱71,628,745	₱66,766,155
Total liabilities	**₱1,423,175**	₱740,158	₱6,785,920	**₱1,658,271**	₱1,258,197	₱1,391,343
Depreciation and amortization	**₱10,270**	₱9,576	₱12,807	**₱31,988**	₱28,738	₱94,718
Capital expenditures	**₱13,633**	₱9,485	₱4,622	**₱23,344**	₱13,541	₱14,523

	Retail Banking Business			Financial Markets		
	2022	2021	2020	**2022**	2021	2020
Results of Operations						
Net interest income						
Third party	**₱1,330,276**	₱2,246,145	(₱536,497)	**₱6,686,447**	₱3,511,779	₱4,200,939
Intersegment	**19,599,439**	16,743,174	18,378,910	**(92,666)**	(373,322)	(817,485)
	20,929,715	18,989,319	17,842,413	**6,593,781**	3,138,457	3,383,454
Other operating income	**3,350,278**	2,371,764	1,927,955	**(265,107)**	4,919,675	5,566,213
Total revenue	**24,279,993**	21,361,083	19,770,368	**6,328,674**	8,058,132	8,949,667
Other operating expense	**(12,296,179)**	(11,263,339)	(11,441,685)	**(2,679,584)**	(2,310,737)	(2,069,231)
Income before provisions and taxes	**11,983,814**	10,097,744	8,328,683	**3,649,090**	5,747,395	6,880,436
Provision for impairment and credit losses	**41,781**	(719,487)	(860,197)	**36,702**	(61,124)	(91,974)
Income before income tax	**12,025,595**	9,378,257	7,468,486	**3,685,792**	5,686,271	6,788,462
Provision for income tax	**(1,167,406)**	(1,545,878)	(230,093)	**(1,547,022)**	(727,990)	(1,504,703)
Net income	**₱10,858,189**	₱7,832,379	₱7,238,393	**₱2,138,770**	₱4,958,281	₱5,283,759
Total assets	**₱638,675,682**	₱628,223,856	₱587,770,303	**₱453,178,093**	₱313,935,966	₱291,325,133
Total liabilities	**₱650,550,449**	₱658,061,048	₱631,763,776	**₱516,851,926**	₱184,942,985	₱141,939,942
Depreciation and amortization	**₱1,248,459**	₱803,283	₱1,004,822	**₱26,443**	₱34,554	₱330,527
Capital expenditures	**₱161,139**	₱144,043	₱55,564	**₱17,512**	₱8,746	₱4,837

	Other Business and Support Units			Total		
	2022	2021	2020	**2022**	2021	2020
Results of Operations						
Net interest income						
Third party	**₱6,754,815**	₱5,458,689	₱4,482,271	**₱45,589,532**	₱39,084,968	₱34,391,223
Intersegment	**432,494**	81,458	(193,114)	**–**	–	–
	7,187,309	5,540,147	4,289,157	**45,589,532**	39,084,968	34,391,223
Other operating income	**1,655,349**	1,475,158	1,104,313	**10,062,892**	9,590,132	9,462,412
Total revenue	**8,842,658**	7,015,305	5,393,470	**55,652,424**	48,675,100	43,853,635
Other operating expense	**(4,580,368)**	(5,215,033)	(4,515,324)	**(24,354,329)**	(22,335,133)	(21,522,162)
Income before provisions and taxes	**4,262,290**	1,800,272	878,146	**31,298,095**	26,339,967	22,331,473
Provision for impairment and credit losses	**(1,585,247)**	(1,197,273)	(951,506)	**(9,012,633)**	(8,876,744)	(8,868,919)
Income before income tax	**2,677,043**	602,999	(73,360)	**22,285,462**	17,463,223	13,462,554
Provision for income tax	**(287,673)**	(82,174)	71,300	**(3,149,662)**	(2,357,000)	(1,391,104)
Net income	**₱2,389,370**	₱520,825	(₱2,060)	**₱19,135,800**	₱15,106,223	₱12,071,450
Total assets	**(₱323,543,883)**	(₱335,711,845)	(₱291,011,382)	**₱1,329,729,466**	₱1,112,319,526	₱1,036,011,649
Total liabilities	**₱24,667,035**	₱148,194,318	₱149,145,306	**₱1,195,150,856**	₱993,196,706	₱931,026,287
Depreciation and amortization	**₱419,984**	₱911,015	₱452,025	**₱1,737,144**	₱1,787,166	₱1,894,899
Capital expenditures	**₱413,126**	₱311,190	₱197,335	**₱628,754**	₱487,005	₱276,881

The Group's share in net income (loss) of an associate included in other operating income amounting to ₱285.06 million, (₱1.60 million), and ₱152.44 million in 2022, 2021 and 2020, 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:

	2022	2021	2020
a. Net income attributable to equity holders of the parent	**₱19,107,504**	₱15,088,332	₱12,062,637
b. Weighted average number of common shares outstanding – basic (Note 24)	**2,691,288**	2,687,696	2,685,900
c. Weighted average number of common shares outstanding – diluted (Note 24)	**–**	–	2,687,247
d. Basic (a/b) and diluted (a/c) earnings per share*	**₱7.10**	₱5.61	₱4.49

**In 2020, the Group's centennial stock grants are potential common shares that have dilutive effect to the EPS. However, the basic and diluted EPS in 2020 are the same after rounding-off.*

As of December 31, 2022 and 2021, 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:

	Consolidated		
	2022	2021	2020
Addition to investment properties from settlement of loans	**₱789,405**	₱752,756	₱294,326
Fair value gain on FVOCI financial assets	**(4,160,403)**	(50,087)	2,932,752
Cumulative translation adjustment	**10,473**	12,270	(5,165)
Addition to chattel mortgage from settlement of loans	**77,886**	596,009	32,568

	Parent Company		
	2022	2021	2020
Addition to investment properties from settlement of loans	**₱273,651**	₱81,136	₱117,660
Fair value gain (loss) in FVOCI financial assets	**(4,036,849)**	(16,220)	2,870,805
Cumulative translation adjustment	**(25,046)**	465	7,210
Addition to chattel mortgage from settlement of loans	–	15,830	2,006

The following table shows the reconciliation analysis of bonds payable, bills payable and lease liability under financing activities for both the Group and Parent Company for the years ended December 31, 2022 and 2021:

	Consolidated			
	2022			
	Bills Payable	**Bonds Payable**	**Lease Liability**	**Total**
Balance at beginning of year	**₱65,806,274**	**₱42,473,558**	**₱2,846,018**	**₱111,125,850**
Cash flows during the year				
Proceeds	**402,436,767**	**–**	**–**	**402,436,767**
Settlement/payment	**(403,994,487)**	**(15,000,000)**	**(648,997)**	**(419,643,484)**
Non-cash changes				
Additions	**–**	**–**	**591,491**	**591,491**
Accretion of interest	**–**	**126,063**	**181,789**	**307,852**
Foreign exchange movement	**6,126,713**	**713,249**	**–**	**6,839,962**
Balance at end of year	**₱70,375,267**	**₱28,312,870**	**₱2,970,301**	**₱101,658,438**

	Consolidated			
	2021			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱23,655,851	₱52,065,678	₱2,996,003	₱78,717,532
Cash flows during the year				
Proceeds	193,908,669	19,878,458	–	213,787,127
Settlement/payment	(152,843,847)	(30,000,000)	(792,745)	(183,636,592)
Non-cash changes				
Additions	–	–	447,449	447,449
Accretion of interest	–	83,022	195,311	278,333
Foreign exchange movement	1,085,601	446,400	–	1,532,001
Balance at end of year	₱65,806,274	₱42,473,558	₱2,846,018	₱111,125,850

	Parent Company			
	2022			
	Bills Payable	**Bonds Payable**	**Lease Liability**	**Total**
Balance at beginning of year	**₱65,806,274**	**₱42,473,558**	**₱2,187,898**	**₱110,467,730**
Cash flows during the year				
Proceeds	**402,436,767**	**–**	**–**	**402,436,767**
Settlement/payment	**(403,994,487)**	**(15,000,000)**	**(404,672)**	**(419,399,159)**
Non-cash changes				
Additions	**–**	**–**	**469,136**	**469,136**
Accretion of interest	**–**	**126,063**	**141,000**	**267,063**
Foreign exchange movement	**6,126,713**	**713,249**	**–**	**6,839,962**
Balance at end of year	**₱70,375,267**	**₱28,312,870**	**₱2,393,362**	**₱101,081,499**

	Parent Company			
	2021			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱23,655,851	₱52,065,678	₱2,392,891	₱78,114,420
Cash flows during the year				
Proceeds	193,908,669	19,878,458	–	213,787,127
Settlement/payment	(152,843,847)	(30,000,000)	(562,590)	(183,406,437)
Non-cash changes				
Additions	–	–	205,402	205,402
Accretion of interest	–	83,022	152,195	235,217
Foreign exchange movement	1,085,601	446,400	–	1,532,001
Balance at end of year	₱65,806,274	₱42,473,558	2,187,898	₱110,467,730

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, 2022						
				Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
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]	Financial instruments	Fair value of financial collateral	Net exposure [c–d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱12,828,404	₱–	₱12,828,404	₱12,828,404	₱12,828,404	₱–
Currency forwards	33,264,783	–	33,264,783	10,593,404	–	22,671,379
IRS	533,294	–	533,294	25,939	–	507,355
	₱46,626,481	₱–	₱46,626,481	₱23,447,747	₱12,828,404	₱23,178,734
Financial liabilities						
Bills payable	₱70,375,267	₱–	₱70,375,267	₱70,375,267	₱70,375,267	–
Currency forwards	11,697,274	–	11,697,274	10,593,404	–	1,103,870
IRS	521,398	–	521,398	25,939	–	495,459
	₱82,593,939	₱–	₱82,593,939	₱80,994,610	₱70,375,267	1,599,329

December 31, 2021						
				Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
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]	Financial instruments	Fair value of financial collateral	Net exposure [c–d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱15,800,317	₱–	₱15,800,317	₱15,800,317	₱15,800,317	₱–
Currency forwards	35,148,537	–	35,148,537	14,670,502	–	20,478,035
IRS	675,638	–	675,638	12,966	–	662,671
	₱51,624,492	₱–	₱51,624,492	₱30,483,785	₱15,800,317	₱21,140,706
Financial liabilities						
Bills payable	₱65,806,274	₱–	₱65,806,274	₱73,840,623	₱78,154,719	₱–
Currency forwards	15,597,807	–	15,597,807	14,670,502	–	927,306
IRS	706,111	–	706,111	12,966	–	693,145
	₱82,110,192	₱–	₱82,110,192	₱88,524,091	₱78,154,719	₱1,620,451

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, amid the COVID 19 outbreak, 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. 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, 2022 and 2021, 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 27, 2023.

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**		
	2022	2021	2020	**2022**	2021	2020
Return on average equity	**15.07%**	13.58%	12.09%	**15.07%**	13.58%	12.09%
Return on average assets	**1.56%**	1.45%	1.21%	**1.70%**	1.58%	1.32%
Net interest margin	**4.21%**	4.28%	3.98%	**3.93%**	4.02%	3.82%

Description of capital instruments issued

The Group and the Parent Company consider its common stock as capital instruments eligible as Tier 1 capital.

Significant credit exposures

	Consolidated			
	2022		2021	
	Amounts	%	Amounts	%
Real estate, renting and business services	₱185,743,662	25.88	₱172,217,058	27.59
Financial intermediaries	122,768,549	17.11	91,545,065	14.66
Electricity, gas and water	84,314,281	11.75	76,631,134	12.27
Manufacturing	58,232,646	8.11	34,264,150	5.49
Wholesale and retail trade	48,849,880	6.81	45,125,057	7.23
Transportation, storage and communication	44,443,178	6.19	58,116,995	9.31
Arts, entertainment and recreation	38,666,435	5.39	33,762,320	5.41
Mining and quarrying	13,340,903	1.86	10,967,237	1.76
Construction	10,178,863	1.42	10,387,329	1.66
Accommodation and food service activities	9,613,592	1.34	11,379,789	1.82
Agriculture	9,010,166	1.26	7,312,462	1.17
Education	3,894,828	0.54	4,446,512	0.71
Professional, scientific and technical activities	947,422	0.13	841,426	0.13
Public administration and defense	191,203	0.03	60,036	0.01
Others*	87,519,627	12.18	67,268,149	10.78
	₱717,715,235	100.00	₱624,324,719	100.00

*Others consist of industry/sector under administrative and support service, health, household and other activities which, individually, is not a significant credit exposure.

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	Parent Company			
	2022		2021	
	Amounts	%	Amounts	%
Real estate, renting and business services	₱158,474,935	25.25	₱149,067,673	26.77
Financial intermediaries	122,139,768	19.46	90,964,720	16.34
Electricity, gas and water	82,579,587	13.16	74,796,648	13.43
Manufacturing	56,478,328	9.00	32,469,098	5.83
Wholesale and retail trade	46,391,648	7.39	42,312,303	7.60
Transportation, storage and communication	43,018,144	6.85	56,097,019	10.07
Arts, entertainment and recreation	38,648,650	6.16	33,719,927	6.06
Mining and quarrying	13,340,695	2.13	10,966,519	1.97
Construction	9,131,937	1.46	9,545,693	1.71
Accommodation and food service activities	9,047,908	1.44	10,740,999	1.93
Agriculture	7,062,774	1.13	5,897,613	1.06
Education	3,503,357	0.56	4,023,325	0.72
Professional, scientific and technical activities	881,915	0.14	761,461	0.14
Public administration and defense	191,203	0.03	60,036	0.01
Others*	36,663,618	5.84	35,415,712	6.36
	₱627,554,467	100.00	₱556,838,746	100.00

*Others consist of industry/sector under administrative and support service, health, household and other activities which, individually, is not a significant credit exposure.

The BSP considers significant credit exposures when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio or 10.00% of Tier 1 capital (see Note 24).

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					
	2022			2021		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱543,990,429**	**₱11,288,208**	**₱555,278,637**	₱479,884,768	₱9,088,162	₱488,972,930
Consumer lending:						
Housing	**83,063,410**	**3,448,501**	**86,511,911**	80,518,808	3,948,376	84,467,184
Auto	**19,729,996**	**707,533**	**20,437,529**	17,922,533	1,280,521	19,203,054
Credit Card	**2,068,069**	**41,999**	**2,110,068**	1,294,196	79,525	1,373,721
Others	**33,491,096**	**867,497**	**34,358,593**	16,783,524	693,141	17,476,665
Trade-related lending	**17,522,315**	**202,754**	**17,725,069**	12,197,050	256,502	12,453,552
Others*	**109,960**	**5,546**	**115,506**	111,997	5,238	117,235
	₱699,975,275	**₱16,562,038**	**₱716,537,313**	₱608,712,876	₱15,351,465	₱624,064,341

	Parent Company					
	2022			2021		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱530,046,824**	**₱8,980,119**	**₱539,026,943**	₱466,015,296	₱6,609,892	₱472,625,188
Consumer lending:						
Housing	**60,633,934**	**3,026,183**	**63,660,117**	61,463,351	3,360,182	64,823,533
Auto	**4,823,796**	**328,563**	**5,152,359**	5,208,436	527,528	5,735,964
Credit Card	**2,068,069**	**41,999**	**2,110,068**	1,294,196	79,525	1,373,721
Others	**11,611**	**280**	**11,891**	3,066	–	3,066
Trade-related lending	**17,188,448**	**202,754**	**17,391,202**	11,852,404	227,455	12,079,859
Others*	**19,125**	**2**	**19,127**	19,961	330	20,291
	₱614,791,807	**₱12,579,900**	**₱627,371,707**	₱545,856,710	₱10,804,912	₱556,661,622

Loans per security

As of December 31, 2022 and 2021, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Secured	**₱11,477,782**	₱6,909,212	**₱9,210,369**	₱4,140,524
Unsecured	**5,084,256**	8,442,253	**3,369,531**	6,664,388
	₱16,562,038	₱15,351,465	**₱12,579,900**	₱10,804,912

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.

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			
	2022		2021		**2022**		2021	
	Amounts	**%**	Amounts	%	**Amounts**	**%**	Amounts	%
Loans secured by								
Real estate	**₱94,305,837**	**13.14**	₱85,021,052	13.62	**₱63,717,907**	**10.15**	₱58,622,700	10.53
Chattel mortgage	**21,083,673**	**2.94**	22,096,827	3.54	**4,708,259**	**0.75**	7,459,462	1.34
Guarantee by the Republic of the Philippines	**80,362**	**0.01**	3,315	0.00	**80,362**	**0.01**	3,315	0.00
Deposit hold out	**6,034,139**	**0.84**	2,506,588	0.40	**5,765,877**	**0.92**	2,214,506	0.40
Shares of stock of other banks	**8,332,250**	**1.16**	8,350,600	1.34	**8,332,250**	**1.33**	8,350,600	1.50
Others	**104,383,376**	**14.54**	82,803,122	13.26	**104,276,013**	**16.62**	82,680,304	14.85
	234,219,637	**32.63**	200,781,504	32.16	**186,880,668**	**29.78**	159,330,887	28.62
Unsecured loans	**483,495,598**	**67.37**	423,543,215	67.84	**440,673,799**	**70.22**	397,507,859	71.38
	₱717,715,235	**100.00**	₱624,324,719	100.00	**₱627,554,467**	**100.00**	₱556,838,746	100.00

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 ₱64.40 billion and ₱48.85 billion as of December 31, 2022 and 2021, 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 ₱14.63 billion and ₱23.59 billion as of December 31, 2022 and 2021, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱75.45 billion and ₱78.15 billion as of December 31, 2022 and 2021, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to nil and ₱3.25 billion as of December 31, 2022 and 2021, 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			
	2022		2021	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	**₱9,162,853**	**₱59,971,643**	₱8,734,613	₱55,963,128
Percent of DOSRI/Related Party loans to total loan portfolio	**1.28%**	**8.36%**	1.40%	8.96%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**2.88%**	**67.95%**	0.37%	75.56%
Percent past due DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	–	–	–	–
Percent of non-performing DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	–	–	–	–

	Parent Company			
	2022		2021	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Outstanding DOSRI loans	**₱9,156,873**	**₱59,256,132**	₱8,727,598	₱55,955,965
Percent of DOSRI/Related Party loans to total loan portfolio	**1.46%**	**9.44%**	1.57%	10.05%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**2.88%**	**68.77%**	0.37%	75.57%
Percent past due DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**–**	**–**	–	–
Percent of non-performing DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**–**	**–**	–	–

The amounts of loans disclosed for related parties above differ with the amounts disclosed for key management personnel since the composition of DOSRI is more expansive than that of key management personnel.

BSP Circular No. 560 provides that the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit of twenty–five (25.00%) of the net worth of the lending bank/quasi–bank to loans of banks/quasi–banks to their subsidiaries and affiliates engaged in energy and power generation.

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:

	Consolidated		Parent Company	
	2022	2021	**2022**	2021
Trust department accounts	**₱22,474,444**	₱223,398,641	**₱222,474,444**	₱223,398,641
Committed credit lines	**1,906,400**	12,765,975	**1,906,400**	12,765,975
Unused commercial letters of credit	**17,158,800**	12,971,604	**17,074,520**	12,877,643
Foreign exchange bought	**138,040,375**	35,113,101	**138,040,375**	35,113,101
Foreign exchange sold	**33,914,815**	22,898,059	**33,914,815**	22,898,059
Credit card lines	**18,625,491**	14,320,597	**18,625,491**	14,320,597
IRS receivable	**90,289,612**	83,669,379	**90,289,612**	83,669,379
Outstanding guarantees issued	**2,971,605**	1,274,727	**1,539,908**	743,643
Inward bills for collection	**2,697,770**	1,229,608	**2,697,770**	1,229,608
Standby credit commitment	**3,550,516**	3,565,978	**3,550,516**	3,565,978
Spot exchange sold	**2,792,488**	1,653,448	**2,792,488**	1,653,448
Spot exchange bought	**3,407,837**	1,347,052	**3,407,837**	1,347,052
Deficiency claims receivable	**280,195**	281,780	**280,195**	281,780
Late deposits/payments received	**309,488**	46,125	**286,522**	37,805
Outward bills for collection	**21,378**	18,336	**19,337**	16,469
Others	**35,237**	105,768	**30,498**	105,664

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 2022.

Gross receipts tax	₱2,036,848
Documentary stamps tax	1,225,965
Local taxes	95,180
Fringe benefit tax	15,301
Others	583,344
Total for the year	₱3,956,638

Withholding Taxes

Details of total remittances of withholding taxes in 2022 and amounts outstanding as of December 31, 2022 are as follows:

	Total remittances	Amounts outstanding
Final withholding taxes	₱1,558,442	₱337,993
Withholding taxes on compensation and benefits	774,381	69,876
Expanded withholding taxes	184,613	11,550
	₱2,517,436	₱419,419

Tax Assessment

As of December 31, 2022, the Parent Company has no pending tax assessment from the BIR.

Since 1920

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